As filed with the Securities and Exchange Commission on November 4, 2010

Registration No. 333-168792

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3 to
FORM S-1
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

GEVO, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**8731**	**87-0747704**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

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(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. □

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. □

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. □

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. □

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer □	Accelerated filer □
Non-accelerated filer (Do not check if a smaller reporting company) ☒	Smaller reporting company □

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, $0.01 par value	$150,000,000	$10,695

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. Includes the offering price of additional shares that the underwriters have the option to purchase.

(2) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information contained in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS Subject to Completion November 4, 2010

Shares

gevo™

Common Stock

This is the initial public offering of our common stock. No public market currently exists for our common stock. We are offering all of the shares of common stock offered by this prospectus. We expect the public offering price to be between $ and $ per share.

We have applied to list our common stock on The Nasdaq Global Market, under the symbol "GEVO."

Investing in our common stock involves a high degree of risk. Before buying any shares, you should carefully read the discussion of material risks of investing in our common stock in "Risk factors" beginning on page 15 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

The underwriters may also purchase up to an additional shares of our common stock at the public offering price, less the underwriting discounts and commissions payable by us, to cover over-allotments, if any, within 30 days from the date of this prospectus. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $ and our total proceeds, before expenses, will be $.

The underwriters are offering the common stock as set forth under "Underwriting." Delivery of the shares will be made on or about , 2010.

UBS Investment Bank **Goldman, Sachs & Co.**

Piper Jaffray

You should rely only on the information contained in this prospectus. We and the underwriters have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, or such other dates as are stated in this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

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Conventions that apply to this prospectus

Unless the context otherwise requires, in this prospectus:

- "the company," "we," "us" and "our" refer to Gevo, Inc. and its subsidiaries, as the context requires;
- "MGPY" refers to million gallons per year;
- "BGPY" refers to billion gallons per year;
- "SRI" refers to SRI Consulting, a division of Access Intelligence, LLC;
- "CMAI" refers to Chemical Market Associates, Inc.;
- "EIA" refers to the US Energy Information Association;
- "IEA" refers to the International Energy Agency;
- "RFA" refers to the Renewable Fuels Association;
- "Nexant" refers to Nexant, Inc.; and
- "CDTECH" refers to Catalytic Distillation Technologies.

Certain market data presented in this prospectus has been derived from data included in various biofuels industry publications, surveys and forecasts, including those generated by SRI, CMAI, the EIA, the IEA, the RFA and Nexant. Certain target market sizes presented in this prospectus have been calculated by us (as further described below) based on such data. We have assumed the correctness and truthfulness of such data, including projections and estimates, when we use them in this prospectus. You should read our cautionary statement in the section entitled "Forward-Looking Statements."

With respect to calculation of product market volumes:

- product market volumes are provided solely to show the magnitude of the potential markets for isobutanol and the products derived from it. They are not intended to be projections of our actual isobutanol production or sales;
- product market volume calculations are based on data available for the year 2007 (the most current data available from SRI); and
- volume data with respect to target market sizes is derived from data included in various industry publications, surveys and forecasts generated by SRI, CMAI, the EIA, the IEA and Nexant. We have converted these sizes into volumes of isobutanol as follows:
    - we calculate the size of the market for isobutanol as a gasoline blendstock and oxygenate by multiplying the world gasoline market volume by an estimated 12.5% by volume isobutanol blend ratio;
    - we calculate the size of the specialty chemicals markets by substituting volumes of isobutanol equivalent to the volume of products currently used to serve these markets;
    - we calculate the size of the petrochemicals and hydrocarbon fuels markets by calculating the amount of isobutanol that, if converted into the target products at theoretical yield, would be needed to fully serve these markets (in substitution for the volume of products currently used to serve these markets); and
    - for consistency in measurement, where necessary we convert all market sizes into gallons. Conversion into gallons for the fuels markets is based upon fuel densities identified by Air BP Ltd. and the American Petroleum Institute.

Prospectus summary

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including our financial statements and the related notes, appearing elsewhere in this prospectus. You should carefully consider, among other things, the matters discussed in "Risk Factors," before making an investment decision.

BUSINESS OVERVIEW

Our company

We are a renewable chemicals and advanced biofuels company. Our strategy is to commercialize biobased alternatives to petroleum-based products using a combination of synthetic biology and chemical technology. In order to implement this strategy, we are taking a building block approach. We intend to produce and sell isobutanol, a four carbon alcohol. Isobutanol can be sold directly for use as a specialty chemical or a value-added fuel blendstock. It can also be converted into butenes using simple dehydration chemistry deployed in the refining and petrochemicals industries today. Butenes are primary hydrocarbon feedstocks that can be employed to create substitutes for the fossil fuels used in the production of plastics, fibers, rubber, other polymers and hydrocarbon fuels. Customer interest in our isobutanol is primarily driven by its potential to serve as a building block to produce alternative sources of raw materials for their products at competitive prices. We believe products made from biobased isobutanol will be subject to less cost volatility than the petroleum-derived products in use today. We believe that the products derived from isobutanol have potential applications in approximately 40% of the global petrochemicals market, representing a potential market for isobutanol of approximately 67 BGPY, based upon volume data from SRI, CMAI and Nexant, and substantially all of the global hydrocarbon fuels market, representing a potential market for isobutanol of approximately 900 BGPY, based upon volume data from IEA. When combined with a potential specialty chemical market for isobutanol of approximately 1.1 BGPY, based upon volume data from SRI, and a potential fuel blendstock market for isobutanol of approximately 40 BGPY, based upon data from the IEA, the potential global market for isobutanol is approximately 1,008 BGPY.

We also believe that the raw materials produced from our isobutanol will be drop-in products, which means that customers will be able to replace petroleum-derived raw materials with isobutanol-derived raw materials without modification to their equipment or production processes. In addition, the final products produced from our isobutanol-based raw materials will be chemically identical to those produced from petroleum-based raw materials, except that they will contain carbon from renewable sources. We believe that at every step of the value chain, renewable products that are chemically identical to incumbent petrochemical products will have lower market adoption hurdles, as the infrastructure and applications for such products already exist.

In order to produce and sell isobutanol made from renewable sources, we have developed the Gevo Integrated Fermentation Technology®, or GIFT™, an integrated technology platform for the efficient production and separation of isobutanol. GIFT™ consists of two components, proprietary biocatalysts which convert sugars derived from multiple renewable feedstocks into isobutanol through fermentation, and a proprietary separation unit which is designed to continuously separate isobutanol from water during the fermentation process. We developed our technology platform to be compatible with the existing approximately 20 BGPY of global operating ethanol production capacity, as estimated by the RFA. GIFT™ is designed to allow relatively low capital expenditure retrofits of existing ethanol facilities, enabling a rapid and cost-efficient route to isobutanol production from the fermentation of renewable feedstocks. While we are a development stage company that has generated minimal revenue and has experienced net losses since inception, we believe that our cost-efficient production route will enable rapid deployment of our technology platform and allow our isobutanol and the products produced from it to be economically competitive with many of the petroleum-derived products used in the chemicals and fuels markets today.

We expect that the combination of our efficient proprietary technology, our marketing focus on providing substitutes for the raw materials of well-known and widely used products and our relatively low capital investment retrofit approach will mitigate many of the historical issues associated with the commercialization of renewable chemicals and fuels.

Our markets

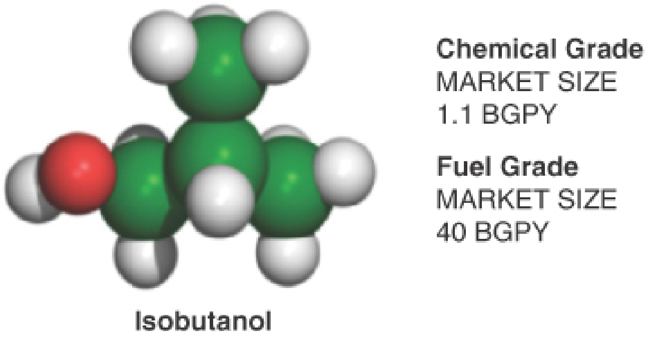
Relative to petroleum-based products, we expect that chemicals and fuels made from our isobutanol will provide our potential customers with the advantages of lower cost volatility and increased supply options for their raw materials. Our isobutanol, and the products produced from it will also offer our potential customers the additional benefit of being able to market their products as environmentally sensitive.

Our initial commercialization efforts are focused on the following markets:

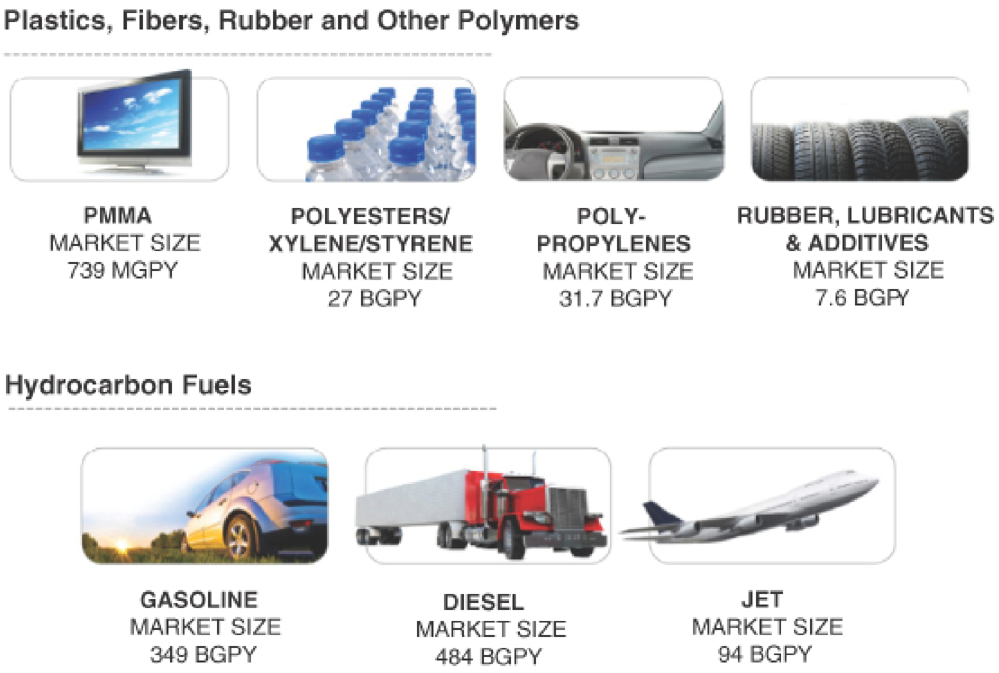
- **Isobutanol.** Without any modification, isobutanol has applications as a specialty chemical and a fuel blendstock. In the fuel blendstock market, isobutanol can be used to replace high value blendstocks such as alkylate and can be blended in conjunction with, or as a substitute for, ethanol and other widely-used fuel oxygenates. Our estimate of the global market for isobutanol as a gasoline oxygenate is approximately 40 BGPY, based upon data from the IEA. While isobutanol can be used as a replacement for ethanol, its product properties are significantly differentiated from ethanol. As a gasoline blendstock, isobutanol’s low vapor pressure, high energy content and low water solubility versus ethanol make it a valuable product that can be sold directly to refiners and is expected to be compatible with existing engine and industry infrastructure, including pipeline assets. Isobutanol can also be sold for immediate use as a solvent. This global market for butanol represents approximately 1.1 BGPY, based upon volume data from SRI. Combined, the total global market for isobutanol as a fuel blendstock and specialty chemical represents approximately 41.1 BGPY.
- **Plastics, Fibers, Rubber and Other Polymers.** Isobutanol can be converted by our potential customers into a wide variety of hydrocarbons, which form the basis for the production of many products, including: rubber, lubricants, additives, methyl methacrylate, polypropylenes, polyesters and polystyrene, representing an aggregate potential market for isobutanol of approximately 67 BGPY, based upon volume data from SRI, CMAI and Nexant.
- **Hydrocarbon Fuels.** The hydrocarbons that can be produced from isobutanol can be used to manufacture specialty gasoline blendstocks, jet and diesel fuel, as well as other hydrocarbon fuels. The hydrocarbon fuels that can be produced from isobutanol collectively represent a potential market for isobutanol of over 900 BGPY, based upon volume data from IEA.

Much of the technology necessary to convert isobutanol into plastics, fibers, rubber, other polymers and hydrocarbon fuels is known and practiced in the chemicals industry today. Our technology will allow us to access these large target markets by delivering isobutanol at a cost structure that allows for the adoption of renewable products into markets that were once the exclusive domain of petroleum-based chemicals and fuels.

The graphic below outlines the variety and the magnitude of the markets that we are targeting for the initial commercialization of our isobutanol:


Chemical Grade
MARKET SIZE
1.1 BGPY
Fuel Grade
MARKET SIZE
40 BGPY
Isobutanol

Our biobased isobutanol provides us with substantial opportunities in major markets currently dominated by petroleum-derived products.


Plastics, Fibers, Rubber and Other Polymers
PMMA
MARKET SIZE
739 MGPY
POLYESTERS/
XYLENE/STYRENE
MARKET SIZE
27 BGPY
POLY-
PROPYLENES
MARKET SIZE
31.7 BGPY
RUBBER, LUBRICANTS
& ADDITIVES
MARKET SIZE
7.6 BGPY
Hydrocarbon Fuels
GASOLINE
MARKET SIZE
349 BGPY
DIESEL
MARKET SIZE
484 BGPY
JET
MARKET SIZE
94 BGPY

The volume data set forth above have been provided solely to show the magnitude of the potential markets for isobutanol and its derivatives. They are not intended to be projections of our isobutanol production or sales. See “Conventions that apply to this prospectus” for the basis of our calculations of the volumes of isobutanol that could serve these markets.

Our commercialization plan

Our strategy of retrofitting existing ethanol production facilities to produce isobutanol allows us to project substantially lower capital outlays and a faster commercial deployment schedule than the construction of new plants. We believe that this retrofit approach will allow us to rapidly expand our isobutanol production capacity in response to customer demand. GIFT™ is designed to enable the economic production of isobutanol and other alcohols from multiple renewable feedstocks, including grains, sugar cane and cellulosic feedstocks. We expect that our feedstock flexibility will allow our technology to be deployed worldwide and will enable us to offer our customers protection from the raw material cost volatility historically associated with petroleum-based products. As a result, we believe our isobutanol not only offers a compelling value proposition to customers in the chemicals and fuels markets, but should also increase the operating margins of existing ethanol plants.

We plan to align our isobutanol production capacity with specific customer demand. Accordingly, we are developing a pipeline of future customers for our isobutanol and its derivative chemical products across multiple global chemicals and fuels markets. In anticipation of our targeted initial commercial production of isobutanol in the first half of 2012, we have entered into a number of letters of intent and we are negotiating the final terms of several definitive agreements with future customers and partners in the chemicals and fuels markets, including:

- **LANXESS Inc.**, a leading chemicals company;
- **TOTAL PETROCHEMICALS USA, INC.**, an affiliate of TOTAL S.A., a major oil and gas integrated company;
- **Toray Industries, Inc.**, a leader in the development of fibers, plastics and chemicals;
- **United Air Lines, Inc.**, a major commercial airline; and
- **CDTECH**, a leading hydrocarbon technology provider for the petrochemical and refining industry.

In addition, we are in discussions with major refiners that have indicated an interest in forming partnerships with us to manufacture renewable jet fuel using our isobutanol. We are also actively pursuing commercial relationships with petrochemical companies and large brand owners regarding the use of our isobutanol in the production of biobased plastics. We believe that these relationships will contribute to the development of chemical and fuel market applications of our isobutanol. However, there can be no assurance that we will be able to enter into definitive supply agreements with the potential customers discussed above, or attract customers based on our arrangements with the petrochemical companies and large brand owners discussed above.

We are currently in discussions with several ethanol plant owners that have expressed an interest in either selling their facilities to us or entering into joint ventures with us to retrofit their plants to produce isobutanol. Collectively, these ethanol plant owners represent over 1.8 BGPY of ethanol capacity. However, there can be no assurance that we will be able to acquire access to ethanol plants from these owners.

We are currently targeting initial commercial production of isobutanol to begin in the first half of 2012. In connection with meeting this target, in August 2010 we entered into an acquisition agreement with Agri-Energy, LLC, Agri-Energy Limited Partnership, CORN-er Stone Ethanol Management, Inc. and CORN-er Stone Farmers' Cooperative, referred to collectively as Agri-Energy. In September 2010, we closed the transactions contemplated by the acquisition agreement and acquired a 22 MGPY ethanol production facility in Luverne, Minnesota which we intend to retrofit for isobutanol production. We paid a purchase price of approximately $20.7 million in connection with these transactions. In addition, we acquired and paid for $4.9 million in estimated working capital. We paid the aggregate purchase price with available cash reserves and previously arranged financing.

Our production solution

We developed our technology platform to be compatible with the existing approximately 20 BGPY of global operating ethanol production capacity. GIFT™ is designed to allow relatively low capital expenditure retrofits of existing ethanol facilities, enabling a rapid and cost-efficient route to isobutanol production. GIFT™ isobutanol production is very similar to existing ethanol production, except that we replace the ethanol producing biocatalyst with our isobutanol producing biocatalyst and we incorporate well-known equipment into the production process to separate and collect the isobutanol. We have designed our production technology to minimize the disruption of ethanol production during the retrofit process, mitigating the costs associated with downtime as the plant is modified.

A commercial engineering study completed in May 2010 by ICM, Inc., or ICM, a leading engineering firm that has designed approximately 60% of the RFA-estimated 12 BGPY US operating ethanol production capacity, projected that each GIFT™ retrofit process would take approximately 14 months to complete. Following an estimated two-week period to transition to isobutanol production, we expect the corn ethanol facility will be able to produce isobutanol, as well as protein fermentation meal as an animal feed co-product, while operating in substantially the same manner as it did prior to the retrofit. Consistent with the practice typical in conventional corn ethanol production, we intend to market the high-protein, high-energy animal feed that will be produced as a co-product of our isobutanol fermentation process to offset a significant portion of our grain feedstock costs.

Through an exclusive alliance with ICM, we have successfully demonstrated the production of isobutanol via the retrofit of a 1 MGPY ethanol facility in St. Joseph, Missouri using our first-generation biocatalyst. We plan to secure access to existing ethanol production facilities through direct acquisitions and joint ventures. We will then work with ICM to deploy our technology platform through retrofit of these production facilities. The May 2010 commercial engineering study completed by ICM estimated the capital costs associated with the retrofit of a standard 50 MGPY ICM-designed corn ethanol plant to be approximately $22 to 24 million and the capital costs associated with the retrofit of a standard 100 MGPY ICM-designed corn ethanol plant to be approximately $40 to 45 million. These projected retrofit capital expenditures are substantially less than estimates for new plant construction for the production of advanced biofuels, including cellulosic ethanol.

In September 2010, we acquired a 22 MGPY ethanol production facility in Luverne, Minnesota. Based on ICM's initial evaluation of the Luverne facility, we project capital costs of approximately $17 million to retrofit this plant to produce 18 MGPY of isobutanol. We have begun the project engineering and permitting portion of the Luverne facility retrofit process and expect to begin commercial production of isobutanol at the Luverne facility in the first half of 2012. We then plan to expand our production capacity beyond this facility to produce and sell over 500 million gallons of isobutanol in 2014.

GIFT™: Our proprietary biocatalysts, fermentation and recovery process

Our biocatalysts are microorganisms that have been designed to metabolize sugars to produce isobutanol. Our technology team develops these proprietary biocatalysts to efficiently convert fermentable sugars of all types by engineering isobutanol pathways into the biocatalysts, and then minimizing the production of unwanted by-products to improve isobutanol yield and purity, thereby reducing operating costs. Using our first-generation biocatalyst, based on a bacterial platform, we have demonstrated that we can produce isobutanol at key commercial parameters, validating our biotechnology pathways and efficiencies. We are now nearing completion of the development of our second-generation biocatalyst, which uses a yeast platform. This biocatalyst can produce isobutanol from any fuel ethanol feedstock currently in commercial use, including grains (e.g., corn, wheat, sorghum and barley) and sugar cane.

In addition, through an exclusive license and a services arrangement with Cargill, Incorporated, or Cargill, we are working to develop a future-generation yeast biocatalyst specifically designed to efficiently produce isobutanol from the sugars derived from cellulosic feedstocks, including crops that are specifically cultivated to be converted into fuels (e.g., switchgrass), forest residues (e.g., waste wood, pulp and sustainable wood), agricultural residues (e.g., corn stalks, leaves, straw and grasses) and municipal green waste (e.g., grass clippings and yard waste). Our yeast biocatalysts are built upon robust industrial varieties of yeast that are widely used in large-scale fermentation processes, such as ethanol and lactic acid production. We have carefully selected our yeast biocatalyst platforms for their tolerance to isobutanol and other conditions present during an industrial fermentation process, as well as their known utility in large-scale commercial production processes. As a result, we believe our second- and future-generation biocatalysts will be well-suited to produce isobutanol in commercial industrial settings and expect them to equal or exceed the performance of the yeast used in prevailing grain ethanol production processes.

Our proprietary integrated fermentation and recovery process provides enhanced fermentation performance as well as low cost, energy-efficient recovery of isobutanol and other alcohols. GIFT™ permits the continuous removal of isobutanol as it is formed, allowing our biocatalysts to continue processing sugar into isobutanol at a high rate without being suppressed by rising levels of isobutanol in the fermentor, thereby reducing the time to complete the fermentation. Using our biocatalysts, we have demonstrated that GIFT™ enables isobutanol fermentation times equal to, or less than, that achieved in the current conventional production of ethanol. Meeting the conventional ethanol fermentation time is important because it allows us to lower capital expenditures by leveraging the existing ethanol infrastructure. Finally, isobutanol's unique characteristics in conjunction with the GIFT™ system reduce energy consumption during distillation.

Our competitive strengths

- **Renewable platform molecule to serve multiple large drop-in markets**. We believe that the butenes produced from our isobutanol will serve as renewable alternatives for the production of plastics, fibers, rubber and other polymers which comprise approximately 40% of the global petrochemicals market, and will have potential applications in substantially all of the global hydrocarbon fuels market, enabling our customers to reduce raw material cost volatility, diversify suppliers and improve feedstock security. We believe that we will face reduced market adoption barriers because products derived from our isobutanol are chemically identical to petroleum-derived products, except that they will contain carbon from renewable sources.
- **Proprietary, low cost technology with global applications**. We believe that GIFT™ is currently the only known biological process to produce isobutanol cost-effectively from renewable carbohydrate sources, which will enable the economic production of hydrocarbon derivatives of isobutanol. Our proprietary separation unit is designed to achieve superior energy efficiency in comparison to other known separation processes for isobutanol and, as a result, reduces energy consumption costs—the second largest operating cost component of isobutanol production. Additionally, GIFT™ is designed to enable the economic production of isobutanol and other alcohols from multiple renewable feedstocks, which will allow our technology to be deployed worldwide.

- **Capital-light commercial deployment strategy optimized for existing infrastructure**. We have designed GIFT™ to enable capital-light retrofits of existing ethanol facilities, which allows us to leverage the existing approximately 20 BGPY of global operating ethanol production capacity. This approach allows us to project substantially lower capital outlays and a faster commercial deployment schedule than the construction of new plants. Notably, our calculations based on expected costs of retrofit, operating costs, volume of isobutanol production and price of isobutanol suggest that GIFT™ retrofits will result in an approximate two-year payback period on the capital invested in the retrofit.
- **GIFT™ demonstrated at commercially relevant scale**. We have completed the retrofit of a 1 MGPY ethanol facility and successfully produced isobutanol at this facility using our first-generation biocatalyst, achieving our commercial targets for concentration, yield and productivity. These operations also demonstrated the effectiveness of our proprietary technology, confirming the fermentation performance of our biocatalyst technology and our ability to effectively separate isobutanol from water as it is produced. Also, we believe that our acquisition of a 22 MGPY ethanol production facility demonstrates the readiness of our technology for commercial deployment and supports our plan to commence initial commercial-scale isobutanol production in the first half of 2012.
- **Strategic relationships with chemicals, fuels and engineering industry leaders**. We have entered into strategic relationships with global industry leaders to accelerate the execution of our commercial deployment strategy both in the US and internationally. A number of our strategic partners are also direct or indirect investors in our company.
- **Experienced team with a proven track record**. Our management team offers an exceptional combination of scientific, operational and managerial expertise. Our CEO, Dr. Patrick Gruber, has spent over 20 years developing and successfully commercializing industrial biotechnology products, and our top five executive officers named in this prospectus average 19 years of relevant experience. Across the company, our employees have 450 combined years of biotechnology, synthetic biology and biobased product experience. Our employees have generated over 300 patent and patent application authorships over the course of their careers, and have played key roles in the commercialization of several successful, large-scale industrial biotechnology projects.

Our strategy

Our strategy is to commercialize our isobutanol for use directly as a specialty chemical and low vapor pressure fuel blendstock and for conversion into plastics, fibers, rubber, other polymers and hydrocarbon fuels. Key elements of our strategy include:

- **Deploy first commercial production facility**. In September 2010, we acquired a 22 MGPY ethanol production facility in Luverne, Minnesota. We have begun the project engineering and permitting portion of the Luverne facility retrofit process and expect to commence commercial production of approximately 18 MGPY of isobutanol at the Luverne facility in the first half of 2012.
- **Enter into supply agreements with customers to support capacity growth**. We intend to transition the letters of intent that we have already received into firm supply agreements, and then add to our customer pipeline by entering into isobutanol supply agreements for further capacity with additional customers in the refining, specialty chemicals and transportation sectors both in the US and internationally.
- **Expand our production capacity via retrofit of additional existing ethanol facilities**. As we secure supply agreements with customers, we plan to acquire or gain access to additional and larger scale ethanol facilities via acquisitions or joint ventures. We believe that our exclusive alliance with ICM will enhance our ability to rapidly deploy our technology on a commercial scale at these facilities. We plan to acquire access to additional production capacity to enable us to produce and sell over 500 million gallons of isobutanol in 2014.

- **Expand adoption of our isobutanol across multiple applications and markets**. We intend to drive adoption of our isobutanol in multiple US and international chemicals and fuels end-markets by offering a renewable product with superior properties at a competitive price. In addition, we intend to leverage existing and potential strategic partnerships with hydrocarbon companies to accelerate the use of isobutanol as a building block for drop-in hydrocarbons. This strategy will be implemented through direct supply agreements with leading chemicals and fuels companies, as well as through alliances with key technology providers.
- **Align the value chain for our isobutanol by collaborating with large brand owners**. We are developing relationships with large brand owners to purchase products made from our isobutanol by third-party chemicals and fuels companies. For example, we recently entered into a letter of intent with United Air Lines, Inc. to purchase significant quantities of renewable jet fuel made from our isobutanol. We intend to use these relationships to obtain contracts to sell our isobutanol directly into the manufacturing chain that will use our isobutanol as a building block in the production of renewable jet fuel.
- **Incorporate additional feedstocks into our isobutanol production facilities**. Our second-generation biocatalyst can produce isobutanol from any fuel ethanol feedstock currently in commercial use, including grains (e.g., corn, wheat, sorghum and barley) and sugar cane. We are developing a future-generation biocatalyst under contract with Cargill. We believe that this future-generation biocatalyst will enable us to efficiently integrate mixed sugars from cellulosic feedstocks into our production facilities when the technology to separate and break down cellulosic biomass into separate simple sugar molecules becomes commercially available. While our initial focus is to access corn ethanol facilities in the US, the ability of our biocatalyst to produce isobutanol from multiple feedstocks will support our future efforts to expand production of isobutanol into international markets that use sugar cane or other grain feedstocks, either directly or through partnerships.

Summary risk factors

Our business is subject to numerous risks and uncertainties that you should understand before making an investment decision. These risks are discussed more fully in the section entitled “Risk Factors” beginning on page 15 of this prospectus. These include:

- we are a development stage company and have not generated any revenues from the sale of isobutanol, and our business may fail if we are not able to successfully commercialize isobutanol and the products derived from it;
- we have incurred losses to date, anticipate continuing to incur losses in the future and may never achieve or sustain profitability;
- we have no experience producing isobutanol at the commercial scale needed for the development of our business, and we will not succeed if we cannot produce commercial quantities of isobutanol in a timely and economic manner;
- our strategy involves accessing and retrofitting existing ethanol production facilities to produce isobutanol and we may not be able to meet the volume demands of our potential customers if we are unable to successfully identify and acquire access to facilities suitable for efficient retrofitting;
- we have no experience retrofitting ethanol production facilities to produce isobutanol or operating commercial isobutanol facilities, and any unexpected delays, operational difficulties, cost-overruns or failures in the retrofit process could slow our commercial production of isobutanol and harm our performance;
- no market currently exists for isobutanol as a fuel, a fuel blendstock or a building block for the production of hydrocarbons, and our business may fail if we are unable to successfully market our isobutanol to potential customers, including refiners and chemical producers;

- we intend to market our isobutanol as a building block in the production of biofuels and biobased alternatives to petroleum-based products, and if the price of oil falls our customers may be unable to produce biobased products that are commercially viable alternatives to petroleum-based products;
- we may not be able to obtain regulatory approval for the use of our isobutanol in the fuels and chemicals markets;
- we have agreed to preliminary terms for a number of supply agreements with future customers, however, none of these agreements are binding and our performance may suffer if we fail to successfully transition these preliminary commitments into definitive supply agreements or to negotiate sufficient long-term supply agreements for our production of isobutanol;
- we believe that our isobutanol is fully compatible with existing refinery and transportation infrastructure but if our isobutanol proves unsuitable for use in the existing infrastructure, the market adoption of our isobutanol may be adversely affected;
- fluctuations in the price of corn and other feedstocks may affect our cost structure; and
- concerns about genetically engineered products and processes, and similar concerns about feedstocks grown on land that could be used for food production, could limit our revenues.

Industry overview

Petroleum is a fundamental source of chemicals and fuels, with annual global demand in 2008 estimated at $3.0 trillion, based on data from the IEA and EIA. Today’s organic chemicals and fuels are predominantly derived from petroleum, as it historically has been convenient and inexpensive. However, recent fundamental trends including increasing petroleum demand (especially from emerging markets), limited new supply, price volatility and the changing regulatory framework in the US and internationally with regard to the environmental impact of fossil fuels, has increased the need for economical, renewable and environmentally sensitive alternatives to petroleum at stable prices.

These market developments, combined with advances in synthetic biology and metabolic pathway engineering, have encouraged the convergence between the industrial biotechnology and energy sectors. These new technologies enable the production of flexible platform chemicals, such as isobutanol, from renewable sources instead of fossil fuels, at economically attractive costs. We believe that isobutanol and the products derived from it will have potential applications in approximately 40% of the global petrochemicals market and substantially all of the global fuels market, and that our isobutanol fulfills an immediate need for alternatives to petroleum.

Corporate information

We were incorporated in Delaware in June 2005 under the name Methanotech, Inc. and filed an amendment to our certificate of incorporation changing our name to Gevo, Inc. on March 29, 2006. Our principal executive offices are located at 345 Inverness Drive South, Building C, Suite 310, Englewood, CO 80112, and our telephone number is (303) 858-8358. Our website address is www.gevo.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus.

Our logos, “Gevo™,” “GIFT™” and “Gevo Integrated Fermentation Technology®” and other trademarks or service marks of Gevo, Inc. appearing in this prospectus are the property of Gevo, Inc. This prospectus contains additional trade names, trademarks and service marks of other companies. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply relationships with, or endorsement or sponsorship of us by, these other companies.

The offering

Common stock offered by Gevo	shares (or shares if the underwriters exercise their option to purchase additional shares in full).
Common stock to be outstanding after this offering.	shares (or shares if the underwriters exercise their option to purchase additional shares in full).
Proposed Nasdaq Global Market symbol	“GEVO”
Use of proceeds	We currently intend to use all or a portion of the net proceeds of this offering, together with existing cash and cash equivalents, to acquire access to ethanol facilities through direct acquisition and joint ventures, and retrofit those facilities to produce isobutanol. We completed our acquisition of Agri-Energy in September 2010, and we do not have agreements or commitments for any other specific acquisitions at this time. We may also use a portion of the net proceeds of this offering to fund working capital and other general corporate purposes, including paying off certain of our long-term debt obligations and the costs associated with being a public company. Please see “Use of Proceeds.”
Risk factors	See “Risk Factors” starting on page 15 of this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.

The number of shares of common stock to be outstanding after this offering is based on 15,774,259 shares outstanding as of September 30, 2010 and excludes:

- 2,894,265 shares of common stock issuable upon the exercise of options outstanding as of September 30, 2010 at a weighted average exercise price of $2.83 per share;
- 858,000 shares of common stock issuable upon the exercise of outstanding common stock warrants as of September 30, 2010 at an exercise price of $2.70 per share;
- 303,173 shares of common stock issuable upon the exercise of outstanding preferred stock warrants as of September 30, 2010 at a weighted average exercise price of $9.46 per share, based on the one-to-one conversion rate in effect as of September 30, 2010 (see Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering); and
- shares of common stock reserved for issuance under our 2010 stock incentive plan, which will become effective in connection with the consummation of this offering.

Except as otherwise indicated, all information in this prospectus assumes:

- the conversion of all of our outstanding shares of preferred stock into 14,613,602 shares of common stock in connection with the consummation of this offering, based on the one-to-one conversion rate in effect as of September 30, 2010 (see Note 10 to our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering), and the related conversion of all outstanding preferred stock warrants into common stock warrants;
- no exercise of the underwriters' option to purchase additional shares; and
- the filing of our amended and restated certificate of incorporation, which will occur in connection with the consummation of this offering.

Summary historical and pro forma as adjusted financial data

The following table sets forth a summary of our historical consolidated financial data for the periods ended or as of the dates indicated. We have derived the consolidated statements of operations data for the years ended December 31, 2007, 2008 and 2009 from our audited consolidated financial statements appearing elsewhere in this prospectus. We have derived the consolidated statements of operations data for the nine months ended September 30, 2009 and 2010 and the consolidated balance sheet data as of September 30, 2010 from our unaudited interim consolidated financial statements appearing elsewhere in this prospectus. You should read this table together with our consolidated financial statements and the accompanying notes, "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus. The unaudited interim consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly our financial position as of September 30, 2010 and results of operations for the nine months ended September 30, 2009 and 2010. The summary historical consolidated financial data in this section is not intended to replace our consolidated financial statements and the accompanying notes. Our historical results are not necessarily indicative of our future results.

The following table also sets forth summary unaudited pro forma, as adjusted financial data, which gives effect to the Agri-Energy acquisition and related transactions and this offering. This pro forma, as adjusted financial data is presented for informational purposes only and does not purport to represent what our consolidated results of operations or financial position actually would have been had the transactions reflected occurred on the dates indicated or to project our financial condition as of any future date or results of operations for any future period. This pro forma, as adjusted financial data should be read together with Agri-Energy's financial statements and accompanying notes appearing elsewhere in this prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Agri-Energy is engaged in the business of producing and selling ethanol and related products through an ethanol plant located in Luverne, Minnesota. We acquired Agri-Energy with the intention of retrofitting the ethanol plant to produce isobutanol. We intend to record revenue from the sale of the ethanol, distiller's dried grains and other related products produced as part of the ethanol production process during the period of the retrofit of the Agri-Energy facility to isobutanol production. Continued ethanol production during the retrofit will allow us to retain local staff for the future operation of the plant, maintain the equipment and generate cash flow. As the production of ethanol is not our intended business, we intend to continue reporting our operating results as a development stage company during the retrofit process and only intend to report revenue from the sale of ethanol on an interim basis until we begin to generate revenue from sales of isobutanol. Accordingly, the historical operating results of Agri-Energy and the operating results reported during the retrofit to isobutanol production will not be indicative of future operating results for Agri-Energy once isobutanol production commences.

Our Series A-1, Series A-2, Series A-3, Series A-4, Series B, Series C, Series D and Series D-1 preferred stock are collectively referred to as "convertible preferred stock" for financial reporting purposes and in the financial tables included in this prospectus, as more fully explained in Note 10 to our consolidated financial statements. In other parts of this prospectus, we refer to our Series A-1, Series A-2, Series A-3, Series A-4, Series B, Series C, Series D and Series D-1 preferred stock collectively as "preferred stock." For purposes of the disclosure contained in this section, "the company," "we," "us" and "our" refer to Gevo, Inc. and Gevo Development, as the context requires, and include Agri-Energy following the completion of our acquisition on September 22, 2010.

Consolidated statements of operations data:	Year ended December 31,			Nine months ended September 30,		Pro forma, as adjusted(6)	
						Year ended December 31,	Nine months ended September 30,
	2007	2008	2009	2009	2010(5)	2009	2010
Revenues:							
Grant revenue	$ 275,000	$ 208,000	$ 660,000	$ 551,000	$ 1,175,000		
Licensing revenue	—	—	—	—	138,000		
Ethanol sales and related products	—	—	—	—	975,000		
Total revenues	275,000	208,000	660,000	551,000	2,288,000		
Cost of goods sold	—	—	—	—	(856,000)		
Gross margin	275,000	208,000	660,000	551,000	1,432,000		
Operating expenses:							
Research and development	(3,699,000)	(7,376,000)	(10,508,000)	(6,730,000)	(11,432,000)		
Selling, general and administrative	(2,601,000)	(6,065,000)	(8,699,000)	(5,685,000)	(19,114,000)		
Lease termination costs	(894,000)	—	—	—	—		
Loss on abandonment or disposal of assets	(243,000)	(78,000)	(22,000)	(10,000)	—		
Total operating expenses	(7,437,000)	(13,519,000)	(19,229,000)	(12,425,000)	(30,546,000)		
Loss from operations	(7,162,000)	(13,311,000)	(18,569,000)	(11,874,000)	(29,114,000)		
Other (expense) income:							
Interest expense	(140,000)	(1,385,000)	(1,103,000)	(798,000)	(1,448,000)		
Interest and other income	76,000	154,000	277,000	247,000	96,000		
Loss from change in fair value of warrant liabilities(1)	—	—	(490,000)	(400,000)	(3,302,000)		
Other expense—net	(64,000)	(1,231,000)	(1,316,000)	(951,000)	(4,654,000)		
Net loss	(7,226,000)	(14,542,000)	(19,885,000)	(12,825,000)	(33,768,000)		
Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock	—	—	—	—	(1,789,000)		
Net loss attributable to Gevo, Inc. common stockholders	$(7,226,000)	$(14,542,000)	$(19,885,000)	$(12,825,000)	$(35,557,000)		
Net loss per share of common stock attributable to Gevo, Inc. stockholders, basic and diluted	$ (7.40)	$ (13.83)	$ (18.07)	$ (11.70)	$ (31.12)		
Weighted average number of common shares used in computing net loss per share of common stock, basic and diluted	976,909	1,051,848	1,100,294	1,096,095	1,142,498		
Net loss used in computing pro forma net loss per share of common stock, basic and diluted (unaudited)(2)(3)			$(19,395,000)		$(30,466,000)		
Pro forma net loss per share of common stock, basic and diluted (unaudited)(4)			$ (1.62)		$ (2.04)		
Weighted average number of common shares used in computing pro forma net loss per share of common stock, basic and diluted (unaudited)(4)			11,966,689		14,944,313		

(1) On January 1, 2009, we changed the manner in which we account for warrants that are exercisable into preferred stock, as described in Note 18 to our consolidated financial statements.

(2) Net loss used in computing pro forma basic and diluted net loss per share of common stock has been adjusted to add back losses resulting from remeasurement of the convertible preferred stock warrant liability as these measurements would no longer be required when the convertible preferred stock warrants become warrants to purchase shares of the company's common stock.

(3) Net loss used in computing pro forma basic and diluted net loss per share of common stock has been adjusted to remove the deemed dividend associated with the amortization of the beneficial conversion feature on our Series D-1 preferred stock. See Note 10 to our consolidated financial statements.

(4) Pro forma basic and diluted net loss per share of common stock and weighted average number of common shares used in computing pro forma basic and diluted net loss per share of common stock for the year ended December 31, 2009 and the nine months ended September 30, 2010 give effect to the conversion of all of our outstanding convertible preferred stock upon completion of this offering, based on the one-to-one conversion rate in effect as of September 30, 2010 for all periods presented, and, for the pro forma, as adjusted presentation, give effect to this conversion and the sale of shares in this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. See Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering.

(5) Since Agri-Energy was acquired on September 22, 2010, our consolidated results of operations for the nine months ended September 30, 2010 include the results of operations of Agri-Energy from September 23, 2010 to the period end date.

(6) The pro forma, as adjusted statement of operations data reflects the combined results of operations of the company and Agri-Energy for the year ended December 31, 2009 and the nine months ended September 30, 2010 as if the consummation of the Agri-Energy acquisition had occurred on January 1, 2009 and also gives effect to (i) the sale of shares in this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable or paid by us, and (ii) the conversion of all of our outstanding convertible preferred stock into common stock (and the related reversal of the deemed dividend associated with the beneficial conversion feature of our Series D-1 preferred stock) and the conversion of all of our preferred stock warrants into common stock warrants (and the reversal of losses resulting from remeasurement of the convertible preferred stock warrant liability as these measurements would no longer be required), in each case, upon completion of this offering based on the one-to-one conversion rate in effect as of September 30, 2010 for all periods presented. See Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering.

	As of September 30, 2010(1)		
Consolidated balance sheet data:	**Actual**	**Pro forma(2)**	**Pro forma as adjusted(3)(4)**
Cash and cash equivalents	$22,516,000	$22,516,000	
Working capital	17,461,00	17,461,000	
Total assets	57,850,000	57,850,000	
Convertible preferred stock warrant liability	3,003,000	—	
Current and long-term secured debt, net of debt discounts	20,320,000	20,320,000	
Convertible preferred stock	146,000	—	
Gevo, Inc. stockholders' equity	25,042,000	28,045,000	

(1) Since Agri-Energy was acquired on September 22, 2010, our balance sheet as of September 30, 2010 includes Agri-Energy.

(2) The pro forma consolidated balance sheet data gives effect to (i) the conversion of all of our outstanding convertible preferred stock in connection with the completion of this offering, based on the one-to-one conversion rate in effect as of September 30, 2010 for all periods presented (see Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering), and (ii) conversion of all of our warrants for convertible preferred stock into warrants for common stock and the related reclassification of convertible preferred stock warrant liability to stockholders' equity upon the completion of this offering.

(3) The pro forma, as adjusted consolidated balance sheet data gives effect to the items described in footnote (2) above as well as the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(4) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, our pro forma, as adjusted cash and cash equivalents, working capital, total assets and stockholders' equity by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Risk factors

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors, as well as the other information in this prospectus, before deciding whether to invest in shares of our common stock. The occurrence of any of the events described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the trading price of our common stock may decline and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS AND STRATEGY

We are a development stage company with a history of net losses, and we may not achieve or maintain profitability.

We have incurred net losses since our inception, including losses of $7.2 million, $14.5 million and $19.9 million in 2007, 2008 and 2009, respectively, and $33.8 million for the nine months ended September 30, 2010. As of September 30, 2010, we had an accumulated deficit of $78.0 million. We expect to incur losses and negative cash flow from operating activities for the foreseeable future. We are a development stage company and, to date, our revenues have been extremely limited and we have not generated any revenues from the sale of isobutanol. Historically, our revenues have been primarily derived from government grants and cooperative agreements. Since the completion of the Agri-Energy acquisition we have generated revenue from the sale of ethanol and related products, and we expect to continue to generate revenue from the sale of all such products that are produced prior to the completion of our retrofit. If our existing grants and cooperative agreements are canceled prior to the expected end dates or we are unable to obtain new grants and cooperative agreements, our revenues could be adversely affected. Furthermore, we expect to spend significant amounts on further development of our technology, acquiring or otherwise gaining access to ethanol plants and retrofitting them for isobutanol production, marketing and general and administrative expenses associated with our planned growth and management of operations as a public company. As a result, even if our revenues increase substantially, we expect that our expenses will exceed revenues for the foreseeable future. We do not expect to achieve profitability during this period, and may never achieve it. If we fail to achieve profitability, or if the time required to achieve profitability is longer than we anticipate, we may not be able to continue our business. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis.

If we are unable to fund our planned retrofit of the ethanol production facility in Luverne, Minnesota, our first commercial production of isobutanol could be delayed.

In September 2010, we acquired ownership of an ethanol production facility in Luverne, Minnesota, which we intend to retrofit to produce isobutanol. We expect to pay much of the retrofit costs with our own funds, but may require additional funding to complete the retrofit. While we anticipate that additional funding for the retrofit may be available from TriplePoint Capital, LLC, or TriplePoint, cost overruns or other unexpected difficulties could cause the retrofit to cost more than we anticipate, which could increase our need for such funding. Such funds may not be available when we need them, on terms that are acceptable to us or at all, which could delay or prevent our initial commercial production of isobutanol.

There is no guarantee we will be able to maintain Agri-Energy's current revenues and profits, and Agri-Energy's financial statements will not be a strong indicator of our future earnings potential.

Because we consummated the Agri-Energy acquisition in September 2010, we have included certain financial statements of Agri-Energy in this prospectus. While we remain a development stage company, Agri-Energy operates a commercial ethanol facility in Luverne, Minnesota, which generates revenues from sales of ethanol and reported net income of approximately $2.0 million for the year ended December 31, 2009. There is no guarantee that we will be able to maintain Agri-Energy's levels of revenue or profit. We plan to retrofit the Luverne facility to produce isobutanol, and our future profitability depends on our ability to produce and market isobutanol, not on continued production and sales of ethanol. Because the risks involved in our isobutanol production are different from those involved with operating an ethanol production facility, Agri-Energy's financial statements will not be a reliable indicator of our future earnings potential. Furthermore, our planned retrofit will require a significant amount of time. While we believe the facility will be able to continue ethanol production during most of the modification and retrofit process, there is no guarantee that this will be the case and we may need to significantly reduce or halt ethanol production during the modification and/or retrofit. In addition, the retrofit of the Luverne facility will be subject to the risks inherent in the build-out of any manufacturing facility, and we may not be able to produce isobutanol at the volumes, rates and costs we expect following the retrofit. While we believe we will have the ability to reverse the retrofit and switch between ethanol and isobutanol production, the Luverne facility may fail to perform as expected following completion of the retrofit. If we are unable to continue ethanol production during the modification and/or retrofit process or if we are unable to produce isobutanol at the volumes, rates and costs we expect and are unable to switch back to ethanol production, we would be unable to match the facility's current economic performance and our business, financial condition and results of operations would be materially adversely affected.

We may not be successful in the development of individual steps in, or an integrated process for, the production of commercial quantities of isobutanol from plant feedstocks in a timely or economic manner, or at all.

As of the date of this prospectus, we have not produced commercial quantities of isobutanol and we may not be successful in doing so. The production of isobutanol requires multiple integrated steps, including:

- obtaining the plant feedstocks;
- treatment with enzymes to produce fermentable sugars;
- fermentation by organisms to produce isobutanol from the fermentable sugars;
- distillation of the isobutanol to concentrate and separate it from other materials;
- purification of the isobutanol; and
- storage and distribution of the isobutanol.

Our future success depends on our ability to produce commercial quantities of isobutanol in a timely and economic manner. Our biocatalysts have not yet produced commercial volumes of isobutanol. Our largest-scale isobutanol production to date was achieved with our first-generation biocatalyst at ICM's 1 MGPY demonstration facility in St. Joseph, Missouri, and we have produced only small amounts of isobutanol at our mini-plant in Englewood, Colorado with our second-generation biocatalyst. We have focused the majority of our research and development efforts on producing isobutanol from dextrose, and challenges remain in achieving substantial production volumes with other sugars, like corn mash.

The risk of contamination and other problems rise as we increase the scale of our isobutanol production. If we are unable to successfully manage these risks, we may encounter difficulties in achieving our target isobutanol production yield, rate, concentration or purity at a commercial scale, which could delay or increase the costs involved in commercializing our isobutanol production. In addition, we have never sourced large quantities of feedstocks and we have no experience storing and/or distributing significant volumes of isobutanol. The technological and logistical challenges associated with each of the processes involved in production, sale and distribution of isobutanol are extraordinary, and we may not be able to resolve any difficulties that arise in a timely or cost effective manner, or at all. Even if we are successful in developing an economical process for converting plant feedstocks into commercial quantities of isobutanol, we may not be able to adapt such process to other biomass raw materials, including cellulosic biomass.

We have estimated the retrofit and operating costs for our initial large-scale commercial isobutanol facility based upon a commercial engineering study completed by ICM in May 2010. Neither we nor ICM have ever built (through retrofit or otherwise) or operated a commercial isobutanol facility. We assume that we understand how the engineering and process characteristics of the 1 MGPY demonstration facility will scale up to larger facilities, but these assumptions may prove to be incorrect. In addition, if existing tax credits, subsidies and other incentives in the US and foreign markets are phased out or reduced, the overall cost of commercialization of isobutanol could increase. Accordingly, we cannot be certain that we can manufacture isobutanol in an economical manner in commercial quantities. If we fail to manufacture isobutanol economically on a commercial scale or in commercial volumes, our commercialization of isobutanol and our business, financial condition and results of operations will be materially adversely affected.

We may not be able to successfully identify and acquire access to ethanol production facilities suitable for efficient retrofitting, or acquire access to sufficient capacity to be commercially viable or meet customer demand.

Our strategy currently includes accessing and retrofitting, either independently or with potential development partners, existing ethanol facilities for the production of large quantities of isobutanol for commercial distribution and sale. We have acquired one 22 MGPY ethanol production facility, and we plan to acquire additional production capacity to enable us to produce and sell over 500 MGPY of isobutanol in 2014. We may not find development partners with whom we can implement this growth strategy, and we may not be able to identify facilities suitable for acquisition, lease or joint venture. Even if we successfully identify a facility suitable for efficient retrofitting, we may not be able to acquire access to such facility in a timely manner, if at all. The owners of the ethanol facility may reach an agreement with another party, refuse to consider an acquisition, lease or joint venture, or demand more or different consideration than we are willing to provide. In particular, if the profitability of ethanol production increases, plant owners may be less likely to consider modifying their production, and thus may be less willing to negotiate with us or agree to allow us to retrofit their facilities for isobutanol production. Even if the owners of the facility are interested in reaching an agreement that grants us access to the plant, negotiations may take longer, or cost more, than we expect, and we may never achieve a final agreement. Even if we are able to access and retrofit several facilities, we may fail to access enough capacity to be commercially viable or meet the volume demands of our customers. Failure to acquire access to sufficient capacity in a timely manner, if at all, may slow or stop our commercialization process and cause our business performance to suffer.

Once we acquire access to ethanol facilities, we may be unable to successfully retrofit them to produce isobutanol, and we may not be able to retrofit them in a timely and cost-effective manner.

For each ethanol production facility to which we acquire access, we will be required to obtain numerous regulatory approvals and permits to retrofit and operate the facility. These include such items as a modification to the air permit, fuel registration with the US Environmental Protection Agency, or EPA, ethanol excise tax registration and others. These requirements may not be satisfied in a timely manner, or at all. Later-enacted federal and state governmental requirements may also substantially increase our costs or delay or prevent the completion of a retrofit, which could have a material adverse effect on our business, financial condition and results of operations.

No two ethanol facilities are exactly alike, and each retrofit will require individualized engineering and design work. There is no guarantee that we or any contractor we retain will be able to successfully design a commercially viable retrofit, or properly complete the retrofit once the engineering plans are completed. Neither we nor ICM has ever built, via retrofit or otherwise, a full-scale commercial isobutanol facility. Our estimates of the capital costs that we will need to incur to retrofit a commercial-scale ethanol facility are based upon a commercial engineering study completed by ICM in May 2010. These estimates may prove to be inaccurate, and each retrofit may cost materially more to engineer and build than we currently anticipate. For example, our estimates assume that each plant we retrofit will be performing at full production capacity, and we may need to expend substantial sums to repair underperforming facilities prior to retrofit.

Our retrofit design was developed in cooperation with ICM and is based on ICM technology. There is no guarantee that our retrofit design will be compatible with existing ethanol facilities that do not utilize ICM technology. Before we can retrofit such facilities, we may need to modify them to be compatible with our retrofit design. This may require significant additional expenditure of time and money, and there is no guarantee such modification will be successful.

Furthermore, the retrofit of acquired facilities will be subject to the risks inherent in the build-out of any manufacturing facility, including risks of delays and cost overruns as a result of factors that may be out of our control, such as delays in the delivery of equipment and subsystems or the failure of such equipment to perform as expected once delivered. In addition, we will depend on third-party relationships in expanding our isobutanol production capacity and such third parties may not fulfill their obligations to us under our arrangements with them. Delays, cost-overruns or failures in the retrofit process will slow our commercial production of isobutanol and harm our performance.

Though our initial retrofit design includes the capability to switch between isobutanol and ethanol production, we may be unable to successfully revert to ethanol production after we begin retrofit of an ethanol facility, or the facility may produce ethanol less efficiently or in lower volumes than it did before the retrofit. Thus, if we fail to achieve commercial levels of isobutanol production at a retrofitted facility, we may be unable to rely on ethanol production as an alternative revenue source, which could have a material adverse effect on our prospects.

Our facilities and process may fail to produce isobutanol at the volumes, rates and costs we expect.

Some or all of the facilities we choose to retrofit may be in locations distant from corn or other feedstock sources, which could increase our feedstock costs or prevent us from acquiring sufficient feedstock volumes for commercial production. General market conditions might also cause increases in feedstock prices, which could likewise increase our production costs.

Even if we secure access to sufficient volumes of feedstock, the facilities we retrofit for isobutanol production may fail to perform as expected. The equipment and subsystems installed during the retrofit may never operate as planned. Our systems may prove incompatible with the original facility, or require additional modification after installation. Our biocatalyst may perform less efficiently than it did in testing, if at all. Contamination of plant equipment may require us to replace our biocatalyst more often than expected, or cause our fermentation process to yield undesired or harmful by-products. Likewise, our feedstock may contain contaminants like wild yeast, which naturally ferments feedstock into ethanol. The presence of contaminants, such as wild yeast, in our feedstock could reduce the purity of the isobutanol that we produce and require us to invest in more costly isobutanol separation processes or equipment. Unexpected problems may force us to cease or delay production and the time and costs involved with such delays may prove prohibitive. Any or all of these risks could prevent us from achieving the production throughput and yields necessary to achieve our target annualized production run rates. Failure to achieve these rates, or achieving them only after significant additional expenditures, could substantially harm our commercial performance.

We may be unable to produce isobutanol in accordance with customer specifications.

Even if we produce isobutanol at our targeted rates, we may be unable to produce isobutanol that meets customer specifications. If we fail to meet specific product or volume specifications contained in a supply agreement, the customer may have the right to seek an alternate supply of isobutanol or terminate the agreement completely. A failure to successfully meet the specifications of our potential customers could decrease demand for our production, and significantly hinder market adoption of our product.

We lack direct experience operating commercial-scale ethanol and isobutanol facilities, and may encounter substantial difficulties operating commercial plants or expanding our business.

We have never operated a commercial isobutanol or ethanol facility. Accordingly, we may encounter significant difficulties operating at a commercial scale. We believe that our facilities will be able to continue producing ethanol during much of the retrofit process. We will need to successfully administer and manage this production. Though ICM is experienced in the operation of ethanol facilities, and our future development partners or the entities that we acquire may likewise have such experience, we may be unable to manage ethanol producing operations, especially given the possible complications associated with a simultaneous retrofit. Once we complete a commercial retrofit, operational difficulties may increase, because neither we nor anyone else has experience operating a pure isobutanol fermentation facility at a commercial scale. The skills and knowledge gained in operating commercial ethanol facilities or small-scale isobutanol plants may prove insufficient for successful operation of a large-scale isobutanol facility, and we may be required to expend significant time and money to develop our capabilities in isobutanol facility operation. We will also need to hire new employees or contract with third parties to help manage our operations, and our performance will suffer if we are unable to hire qualified parties or if they perform poorly.

We may face additional operational difficulties as we further expand our production capacity. Integrating new facilities with our existing operations may prove difficult. Rapid growth, resulting from our operation or other involvement with isobutanol facilities or otherwise, may impose a significant burden on our administrative and operational resources. To effectively manage our growth and execute our expansion plans, we will need to expand our administrative and operational resources substantially and attract, train, manage and retain qualified management, technicians and other personnel. We may be unable to do so. Failure to meet the operational challenges of developing and managing increased isobutanol production, or failure to otherwise manage our growth, may have a material adverse effect on our business, financial condition and results of operations.

We may have difficulty adapting our technology to commercial-scale fermentation which could delay or prevent our commercialization of isobutanol.

While we have succeeded, at the demonstration plant, in reaching our commercial fermentation performance targets for isobutanol concentration, fermentation productivity and isobutanol yield, we have not accomplished this in a commercial plant environment. We have successfully achieved our commercial performance targets using our second-generation biocatalyst at our mini-plant, but have not yet done so at the demonstration plant scale. We are currently working to optimize our second-generation biocatalyst's performance in anticipation of its integration into the demonstration facility, but this process, if it succeeds at all, may take longer or cost more than expected. Even if we are successful in developing and using our second-generation biocatalyst to meet our performance targets at the demonstration facility, this yeast biocatalyst may not be able to meet these targets at a commercial scale retrofitted plant in a timely manner, or ever. In addition, the risk of contamination and other problems rises as we increase the scale of our isobutanol production. If we encounter difficulties in scaling up our production, our commercialization of isobutanol and our business, financial condition and results of operations will be materially adversely affected.

We may have difficulties gaining market acceptance and successfully marketing our isobutanol to customers, including refiners and chemical producers.

A key component of our business strategy is to market our isobutanol to refiners and chemical producers. If we fail to successfully market our isobutanol to refiners and chemical producers, our business, financial condition and results of operations will be materially adversely affected.

No market currently exists for isobutanol as a fuel or fuel blendstock. Therefore, to gain market acceptance and successfully market our isobutanol to refiners, we must effectively demonstrate the commercial advantages of using isobutanol over other biofuels and blendstocks, as well as our ability to produce isobutanol reliably on a commercial scale at a sufficiently low cost. We must show that isobutanol is compatible with existing infrastructure and does not damage pipes, engines, storage facilities or pumps. We must also overcome marketing and lobbying efforts by producers of other biofuels and blendstocks, including ethanol, many of whom may have greater resources than we do. If the markets for isobutanol as a fuel or fuel blendstock do not develop as we currently anticipate, or if we are unable to penetrate these markets successfully, our revenue and revenue growth rate, if any, could be materially and adversely affected.

We also intend to market our isobutanol to chemical producers for use in making various chemicals such as isobutylene, a type of butene that can be produced through the dehydration of isobutanol. Although a significant market currently exists for isobutylene produced from petroleum, which is widely used in the production of plastics, specialty chemicals, alkylate for gasoline blending and high octane aviation fuel, no one has successfully created isobutylene on a commercial scale from biobased isobutanol. Therefore, to gain market acceptance and successfully market our isobutanol to chemical producers, we must show that our isobutanol can be converted into isobutylene at a commercial scale. As no company currently dehydrates commercial volumes of isobutanol into isobutylene, we must demonstrate the large-scale feasibility of the process and reach agreements with companies that are willing to invest in the necessary dehydration infrastructure. Failure to reach favorable agreements with these companies, or the inability of their plants to convert isobutanol into isobutylene at sufficient scale, will slow our development in the chemicals market and could significantly affect our profitability.

Obtaining market acceptance in the chemicals industry is complicated by the fact that many potential chemicals industry customers have invested substantial amounts of time and money in developing petroleum-based production channels. These potential customers generally have well-developed manufacturing processes and arrangements with suppliers of chemical components, and may display substantial resistance to changing these processes. Pre-existing contractual commitments, unwillingness to invest in new infrastructure, distrust of new production methods and lengthy relationships with current suppliers may all slow market acceptance of isobutanol.

We believe that consumer demand for environmentally friendly products will drive demand among large brand owners for renewable hydrocarbon sources. One of our marketing strategies is to leverage this demand to obtain commitments from large brand owners to purchase products made from our isobutanol by third parties. We believe these commitments will, in turn, promote chemicals industry demand for our isobutanol. If consumer demand for environmentally friendly products fails to develop at sufficient scale or if such demand fails to drive large brand owners to seek sources of renewable hydrocarbons, our revenue and growth rate could be materially and adversely affected.

We may face substantial delay in getting regulatory approvals for use of our isobutanol in the fuels and chemicals markets, which could substantially hinder our ability to commercialize our products.

Commercialization of our isobutanol will require approvals from state and federal agencies. Before we can sell isobutanol as a fuel or fuel blendstock, we must receive EPA fuel certification. We are currently in the first phase of Tier 1 EPA testing, and the approval process may require significant time. Approval can be delayed for years, and there is no guarantee of receiving it. Additionally, California requires that fuels meet both its fuel certification requirements and a separate state low-carbon fuel standard. Any delay in receiving approval will slow or prevent the commercialization of our isobutanol for fuel markets, which could have a material adverse effect on our business, financial condition and results of operations.

Before any biofuel we produce receives a “renewable identification number,” or RIN, we must register it with the EPA and receive approval that it meets specified regulatory requirements. Delay or failure in developing a fuel that meets the standards for advanced and cellulosic biofuels, or delays in receiving the desired RIN, will make our fuel less attractive to refiners, blenders, and other purchasers, which could harm our competitiveness.

With respect to the chemicals markets, we plan to focus on isobutanol production and sell to companies that can convert our isobutanol into other chemicals, such as isobutylene. However, should we later decide to produce these other chemicals ourselves, we may face similar requirements for EPA and other regulatory approvals. Approval, if ever granted, could be delayed for substantial amounts of time, which could significantly harm the development of our business and prevent the achievement of our goals.

Our isobutanol fermentation process utilizes a genetically modified organism which, when used in an industrial process, is considered a new chemical under the EPA’s Toxic Substances Control Act program, or TSCA. The TSCA requires us to comply with the EPA’s Microbial Commercial Activity Notice process to operate plants producing isobutanol using our biocatalysts. The TSCA’s new chemicals submission policies may change and additional government regulations may be enacted that could prevent or delay regulatory approval of our isobutanol production.

There are various third party certification organizations such as ASTM International, or ASTM, and Underwriters’ Laboratories, Inc. involved in standard-setting regarding the transportation, dispensing and use of liquid fuel in the US and abroad. These organizations may change and additional requirements may be enacted that could prevent or delay approval of our products. The process of seeking required approvals and the continuing need for compliance with applicable standards may require the expenditure of substantial resources, and there is no guarantee that we will satisfy these standards in a timely manner, if ever.

In addition, to retrofit ethanol facilities and operate the retrofitted plants to produce isobutanol, we will need to obtain and comply with a number of permit requirements. As a condition to granting necessary permits, regulators may make demands that could increase our retrofit or operations costs, and permit conditions could also restrict or limit the extent of our operations, which could delay or prevent our commercial production of isobutanol. We cannot guarantee that we will be able to meet all regulatory requirements or obtain and comply with all necessary permits to complete our planned ethanol plant retrofits, and failure to satisfy these requirements could have a substantial negative effect on our performance.

We are in negotiations, facilitated by the Air Transport Association of America, or ATA, with several major passenger and cargo airlines for potential commitments by several ATA member airlines to purchase jet fuel manufactured by third parties from our isobutanol. Jet fuels must meet various statutory and regulatory requirements before they may be used in commercial aviation. In the US, the use of specific jet fuels is regulated by the Federal Aviation Administration, or FAA. Rather than directly approving specific fuels, the FAA certifies individual aircraft for flight. This certification includes authorization for an aircraft to use the types of fuels specified in its flight manual. To be included in an aircraft's flight manual, the fuel must meet standards set by ASTM. The current ASTM requirements do not permit the use of jet fuel derived from isobutanol, and we will need to give ASTM sufficient data to justify creating a new standard applicable to our biojet fuel. Though our work testing isobutanol-based biojet fuel with the US Air Force Research Laboratory has provided us with data we believe ASTM will consider, the process of seeking required approvals and the continuing need for compliance with applicable statues and regulations will require the expenditure of substantial resources. Failure to obtain regulatory approval in a timely manner, or at all, could have a significant negative effect on our operations.

We may be unable to successfully negotiate final, binding terms related to our current non-binding isobutanol supply agreements, which could harm our commercial prospects.

We have engaged in supply negotiations with a number of companies, and have agreed to preliminary terms regarding supplying isobutanol or the products derived from it to various companies, including LANXESS Inc., TOTAL PETROCHEMICALS USA, INC., Toray Industries, Inc. and United Air Lines, Inc. However, none of these agreements are binding, and we have yet to negotiate any final, definitive supply agreements for our isobutanol. We may be unable to negotiate final terms in a timely manner, or at all, and there is no guarantee that the terms of any final agreement will be the same or similar to those currently contemplated in our preliminary agreements. Final terms may include less favorable pricing structures or volume commitments, more expensive delivery or purity requirements, reduced contract durations and other adverse changes. Delays in negotiating final contracts could slow our initial isobutanol commercialization, and failure to agree to definitive terms for sales of sufficient volumes of isobutanol could prevent us from growing our business. To the extent that terms in our initial supply contracts may influence negotiations regarding future contracts, the failure to negotiate favorable final terms related to our current preliminary agreements could have an especially negative impact on our growth and profitability. Additionally, as we have yet to produce or supply commercial volumes of isobutanol to any customer, we have not demonstrated that we can meet the production levels contemplated in our current non-binding supply agreements. If our production scale-up proceeds more slowly than we expect, or if we encounter difficulties in successfully completing plant retrofits, potential customers, including those with whom we have current letters of intent, may be less willing to negotiate definitive supply agreements, or demand terms less favorable to us, and our performance may suffer.

Even if we are successful in producing isobutanol on a commercial scale, we may not be successful in negotiating sufficient supply agreements for our production.

We expect that many of our customers will be large companies with extensive experience operating in the fuels or chemicals markets. As a development stage company, we lack commercial operating experience, and may face difficulties in developing marketing expertise in these fields. Our business model relies upon our ability to successfully negotiate and structure long-term supply agreements for the isobutanol we produce, whereby a buyer agrees to purchase all or a significant portion of a plant's isobutanol output for a given time period. Many of our potential customers may be more experienced in these matters than we are, and we may fail to successfully negotiate these agreements in a timely manner or on favorable terms which, in turn, may force us to slow our production, delay our acquiring and retrofitting of additional plants, dedicate additional resources to increasing our storage capacity and dedicate additional resources to sales in spot markets. Furthermore, should we become more dependent on spot market sales, our profitability will become increasingly vulnerable to short-term fluctuations in the price and demand for petroleum-based fuels and competing substitutes.

Our isobutanol may encounter physical or regulatory issues which could limit its usefulness as a fuel blendstock.

In the fuel blendstock market, isobutanol can be used in conjunction with, or as a substitute for, ethanol and other widely-used fuel oxygenates and we believe our isobutanol will be physically compatible with typical gasoline engines. However, there is a risk that under actual automotive engine conditions, isobutanol will face significant limitations, making it unsuitable for use in high percentage gasoline blends. Additionally, current regulations limit fuel blends to low percentages of isobutanol, and also limit combination isobutanol-ethanol blends. Government agencies may maintain or even increase the restrictions on isobutanol fuel blends. As we believe that the potential to use isobutanol in higher percentage blends than is feasible for ethanol will be an important factor in successfully marketing isobutanol to refiners, a low blend wall could significantly limit commercialization of isobutanol as a blendstock.

Our isobutanol may be less compatible with existing refining and transportation infrastructure than we believe, which may hinder our ability to market our product on a large scale.

We developed our business model based on our belief that our isobutanol is fully compatible with existing refinery infrastructure. For example, when making isobutanol blends, we believe that gasoline refineries will be able to pump our isobutanol through their pipes and blend it in their existing facilities without damaging their equipment. If our isobutanol proves unsuitable for such handling, it will be more expensive for refiners to use our isobutanol than we anticipate, and they may be less willing to adopt it as a blendstock, forcing us to seek alternative purchasers.

Likewise, our plans for marketing our isobutanol are based upon our belief that it will be compatible with the pipes, tanks and other infrastructure currently used for transporting, storing and distributing gasoline. If our isobutanol or products incorporating our isobutanol cannot be transported with this equipment, we will be forced to seek alternative transportation arrangements, which will make our isobutanol and products incorporating our isobutanol more expensive to transport and less appealing to potential customers. Reduced compatibility with either refinery or transportation infrastructure may thus slow or prevent market adoption of our isobutanol, which could substantially harm our performance.

We may face substantial delay in receiving US Food and Drug Administration approval to sell protein fermentation meal as an animal feedstock, which could substantially increase our net production costs.

Most of the ethanol plants we initially plan to retrofit use dry-milled corn as a feedstock. We plan to sell, as an animal feedstock, the protein fermentation meal left as a co-product of fermenting isobutanol from dry-milled corn. We believe that this will enable us to offset a significant portion of the expense of purchasing corn for fermentation. Before our protein fermentation meal can be used as an animal feedstock, the FDA must approve it as safe for livestock consumption. FDA testing and approval can take a significant amount of time, and there is no guarantee that we will ever receive such approval. If FDA approval is delayed or never obtained, or if we are unable to secure market acceptance for our protein fermentation meal, our net cost of production will increase, which may hurt our operating results.

Our current development strategy relies heavily on our relationship with ICM.

We rely heavily upon our relationship with ICM. In October 2008, we entered into a development agreement and a commercialization agreement with ICM. Pursuant to the terms of the development agreement, ICM engineers helped us install the equipment necessary to test and develop our isobutanol fermentation process at ICM’s 1 MGPY ethanol demonstration facility, and ICM agreed to assist us in running and maintaining the converted plant. We currently use the demonstration plant to improve our second-generation biocatalyst and develop processes for commercial-scale production of isobutanol. Under the commercialization agreement, ICM serves as our exclusive engineering, procurement and construction, or EPC, contractor for the retrofit of ICM-designed ethanol plants, and we serve as ICM’s exclusive technology partner for the production of butanols, pentanols and propanols from the fermentation of sugars.

Because ICM has designed approximately 60% of the operating ethanol production capacity in the US, we believe that our exclusive alliance with ICM will provide us with a competitive advantage and allow us to more quickly achieve commercial-scale production of isobutanol. However, ICM may fail to fulfill its obligations to us under our agreements and under certain circumstances, such as a breach of confidentiality by us, can terminate the agreements. In addition, ICM may assign the agreements without our consent in connection with a change of control. Since adapting our technology to commercial-scale production of isobutanol and then retrofitting ethanol plants to use our technology is a major part of our commercialization strategy, losing our exclusive alliance with ICM would slow our technological and commercial development. It could also force us to find a new contractor with less experience than ICM in designing and building ethanol plants, or to invest the time and resources necessary to retrofit plants on our own. Such retrofits may be less successful than if performed by ICM engineers, and retrofitted plants might operate less efficiently than expected. This could substantially hinder our ability to expand our production capacity, and could severely impact our performance. If ICM fails to fulfill its obligations to us under our agreements and our competitors obtain access to ICM’s expertise, our ability to realize continued development and commercial benefits from our alliance could be affected. Accordingly, if we lose our exclusive alliance with ICM, if ICM terminates or breaches its agreements with us, or if ICM assigns its agreements with us to a competitor of ours or to a third party that is not willing to work with us on the same terms or commit the same resources, our business and prospects could be harmed.

We may require substantial additional financing to achieve our goals, and a failure to obtain this capital when needed or on acceptable terms could force us to delay, limit, reduce or terminate our development and commercialization efforts.

Since our inception, most of our resources have been dedicated towards research and development, as well as demonstrating the effectiveness of our technology at the St. Joseph, Missouri plant. We believe that we will continue to expend substantial resources for the foreseeable future on further developing our technologies and accessing facilities necessary for the production of isobutanol on a commercial scale. These expenditures will include costs associated with research and development, accessing existing ethanol plants, retrofitting the plants to produce isobutanol, obtaining government and regulatory approvals, acquiring or constructing storage facilities and negotiating supply agreements for the isobutanol we produce. In addition, other unanticipated costs may arise. Because the costs of developing our technology at a commercial scale are highly uncertain, we cannot reasonably estimate the amounts necessary to successfully commercialize our production.

To date, we have funded our operations primarily through private equity offerings and the issuance of convertible and nonconvertible debt. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents and government grants, will allow us to take a substantial step toward implementing our strategy. However, based on our current plans and expectations, we will require additional funding to achieve our goal of producing and selling over 500 million gallons of isobutanol in 2014. Moreover, our plans and expectations may change as a result of factors currently unknown to us, and we may need additional funds sooner than planned. We may also choose to seek additional capital sooner than required due to favorable market conditions or strategic considerations.

Our future capital requirements will depend on many factors, including:

- the timing of, and costs involved in developing our technologies for commercial-scale production of isobutanol;
- the timing of, and costs involved in accessing existing ethanol plants;
- the timing of, and costs involved in retrofitting the plants we access with our technologies;
- the cost of operating and maintaining the retrofitted plants;
- our ability to negotiate agreements supplying suitable biomass to our plants, and the timing and terms of those agreements;
- the timing of, and the costs involved in developing adequate storage facilities for the isobutanol we produce;
- our ability to gain market acceptance for isobutanol as a specialty chemical, gasoline blendstock and as a raw material for the production of hydrocarbons;
- our ability to negotiate supply agreements for the isobutanol we produce, and the timing and terms of those agreements;
- our ability to negotiate sales of our isobutanol for commercial-scale production of butenes and other industrially useful chemicals and fuels, and the timing and terms of those sales;
- our ability to sell the protein fermentation meal left as a co-product of fermenting isobutanol from corn as animal feedstock;
- our ability to establish and maintain strategic partnerships, licensing or other arrangements and the timing and terms of those arrangements; and
- the cost of preparing, filing, prosecuting, maintaining, defending and enforcing patent, trademark and other intellectual property claims, including litigation costs and the outcome of such litigation.

Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If needed funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate:

- our research and development activities;
- our plans to access and/or retrofit existing ethanol facilities;

- our production of isobutanol at retrofitted plants; and/or
- our activities in developing storage capacity and negotiating supply agreements that may be necessary for the commercialization of our isobutanol production.

Raising additional capital may cause dilution to our existing stockholders, restrict our operations or require us to relinquish rights to our technologies.

We may seek additional capital through a combination of public and private equity offerings, debt financings, strategic partnerships and licensing arrangements. To the extent that we raise additional capital through the sale or issuance of equity, warrants or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. If we raise capital through debt financing, it may involve agreements that include covenants limiting or restricting our ability to take certain actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through strategic partnerships and licensing agreements with third parties, we may have to relinquish valuable rights to our technologies, or grant licenses on terms that are not favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our development and commercialization efforts.

Our quarterly operating results may fluctuate in the future. As a result, we may fail to meet or exceed the expectations of research analysts or investors, which could cause our stock price to decline.

Our financial condition and operating results have varied significantly in the past and may continue to fluctuate from quarter to quarter and year to year in the future due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations are described elsewhere in this prospectus. Accordingly, the results of any prior quarterly or annual periods should not be relied upon as indications of our future operating performance.

If we lose our licensed intellectual property rights we may be unable to continue our business.

We are a party to certain license agreements, including with Cargill, The Regents of the University of California, or The Regents, and the California Institute of Technology, or Caltech, pursuant to which we license key intellectual property. These license agreements impose various diligence, milestone payment, royalty, insurance and other obligations on us. If we fail to comply with any of these obligations, the licensors may have the right to reduce an exclusive license of intellectual property to a nonexclusive license or to terminate the license completely, in which case our competitors may gain access to these important licensed technologies or we may be unable to develop or market products covered by the licensed intellectual property. If we lose rights that are important to our isobutanol production, our business may be materially affected. We may enter into additional licenses in the future, and if we fail to comply with obligations under those agreements, we could suffer similar consequences.

Fluctuations in the price of corn and other feedstocks may affect our cost structure.

Our approach to the biofuels and chemicals markets will be dependent on the price of corn and other feedstocks that will be used to produce isobutanol. A decrease in the availability of plant feedstocks or an increase in the price may have a material adverse effect on our financial condition and operating results. At certain levels, prices may make these products uneconomical to use and produce, as we may be unable to pass the full amount of feedstock cost increases on to our customers.

The price and availability of corn and plant feedstocks may be influenced by general economic, market and regulatory factors. These factors include weather conditions, farming decisions, government policies and subsidies with respect to agriculture and international trade, and global demand and supply. The significance and relative impact of these factors on the price of plant feedstocks is difficult to predict, especially without knowing what types of plant feedstock materials we may need to use.

Fluctuations in the price and availability of natural gas may harm our performance.

The ethanol facilities we plan to retrofit to produce isobutanol, including the Agri-Energy facility in Luverne, Minnesota, use significant amounts of natural gas to produce ethanol. After retrofit with our GIFT™ technology, these facilities will continue to require natural gas to produce isobutanol. Accordingly, our business is dependent upon natural gas supplied by third parties. Should the price of natural gas increase, our performance could suffer. Likewise, disruptions in the supply of natural gas could have a material impact on our business and results of operations.

Fluctuations in petroleum prices and customer demand patterns may reduce demand for biofuels and biobased chemicals.

We anticipate marketing our biofuel as an alternative to petroleum-based fuels. Therefore, if the price of oil falls, any revenues that we generate from biofuel products could decline, and we may be unable to produce products that are a commercially viable alternative to petroleum-based fuels. Additionally, demand for liquid transportation fuels, including biofuels, may decrease due to economic conditions or otherwise. We will encounter similar risks in the chemicals industry, where declines in the price of oil may make petroleum-based hydrocarbons less expensive, which could reduce the competitiveness of our biobased alternatives.

Changes in the prices of distiller's dried grains could have a material adverse affect on our financial condition.

We sell distiller's dried grains as a co-product from the production of ethanol at the Agri-Energy facility in Luverne, Minnesota and we also plan to sell the distiller's dried grains that will be produced as a co-product of our commercial isobutanol production. Distiller's dried grains compete with other animal feed products, and decreases in the prices of these other products could decrease the demand for and price of distiller's dried grains. If the price of distiller's dried grains decreases, our revenue from the sale of distiller's dried grains could suffer, which could have a material adverse effect on our financial condition.

To the extent that we produce ethanol at accessed plants before commencing isobutanol production, we will be vulnerable to fluctuations in the price of and cost to produce ethanol.

We believe that the ethanol production facilities we access, including the Agri-Energy facility in Luverne, Minnesota, will continue to produce ethanol during most of the retrofit process. We expect to obtain income from this ethanol production. Our earnings from ethanol revenue will be dependent on the price of, demand for and cost to produce ethanol. Decreases in the price of ethanol, whether caused by decreases in gasoline prices, changes in regulations, seasonal fluctuations or otherwise, will reduce our revenues, while increases in the cost of production will reduce our margins. Many of these risks, including fluctuations in feedstock costs and natural gas costs, are identical to risks we will face in the production of isobutanol. To the extent that ethanol production costs increase or price decreases, earnings from ethanol production could suffer, which could have a material adverse effect on our business.

Reductions or changes to existing regulations and policies may present technical, regulatory and economic barriers, all of which may significantly reduce demand for biofuels or our ability to supply isobutanol.

The market for biofuels is heavily influenced by foreign, federal, state and local government regulations and policies concerning the petroleum industry. For example, in 2007, the US Congress passed an alternative fuels mandate that currently calls for 13 billion gallons of liquid transportation fuels sold in 2010 to come from alternative sources, including biofuels, a mandate that grows to 36 billion gallons by 2022. Of this amount, a minimum of 21 billion gallons must be advanced biofuels. In the US and in a number of other countries, these regulations and policies have been modified in the past and may be modified again in the future. Any reduction in mandated requirements for fuel alternatives and additives to gasoline may cause demand for biofuels to decline and deter investment in the research and development of biofuels. Market uncertainty regarding future policies may also affect our ability to develop new biofuels products or to license our technologies to third parties. Any inability to address these requirements and any regulatory or policy changes could have a material adverse effect on our biofuels business, financial condition and results of operations. Our other potential bioindustrial products may be subject to additional regulations.

Additionally, like the ethanol facilities we plan to retrofit, our isobutanol plants will emit greenhouse gasses. Any changes in state or federal emissions regulations, including the passage of cap-and-trade legislation or a carbon tax, could limit our production of isobutanol and protein fermentation meal and increase our operating costs, which could have a material adverse effect on our business, financial condition and results of operations.

If we engage in any acquisitions, we will incur a variety of costs and may potentially face numerous risks that could adversely affect our business and operations.

If appropriate opportunities become available, we expect to acquire businesses, assets, technologies or products to enhance our business in the future. In connection with any future acquisitions, we could:

- issue additional equity securities which would dilute our current stockholders;
- incur substantial debt to fund the acquisitions; or
- assume significant liabilities.

Acquisitions involve numerous risks, including problems integrating the purchased operations, technologies or products, unanticipated costs and other liabilities, diversion of management’s attention from our core businesses, adverse effects on existing business relationships with current and/or prospective partners, customers and/or suppliers, risks associated with entering markets in which we have no or limited prior experience and potential loss of key employees. Other than our acquisition of Agri-Energy, we have not engaged in acquisitions in the past, and do not have experience in managing the integration process. Therefore, we may not be able to successfully integrate any businesses, assets, products, technologies or personnel that we might acquire in the future without a significant expenditure of operating, financial and management resources, if at all. The integration process could divert management time from focusing on operating our business, result in a decline in employee morale and cause retention issues to arise from changes in compensation, reporting relationships, future prospects or the direction of the business. Acquisitions may also require us to record goodwill, non-amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets and incur large and immediate write-offs and restructuring and other related expenses, all of which could harm our operating results and financial condition. In addition, we may acquire companies that have insufficient internal financial controls, which could impair our ability to integrate the acquired company and adversely impact our financial reporting. If we fail in our integration efforts with respect to any of our acquisitions and are unable to efficiently operate as a combined organization, our business, financial condition and results of operations may be materially adversely affected.

If we lose key personnel, including key management personnel, or are unable to attract and retain additional personnel, it could delay our product development programs and harm our research and development efforts, we may be unable to pursue partnerships or develop our own products and it may trigger an event of default under our loan agreements with TriplePoint.

Our business is complex and we intend to target a variety of markets. Therefore, it is critical that our management team and employee workforce are knowledgeable in the areas in which we operate. The loss of any key members of our management, including our named executive officers, or the failure to attract or retain other key employees who possess the requisite expertise for the conduct of our business, could prevent us from developing and commercializing our products for our target markets and entering into partnerships or licensing arrangements to execute our business strategy. In addition, the loss of any key scientific staff, or the failure to attract or retain other key scientific employees, could prevent us from developing and commercializing our products for our target markets and entering into partnerships or licensing arrangements to execute our business strategy. We may not be able to attract or retain qualified employees in the future due to the intense competition for qualified personnel among biotechnology and other technology-based businesses, particularly in the advanced biofuels area, or due to the limited availability of personnel with the qualifications or experience necessary for our renewable chemicals and advanced biofuels business. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience staffing constraints that will adversely affect our ability to meet the demands of our partners and customers in a timely fashion or to support our internal research and development programs. In particular, our product and process development programs are dependent on our ability to attract and retain highly skilled scientists. Competition for experienced scientists and other technical personnel from numerous companies and academic and other research institutions may limit our ability to do so on acceptable terms. Additionally, certain changes in our management could trigger an event of default under our loan and security agreements with TriplePoint, and we could be forced to pay the outstanding balance of the loan(s) in full. All of our employees are at-will employees, which means that either the employee or we may terminate their employment at any time.

Our planned activities will require additional expertise in specific industries and areas applicable to the products and processes developed through our technology platform or acquired through strategic or other transactions, especially in the end markets that we seek to penetrate. These activities will require the addition of new personnel, and the development of additional expertise by existing personnel. The inability to attract personnel with appropriate skills or to develop the necessary expertise could impair our ability to grow our business.

Our ability to compete may decline if we do not adequately protect our proprietary technologies or if we lose some of our intellectual property rights through costly litigation or administrative proceedings.

Our success will depend in part on our ability to obtain patents and maintain adequate protection of our intellectual property covering our technologies and products and potential products in the US and other countries. We have adopted a strategy of seeking patent protection in the US and in certain foreign countries with respect to certain of the technologies used in or relating to our products and processes. As such, as of October 14, 2010, we exclusively licensed rights to 73 issued patents and filed patent applications in the US and in various foreign jurisdictions, and we own rights to approximately 179 filed patent applications in the US and in various foreign jurisdictions. All patents expire, and any patent will only provide us commercial advantage for a limited period of time, if at all. Our patent applications are directed to our enabling technologies and to our methods and products which support our business in the advanced biofuels and renewable chemicals markets. We intend to continue to apply for patents relating to our technologies, methods and products as we deem appropriate.

A filed patent application does not guarantee a patent will issue and a patent issuing does not guarantee its validity, nor does it give us the right to practice the patented technology or commercialize the patented product. Third parties may have or obtain rights to “blocking patents” that could be used to prevent us from commercializing our products or practicing our technology. The scope and validity of patents and success in prosecuting patent applications involve complex legal and factual questions and, therefore, issuance, coverage and validity cannot be predicted with any certainty. Patents issuing from our filed applications may be challenged, invalidated or circumvented. Moreover, third parties could practice our inventions in secret and in territories where we do not have patent protection. Such third parties may then try to sell or import products made using our inventions in and into the US or other territories and we may be unable to prove that such products were made using our inventions. Additional uncertainty may result from potential passage of patent reform legislation by the US Congress and from legal precedent as handed down by the US Court of Appeals for the Federal Circuit and the US Supreme Court, as they determine legal issues concerning the scope, validity and construction of patent claims. Because patent applications in the US and many foreign jurisdictions are typically not published until 18 months after filing, or in some cases not at all, and because publication of discoveries in the scientific literature often lags behind the actual discoveries, there is additional uncertainty as to the validity of any patents that may issue and the potential for blocking patents coming into force at some future date. Accordingly, we cannot ensure that any of our currently filed or future patent applications will result in issued patents, or even if issued, predict the scope of the claims that may issue in our and other companies’ patents. Given that the degree of future protection for our proprietary rights is uncertain, we cannot ensure that: (i) we were the first to make the inventions covered by each of our filed applications, (ii) we were the first to file patent applications for these inventions, (iii) the proprietary technologies we develop will be patentable, (iv) any patents issued will be broad enough in scope to provide commercial advantage and prevent circumvention, and (v) that competitors and other parties do not have or will not obtain patent protection that will block our development and commercialization activities.

These concerns apply equally to patents we have licensed, which may likewise be challenged, invalidated or circumvented, and the licensed technologies may be obstructed from commercialization by competitors’ “blocking patents.” In addition we generally do not control the patent prosecution and maintenance of subject matter that we license from others. Generally, the licensors are primarily or wholly responsible for the patent prosecution and maintenance activities pertaining to the patent applications and patents we license, while we may only be afforded opportunities to comment on such activities. Accordingly, we are unable to exercise the same degree of control over licensed intellectual property as we exercise over our own intellectual property and we face the risk that our licensors will not prosecute or maintain it as effectively as we would like.

In addition, unauthorized parties may attempt to copy or otherwise obtain and use our products or technology. Monitoring unauthorized use of our intellectual property is difficult, particularly where, as here, the end products reaching the market generally do not reveal the processes used in their manufacture, and particularly in certain foreign countries where the local laws may not protect our proprietary rights as fully as in the US, so we cannot be certain that the steps we have taken in obtaining intellectual property and other proprietary rights will prevent unauthorized use of our technology. If competitors are able to use our technology without our authorization, our ability to compete effectively could be harmed. Moreover, competitors and other parties such as universities may independently develop and obtain patents for technologies that are similar to or superior to our technologies. If that happens, the potential competitive advantages provided by our intellectual property may decline. We may then need to license these competing technologies, and we may not be able to obtain licenses on reasonable terms, if at all, which could cause material harm to our business.

Our commercial success also depends in part on not infringing patents and proprietary rights of third parties, and not breaching any licenses or other agreements that we have entered into with regard to our technologies, products and business. We cannot be certain that patents have not or will not issue to third parties that could block our ability to obtain patents or to operate our business as we would like or at all. There may be patents in some countries that, if valid, may block our ability to commercialize products in those countries if we are unsuccessful in circumventing or acquiring rights to these patents. There also may be claims in patent applications filed in some countries that, if granted and valid, may also block our ability to commercialize products or processes in these countries if we are unable to circumvent or license them.

As is commonplace in the biotechnology industries, some of our directors, employees and consultants are or have been employed at, or associated with, companies and universities that compete with us or have or will develop similar technologies and related intellectual property. While employed at these companies, these employees, directors and consultants may have been exposed to or involved in research and technology similar to the areas of research and technology in which we are engaged. Though we have not received such a complaint, we may be subject to allegations that we, our directors, employees or consultants have inadvertently or otherwise used, misappropriated or disclosed alleged trade secrets or confidential or proprietary information of those companies. Litigation may be necessary to defend against such allegations and the outcome of any such litigation would be uncertain.

Under some of our research agreements, our partners share joint rights in certain intellectual property we develop. For example, under our development agreement with ICM we have exclusive rights to all intellectual property developed within the defined scope of the project, but all other intellectual property developed pursuant to the agreement is to be jointly owned. Such provisions may limit our ability to gain commercial benefit from some of the intellectual property we develop, and may lead to costly or time-consuming disputes with parties with whom we have commercial relationships over rights to certain innovations.

As with many other markets, we believe that the various bioindustrial markets in which we operate will be subject to frequent and extensive litigation regarding patents and other intellectual property rights. Historically, companies in many industries have employed intellectual property litigation as a way to gain a competitive advantage. Litigation may be necessary for us to assert or defend claims of infringement, enforce patents we own or license, protect trade secrets or determine the enforceability, scope and validity of the intellectual property rights of others. Our involvement in litigation, interferences, opposition proceedings or other intellectual property proceedings inside and outside of the US may divert management time from focusing on business operations, could cause us to spend significant amounts of money and may have no guarantee of success. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop selling, incorporating, manufacturing or using our products that use the subject intellectual property;
- obtain from a third party asserting its intellectual property rights, a license to sell or use the relevant technology, which license may not be available on reasonable terms, or at all;

- redesign those products or processes that use any allegedly infringing or misappropriated technology, which may result in significant cost or delay to us, or which redesign could be technically infeasible; or
- pay damages, including the possibility of treble damages in a patent case if a court finds us to have willfully infringed certain intellectual property rights.

We are aware of a significant number of patents and patent applications relating to aspects of our technologies filed by, and issued to, third parties. We cannot assure you that if this third-party intellectual property is asserted against us that we would ultimately prevail.

If any other party has filed patent applications or obtained patents that claim inventions also claimed by us, we may have to participate in interference proceedings declared by the US Patent and Trademark Office to determine priority of invention and, thus, the right to the patents for these inventions in the US. These proceedings could result in substantial cost to us even if the outcome is favorable. Even if successful, an interference may result in loss of certain claims. Even successful interference outcomes could result in significant legal fees and other expenses, diversion of management time and efforts and disruption in our business. Uncertainties resulting from initiation and continuation of any patent or related litigation could harm our ability to compete.

Our government grants are subject to uncertainty, which could harm our business and results of operations.

We have received various government grants, including a cooperative agreement, to complement and enhance our own resources. We may seek to obtain government grants and subsidies in the future to offset all or a portion of the costs of retrofitting existing ethanol manufacturing facilities and research and development activities. We cannot be certain that we will be able to secure any such government grants or subsidies. Any of our existing grants or new grants that we may obtain may be terminated, modified or recovered by the granting governmental body under certain conditions.

We may also be subject to audits by government agencies as part of routine audits of our activities funded by our government grants. As part of an audit, these agencies may review our performance, cost structures and compliance with applicable laws, regulations and standards. Funds available under grants must be applied by us toward the research and development programs specified by the granting agencies, rather than for all of our programs generally. If any of our costs are found to be allocated improperly, the costs may not be reimbursed and any costs already reimbursed may have to be refunded. Accordingly, an audit could result in an adjustment to our revenues and results of operations.

We have received funding from US government agencies, which could negatively affect our intellectual property rights.

Some of our research has been funded by grants from US government agencies. When new technologies are developed with US government funding, the government obtains certain rights in any resulting patents and technical data, generally including, at a minimum, a nonexclusive license authorizing the government to use the invention or technical data for noncommercial purposes. US government funding must be disclosed in any resulting patent applications, and our rights in such inventions will normally be subject to government license rights, periodic progress reporting, foreign manufacturing restrictions and march-in rights. March-in rights refer to the right of the US government, under certain limited circumstances, to require us to grant a license to technology developed under a government grant to a responsible applicant, or, if we refuse, to grant such a license itself. March-in rights can be triggered if the government determines that we have failed to work sufficiently towards achieving practical application of a technology or if action is necessary to alleviate health or safety needs, to meet requirements of federal regulations or to give preference to US industry. If we breach the terms of our grants, the government may gain rights to the intellectual property developed in our related research. The government's rights in our intellectual property may lessen its commercial value, which could adversely affect our performance.

We may not be able to enforce our intellectual property rights throughout the world.

The laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the US. Many companies have encountered significant problems in protecting and enforcing intellectual property rights in certain foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to bioindustrial technologies. This could make it difficult for us to stop the infringement of our patents or misappropriation of our other intellectual property rights. Proceedings to enforce our patents and other proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to enforce our intellectual property rights in such countries may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop.

If our biocatalysts, or the genes that code for our biocatalysts, are stolen, misappropriated or reverse engineered, others could use these biocatalysts or genes to produce competing products.

Third parties, including our contract manufacturers, customers and those involved in shipping our biocatalysts may have custody or control of our biocatalysts. If our biocatalysts, or the genes that code for our biocatalysts, were stolen, misappropriated or reverse engineered, they could be used by other parties who may be able to reproduce these biocatalysts for their own commercial gain. If this were to occur, it would be difficult for us to discover or challenge this type of use, especially in countries with limited intellectual property protection.

Confidentiality agreements with employees and others may not adequately prevent disclosures of trade secrets and other proprietary information.

We rely in part on trade secret protection to protect our confidential and proprietary information and processes. However, trade secrets are difficult to protect. We have taken measures to protect our trade secrets and proprietary information, but these measures may not be effective. We require new employees and consultants to execute confidentiality agreements upon the commencement of an employment or consulting arrangement with us. These agreements generally require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. These agreements also generally provide that know-how and inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. Nevertheless, these agreements may not be enforceable, our proprietary information may be disclosed, third parties could reverse engineer our biocatalysts and others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We may face substantial competition, which could adversely affect our performance and growth.

We may face substantial competition in the markets for isobutanol, plastics, fibers, rubber, other polymers and hydrocarbon fuels. Our competitors include companies in the incumbent petroleum-based industry as well as those in the nascent biorenewable industry. The incumbent petroleum-based industry benefits from a large established infrastructure, production capability and business relationships. The incumbents' greater resources and financial strength provide significant competitive advantages that we may not be able to overcome in a timely manner.

The biorenewable industry is characterized by rapid technological change. Our future success will depend on our ability to maintain a competitive position with respect to technological advances. Technological development by others may impact the competitiveness of our products in the marketplace. Competitors and potential competitors who have greater resources and experience than we do may develop products and technologies that make ours obsolete or may use their greater resources to gain market share at our expense.

In the gasoline blendstock market, we will compete with renewable ethanol producers (including those working to produce ethanol from cellulosic feedstocks), producers of alkylate from petroleum and producers of other blendstocks, all of whom may reduce our ability to obtain market share or maintain our price levels.

Significant competitors in these areas include Codexis, Inc., which is engaged with Equilon Enterprises LLC dba Shell Oil Products US, or Shell, in a research and development collaboration under which they are developing biocatalysts for use in producing advanced biofuels; Novozymes A/S, which has partnered with a number of companies and organizations on a regional basis to develop or produce biofuels, and recently opened a biofuel demonstration plant with Inbicon A/S of Denmark; Danisco A/S/Genencor, which has formed a joint venture with E.I. Du Pont De Nemours and Company, or DuPont, called DuPont Danisco Cellulosic Ethanol LLC, and is marketing a line of cellulases to convert biomass into sugar; Royal DSM N.V., which received a grant from the US Department of Energy to be the lead partner in a technical consortium including Abengoa Bioenergy New Technologies, Inc., and is developing cost-effective enzyme technologies; Mascoma Corporation, which has entered into a feedstock processing and lignin supply agreement with Chevron Technology Ventures, a division of Chevron USA., Inc.; and BP, p.l.c., or BP, which has purchased Vercipia Biofuels, LLC and technology from Verenium Corporation to develop a commercial-scale cellulosic ethanol facility. Range Fuels, Inc. is also focused on developing non-biocatalytic thermochemical processes to convert cellulosic biomass into fuels, and Coskata, Inc. is developing a hybrid thermochemical-biocatalytic process to produce ethanol from a variety of feedstocks.

In the production of cellulosic biofuels, key competitors include Shell Oil, BP, DuPont-Danisco Cellulosic Ethanol LLC, Abengoa Bioenergy, S.A., POET, LLC, ICM, Mascoma, Range Fuels, Inbicon A/S, INEOS New Planet BioEnergy LLC, Coskata, Archer Daniels Midland Company, BlueFire Ethanol, Inc., KL Energy Corporation, ZeaChem Inc., Iogen Corporation, Qteros, Inc., AE Biofuels, Inc. and many smaller start-up companies. If these companies are successful in establishing low cost cellulosic ethanol or other fuel production, it could negatively impact the market for our isobutanol as a gasoline blendstock.

Additionally, DuPont has announced plans to develop and market isobutanol through Butamax Advanced Biofuels LLC, or Butamax, a joint venture with BP. A number of companies including Cathay Industrial Biotech, Ltd., Green Biologics Ltd., METabolic Explorer, S.A., TetraVitae Bioscience, Inc. and Cobalt Technologies, Inc. are developing n-butanol production capability from a variety of renewable feedstocks. Academic and government institutions may also develop technologies which will compete with us in the blendstock market.

If any of these competitors succeed in producing blendstocks more efficiently, in higher volumes or offering superior performance than our isobutanol, our financial performance may suffer. Furthermore, if our competitors have more success marketing their products or reach development or supply agreements with major customers, our competitive position may also be harmed.

In the plastics, fibers, rubber and other polymers markets, we face competition from incumbent petroleum-derived products, other renewable isobutanol producers and renewable n-butanol producers. Our competitive position versus the incumbent petroleum-derived products and other renewable butanol producers may not be favorable. Petroleum-derived products have dominated the market for many years and there is substantial existing infrastructure for production from petroleum sources, which may impede our ability to establish a position in these markets. Other isobutanol and n-butanol companies may develop technologies that prove more effective than our isobutanol production technology, or more adept at marketing their production. Additionally, one small company in France, Global Bioenergies, S.A., is pursuing the production of isobutylene from renewable carbohydrates directly. Since conversion of isobutanol to butenes such as isobutylene is a key step in producing many plastics, fibers, rubber and other polymers from our isobutanol, this direct production of renewable isobutylene, if successful, could limit our opportunities in these markets.

In the markets for the hydrocarbon fuels that we plan to produce from our isobutanol, we will face competition from the incumbent petroleum-based fuels industry. The incumbent petroleum-based fuels industry makes the vast majority of the world’s gasoline, jet and diesel fuels and blendstocks. It is a mature industry with a substantial base of infrastructure for the production and distribution of petroleum-derived products. The size, established infrastructure and significant resources of many companies in this industry may put us at a substantial competitive disadvantage, and delay or prevent the establishment and growth of our business in the market for hydrocarbon fuels.

Biofuels companies may also provide substantial competition in the hydrocarbon fuels market. With respect to production of renewable gasoline, biofuels competitors are numerous and include both large established companies and numerous startups. One competitor, Virent Energy Systems, Inc., or Virent, has developed a process for making gasoline and gasoline blendstocks, and many other competitors may do so as well. In the jet fuel market, we will face competition from companies such as Synthetic Genomics, Inc., Solazyme, Inc., Sapphire Energy, Inc. and Exxon-Mobil Corporation that are pursuing production of jet fuel from algae-based technology. LS9, Inc. and others are also targeting production of jet fuels from renewable biomass. We may also face competition from companies working to produce jet fuel from hydrogenated fatty acid methyl esters. In the diesel fuels market, competitors such as Amyris Biotechnologies, Inc., or Amyris, and LS9 have developed technologies for production of alternative hydrocarbon diesel fuel.

In the plastics, fibers, rubber and other polymers markets and the hydrocarbon fuels market, we expect to face vigorous competition from existing technologies. The companies we may compete with may have significantly greater access to resources, far more industry experience and/or more established sales and marketing networks. Additionally, since we do not plan to produce most of these products directly, we depend on the willingness of potential customers to purchase and convert our isobutanol into their products. These potential customers generally have well-developed manufacturing processes and arrangements with suppliers of the chemical components of their products and may have a resistance to changing these processes and components. These potential customers frequently impose lengthy and complex product qualification procedures on their suppliers, influenced by consumer preference, manufacturing considerations such as process changes and capital and other costs associated with transitioning to alternative components, supplier operating history, regulatory issues, product liability and other factors, many of which are unknown to, or not well understood by, us. Satisfying these processes may take many months or years. If we are unable to convince these potential customers that our isobutanol is comparable or superior to the alternatives that they currently use, we will not be successful in entering these markets and our business will be adversely affected.

We also face challenges in marketing our isobutanol. Though we intend to enhance our competitiveness through partnerships and joint development agreements, some competitors may gain an advantage by securing more valuable partnerships for developing their hydrocarbon products than we are able to obtain. Such partners could include major petrochemical, refiner or end-user companies. Additionally, petrochemical companies may develop alternative pathways for hydrocarbon production that may be less expensive, and may utilize more readily available infrastructure than that used to convert our isobutanol into hydrocarbon products.

We plan to enter into joint ventures through which we will sell significant volumes of our isobutanol to partners who will convert it into useful hydrocarbons or use it as a fuel or fuel blendstock. However, if any of these partners instead negotiate supply agreements with other buyers for the isobutanol they purchase from us, or sell it into the open market, they may become competitors of ours in the field of isobutanol sales. This could significantly reduce our profitability and hinder our ability to negotiate future supply agreements for our isobutanol, which could have an adverse effect on our performance.

Our ability to compete successfully will depend on our ability to develop proprietary products that reach the market in a timely manner and are technologically superior to and/or are less expensive than other products on the market. Many of our competitors have substantially greater production, financial, research and development, personnel and marketing resources than we do. In addition, certain of our competitors may also benefit from local government subsidies and other incentives that are not available to us. As a result, our competitors may be able to develop competing and/or superior technologies and processes, and compete more aggressively and sustain that competition over a longer period of time than we could. Our technologies and products may be rendered obsolete or uneconomical by technological advances or entirely different approaches developed by one or more of our competitors. As more companies develop new intellectual property in our markets, the possibility of a competitor acquiring patent or other rights that may limit our products or potential products increases, which could lead to litigation. Furthermore, to secure purchase agreements from certain customers, we may be required to enter into exclusive supply contracts, which could limit our ability to further expand our sales to new customers. Likewise, major potential customers may be locked into long-term, exclusive agreements with our competitors, which could inhibit our ability to compete for their business.

In addition, various governments have recently announced a number of spending programs focused on the development of clean technologies, including alternatives to petroleum-based fuels and the reduction of carbon emissions. Such spending programs could lead to increased funding for our competitors or a rapid increase in the number of competitors within those markets.

Our limited resources relative to many of our competitors may cause us to fail to anticipate or respond adequately to new developments and other competitive pressures. This failure could reduce our competitiveness and market share, adversely affect our results of operations and financial position and prevent us from obtaining or maintaining profitability.

The terms of our loan and security agreements with Lighthouse and TriplePoint may restrict our ability to engage in certain transactions.

In December 2006, we entered into a loan and security agreement with Lighthouse Capital Partners V, L.P., or Lighthouse, and in August 2010, we entered into two loan and security agreements with TriplePoint. Pursuant to the terms of these loan and security agreements, we cannot engage in certain actions, including disposing of certain assets, granting or otherwise allowing the imposition of a lien against certain assets, incurring certain kinds of additional indebtedness or acquiring or merging with another entity, excluding Agri-Energy, unless we receive the prior approval of Lighthouse and/or

TriplePoint. If Lighthouse and/or TriplePoint do not consent to any of the actions that we desire to take, we could be prohibited from engaging in transactions which could be beneficial to our business and our stockholders or could be forced to pay the outstanding balance of the loan(s) in full. As of September 30, 2010, the aggregate outstanding principal and final payment under our loan from Lighthouse was approximately $3.1 million, and the aggregate outstanding principal and final payments under the two loans from TriplePoint was approximately $18.9 million.

Business interruptions could delay us in the process of developing our products and could disrupt our sales.

We are vulnerable to natural disasters and other events that could disrupt our operations, such as riot, civil disturbances, war, terrorist acts, flood, infections in our laboratory or production facilities or those of our contract manufacturers and other events beyond our control. We do not have a detailed disaster recovery plan. In addition, we may not carry sufficient business interruption insurance to compensate us for losses that may occur. Any losses or damages we incur could have a material adverse effect on our cash flows and success as an overall business. Furthermore, ICM may terminate our commercialization agreement and The Regents may terminate our license agreement if a force majeure event interrupts our operations for a specified period of time.

We engage in hedging transactions, which could harm our business.

Through our Agri-Energy subsidiary in Luverne, Minnesota, we currently engage in hedging transactions to offset some of the effects of volatility in commodity prices. We expect to engage in similar transactions once we begin commercial isobutanol production. We generally follow a policy of using exchange-traded futures contracts to reduce our net position in merchandisable agricultural commodity inventories and forward cash purchase and sales contracts and exchange-traded futures contracts to manage price risk. Hedging activities may cause us to suffer losses, such as if we purchase a position in a declining market or sell a position in a rising market. Furthermore, hedging exposes us to the risk that the other party to a hedging contract defaults on its obligation. We may vary the hedging strategies we undertake, which could leave us more vulnerable to increases in commodity prices or decreases in the prices of isobutanol, distiller's dried grains or ethanol. Losses from hedging activities and changes in hedging strategy could have a material adverse effect on our operations.

Ethical, legal and social concerns about genetically engineered products and processes, and similar concerns about feedstocks grown on land that could be used for food production, could limit or prevent the use of our products, processes and technologies and limit our revenues.

Some of our processes involve the use of genetically engineered organisms or genetic engineering technologies. Additionally, our feedstocks may be grown on land that could be used for food production, which subjects our feedstock sources to "food versus fuel" concerns. If we are not able to overcome the ethical, legal and social concerns relating to genetic engineering or food versus fuel, our products and processes may not be accepted. Any of the risks discussed below could result in increased expenses, delays or other impediments to our programs or the public acceptance and commercialization of products and processes dependent on our technologies or inventions. Our ability to develop and commercialize one or more of our technologies, products, or processes could be limited by the following factors:

- public attitudes about the safety and environmental hazards of, and ethical concerns over, genetic research and genetically engineered products and processes, which could influence public acceptance of our technologies, products and processes;
- public attitudes regarding, and potential changes to laws governing ownership of genetic material, which could harm our intellectual property rights with respect to our genetic material and discourage others from supporting, developing or commercializing our products, processes and technologies;

- public attitudes and ethical concerns surrounding production of feedstocks on land which could be used to grow food, which could influence public acceptance of our technologies, products and processes;
- governmental reaction to negative publicity concerning genetically engineered organisms, which could result in greater government regulation of genetic research and derivative products; and
- governmental reaction to negative publicity concerning feedstocks produced on land which could be used to grow food, which could result in greater government regulation of feedstock sources.

The subjects of genetically engineered organisms and food versus fuel have received negative publicity, which has aroused public debate. This adverse publicity could lead to greater regulation and trade restrictions on imports of genetically engineered products or feedstocks grown on land suitable for food production.

The biocatalysts that we develop have significantly enhanced characteristics compared to those found in naturally occurring enzymes or microbes. While we produce our biocatalysts only for use in a controlled industrial environment, the release of such biocatalysts into uncontrolled environments could have unintended consequences. Any adverse effect resulting from such a release could have a material adverse effect on our business and financial condition, and we may be exposed to liability for any resulting harm.

Compliance with stringent laws and regulations may be time consuming and costly, which could adversely affect the commercialization of our biofuels products.

Any biofuels developed using our technologies will need to meet a significant number of regulations and standards, including regulations imposed by the US Department of Transportation, the EPA, the FAA, various state agencies and others. Any failure to comply, or delays in compliance, with the various existing and evolving industry regulations and standards could prevent or delay the commercialization of any biofuels developed using our technologies and subject us to fines and other penalties.

We use hazardous materials in our business and we must comply with environmental laws and regulations. Any claims relating to improper handling, storage or disposal of these materials or noncompliance of applicable laws and regulations could be time consuming and costly and could adversely affect our business and results of operations.

Our research and development processes involve the use of hazardous materials, including chemical, radioactive and biological materials. Our operations also produce hazardous waste. We cannot eliminate entirely the risk of accidental contamination or discharge and any resultant injury from these materials. Federal, state and local laws and regulations govern the use, manufacture, storage, handling and disposal of, and human exposure to, these materials. We may be sued for any injury or contamination that results from our use or the use by third parties of these materials, and our liability may exceed our total assets. Although we believe that our activities conform in all material respects with environmental laws, there can be no assurance that violations of environmental, health and safety laws will not occur in the future as a result of human error, accident, equipment failure or other causes. Compliance with applicable environmental laws and regulations may be expensive, and the failure to comply with past, present, or future laws could result in the imposition of fines, third-party property damage, product liability and personal injury claims, investigation and remediation costs, the suspension of production or a cessation of operations, and our liability may exceed our total assets. Liability under environmental laws can be joint and several and without regard to comparative fault. Environmental laws could become more stringent over time imposing greater compliance costs and increasing risks and penalties associated with violations, which could impair our research, development or production efforts and harm our business.

As isobutanol has not previously been used as a commercial fuel in significant amounts, its use subjects us to product liability risks, and we may have difficulties obtaining product liability insurance.

Isobutanol has not been used as a commercial fuel and research regarding its impact on engines and distribution infrastructure is ongoing. Though we intend to test isobutanol further before commercialization, there is a risk that it may damage engines or otherwise fail to perform as expected. If isobutanol degrades the performance or reduces the lifecycle of engines, or causes them to fail to meet emissions standards, market acceptance could be slowed or stopped, and we could be subject to product liability claims. Furthermore, due to isobutanol's lack of commercial history as a fuel, we are uncertain as to whether we will be able to acquire product liability insurance on reasonable terms, or at all. A significant product liability lawsuit could substantially impair our production efforts and could have a material adverse effect on our business, reputation, financial condition and results of operations.

We may not be able to use some or all of our net operating loss carry-forwards to offset future income.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitation on its ability to utilize its pre-change net operating loss carry-forwards, or net operating losses, to offset future taxable income. We may have experienced one or more ownership changes in prior years, and the issuance of shares in connection with this public offering may itself trigger an ownership change; hence our ability to utilize our net operating losses to offset income if we attain profitability may be limited. In addition, these loss carry-forwards expire at various times through 2029. The Company believes that it is more likely than not that these carry-forwards will not result in any material future tax savings.

If we fail to maintain an effective system of internal controls, we might not be able to report our financial results accurately or prevent fraud; in that case, our stockholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our stock.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. In addition, Section 404 of the Sarbanes-Oxley Act of 2002 will require us and, in the event we are an accelerated filer, our independent registered public accounting firm to evaluate and report on our internal control over financial reporting beginning with our Annual Report on Form 10-K for the year ending December 31, 2011. The process of implementing our internal controls and complying with Section 404 will be expensive and time consuming, and will require significant attention of management. We cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Even if we conclude, and our independent registered public accounting firm concurs, that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price. In addition, a delay in compliance with Section 404 could subject us to a variety of administrative sanctions, including SEC action, ineligibility for short form resale registration, the suspension or delisting of our common stock from the stock exchange on which it is listed and the inability of registered broker-dealers to make a market in our common stock, which would further reduce our stock price and could harm our business.

RISKS RELATING TO THIS OFFERING

We are subject to anti-takeover provisions in our certificate of incorporation and bylaws and under Delaware law that could delay or prevent an acquisition of our company, even if the acquisition would be beneficial to our stockholders.

Provisions in our amended and restated certificate of incorporation and our bylaws, both of which will become effective upon the completion of this offering, may delay or prevent an acquisition of us. Among other things, our amended and restated certificate of incorporation and bylaws will provide for a board of directors which is divided into three classes, with staggered three-year terms and will provide that all stockholder action must be effected at a duly called meeting of the stockholders and not by a consent in writing, and will further provide that only our board of directors may call a special meeting of the stockholders. These provisions may also frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, who are responsible for appointing the members of our management team. Furthermore, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits, with some exceptions, stockholders owning in excess of 15% of our outstanding voting stock from merging or combining with us. Finally, our charter documents establish advance notice requirements for nominations for election to our board of directors and for proposing matters that can be acted upon at stockholder meetings. Although we believe these provisions together provide an opportunity to receive higher bids by requiring potential acquirers to negotiate with our board of directors, they would apply even if an offer to acquire our company may be considered beneficial by some stockholders.

Concentration of ownership among our existing officers, directors and principal stockholders may prevent other stockholders from influencing significant corporate decisions and depress our stock price.

When this offering is completed, our officers, directors and existing stockholders who hold at least 5% of our stock will together control approximately   % of our outstanding common stock. As of September 30, 2010, Khosla Ventures I, L.P. and its affiliates, or Khosla Ventures, Virgin Green Fund I, L.P., or Virgin Green, Total Energy Ventures International, Burrill Life Sciences Capital Fund III, L.P., or Burrill, and Malaysian Life Sciences Capital Fund Ltd., or Malaysian Capital, beneficially owned approximately 40.6%, 15.1%, 12.7%, 10.3% and 9.0% of our outstanding common stock, respectively on an as-converted basis, based on the one-to-one conversion rate in effect as of September 30, 2010. See Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering. If these officers, directors and principal stockholders or a group of our principal stockholders act together, they will be able to exert a significant degree of influence over our management and affairs and control matters requiring stockholder approval, including the election of directors and approval of mergers or other business combination transactions. The interests of this concentration of ownership may not always coincide with our interests or the interests of other stockholders. For instance, officers, directors and principal stockholders, acting together, could cause us to enter into transactions or agreements that we would not otherwise consider. Similarly, this concentration of ownership may have the effect of delaying or preventing a change in control of our company otherwise favored by our other stockholders. This concentration of ownership could depress our stock price.

Our share price may be volatile and you may be unable to sell your shares at or above the offering price.

The initial public offering price for our shares will be determined by negotiations between us and representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. The market price of shares of our common stock could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results;
- the position of our cash and cash equivalents;
- actual or anticipated changes in our growth rate relative to our competitors;
- actual or anticipated fluctuations in our competitors' operating results or changes in their growth rate;
- announcements of technological innovations by us, our partners or our competitors;
- announcements by us, our partners or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- the entry into, modification or termination of licensing arrangements;
- the entry into, modification or termination of research, development, commercialization or supply arrangements;
- additions or losses of customers;
- additions or departures of key management or scientific personnel;
- competition from existing products or new products that may emerge;
- issuance of new or updated research reports by securities or industry analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- disputes or other developments related to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- changes in existing laws, regulations and policies applicable to our business and products, including the National Renewable Fuel Standard program, and the adoption or failure to adopt carbon emissions regulation;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us or our stockholders;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- general market conditions in our industry; and
- general economic and market conditions, including the recent financial crisis.

Furthermore, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of shares of our common stock. If the market price of shares of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

A significant portion of our total outstanding shares of common stock is restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of common stock intend to sell shares, could reduce the market price of our common stock. As of September 30, 2010, our three largest stockholders beneficially own, collectively, approximately 68% of our outstanding common stock. If one or more of them were to sell a substantial portion of the shares they hold, it could cause our stock price to decline. Based on shares outstanding as of September 30, 2010, upon completion of this offering, we will have outstanding shares of common stock, assuming no exercise of the underwriters' option to purchase additional shares. This includes the shares that we are selling in this offering. Of the remaining shares, shares of common stock will be subject to a 180-day contractual lock-up with the underwriters, and shares of common stock will be subject to a 180-day contractual lock-up with us. Upon expiration of the lockup agreements, these shares will be eligible for immediate resale, subject in some cases to the volume and other restrictions of Rules 144 and 701 under the Securities Act of 1933, as amended, or the Securities Act. These shares represent a substantial fraction of our total shares outstanding, and sales of these shares upon expiration of the lock-up could significantly depress our share price.

In addition, as of September 30, 2010, there were 2,894,265 shares subject to outstanding options that will become eligible for sale in the public market to the extent permitted by any applicable vesting requirements, the lock-up agreements and Rules 144 and 701 under the Securities Act. Moreover, after this offering, based on the one-to-one conversion rate in effect as of September 30, 2010, holders of an aggregate of approximately 15,128,775 shares of our outstanding common stock (including shares of our common stock issuable upon the exercise of outstanding options and warrants) will have rights, subject to some conditions, to require us to file registration statements covering their shares and to include their shares in registration statements that we may file for ourselves or other stockholders. See Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering.

We also intend to register approximately shares of common stock that have been reserved for issuance under our stock incentive plans. Once we register these shares, they can be freely sold in the public market upon issuance and once vested, subject to the 180-day lock-up periods under the lock-up agreements described in the "Underwriting" section of this prospectus.

No public market for our common stock currently exists and an active trading market may not develop or be sustained following this offering.

Prior to this offering, there has been no public market for our common stock. An active trading market may not develop following the completion of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our stock or change their opinion of our stock, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

The initial public offering price will be substantially higher than the tangible book value per share of shares of our common stock based on the total value of our tangible assets less our total liabilities immediately following this offering. Therefore, if you purchase shares of our common stock in this offering, you will experience immediate and substantial dilution of approximately $ per share in the price you pay for shares of our common stock as compared to its tangible book value, assuming an initial public offering price of $ per share. To the extent outstanding options and warrants to purchase shares of common stock are exercised, there will be further dilution. For further information on this calculation, see “Dilution” elsewhere in this prospectus.

We have broad discretion in the use of net proceeds from this offering and may not use them effectively.

Although we currently intend to use the net proceeds from this offering in the manner described in “Use of Proceeds” elsewhere in this prospectus, we will have broad discretion in the application of the net proceeds. Our failure to apply these net proceeds effectively could affect our ability to continue to develop and sell our products and grow our business, which could cause the value of your investment to decline.

We will incur significant increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives.

We have never operated as a public company. As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act, as well as related rules implemented by the Securities and Exchange Commission and The Nasdaq Stock Market, impose various requirements on public companies. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more expensive for us to maintain director and officer liability insurance.

In addition, the Sarbanes-Oxley Act requires, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures. In particular, commencing in 2011, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management and our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Our compliance with Section 404 will require that we incur substantial accounting expense and expend significant management time on compliance-related issues. We will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, our stock price could decline, and we could face sanctions, delisting or investigations by The Nasdaq Global Market, or other material effects on our business, reputation, results of operations, financial condition or liquidity.

We do not anticipate paying cash dividends, and accordingly, stockholders must rely on stock appreciation for any return on their investment.

The terms of our loan and security agreements with Lighthouse and TriplePoint currently prohibit us from paying cash dividends on our common stock. Although the prohibition on paying dividends under Gevo, Inc.'s loan and security agreement with TriplePoint terminates upon the completion of this offering, we do not anticipate paying cash dividends in the future. As a result, only appreciation of the price of our common stock, which may never occur, will provide a return to stockholders. Investors seeking cash dividends should not invest in our common stock. Under the terms of Agri-Energy's $12.5 million loan and security agreement with TriplePoint, as amended, subject to certain limited exceptions, Agri-Energy is only permitted to pay dividends if the following conditions are satisfied: (i) the retrofit of the Luverne facility is complete and the facility is producing commercial volumes of isobutanol, (ii) its net worth is greater than or equal to $10.0 million, and (iii) no event of default has occurred and is continuing under the agreement. Accordingly, even if we decide to pay cash dividends in the future, we may not be able to access cash generated by Agri-Energy if amounts are then outstanding pursuant to its loan and security agreement with TriplePoint.

Forward-looking statements

This prospectus contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are contained principally in the sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.” These statements relate to future events or our future financial or operational performance and involve known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. These risks and uncertainties are contained principally in the section entitled “Risk Factors.”

Forward-looking statements include all statements that are not historical facts. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential,” or the negative of those terms, and similar expressions and comparable terminology intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as guarantees of future events. These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this prospectus.

In particular, forward looking statements in this prospectus include statements about:

- the achievement of advances in our technology platform;
- the timing and cost of acquiring access to additional ethanol production facilities;
- the timing and costs associated with our planned retrofits of production facilities;
- our access to capital, including pursuant to those certain loan and security agreements with TriplePoint;
- the acceptance and success of our capital-light model for production of our product at retrofitted ethanol plants;
- the commercial scale-up of our production, including the timing and volume of our future production;
- the availability of suitable and cost-competitive feedstocks;
- our ability to gain market acceptance for isobutanol as a specialty chemical, fuel blendstock and raw material for the production of hydrocarbons;
- our ability to produce and sell protein fermentation meal as an animal feedstock;
- the expected applications of our platform molecule and addressable markets, including our access to distribution infrastructure and services and the availability of chemical processing;
- the expected cost-competitiveness and relative performance attributes of our isobutanol and the products derived from it;
- the timing of commercial sales of our product, including the timing and terms of final, binding supply agreements for the isobutanol that we produce;
- government regulatory and industry certification, approval and acceptance of our product and its derivatives;
- government policymaking and incentives relating to renewable fuels;

- the future price and volatility of corn and other renewable feedstocks; and
- the future price and volatility of petroleum and products derived from petroleum.

This prospectus also contains estimates and other information concerning our target markets that are based on industry publications, surveys and forecasts, including those generated by SRI, CMAI, the EIA, the IEA, the RFA, and Nexant. This information involves a number of assumptions and limitations. Although we believe the information in these industry publications, surveys and forecasts is reliable, we have not independently verified the accuracy or completeness of the information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.” These and other factors could cause actual results to differ materially from those expressed in these publications, surveys and forecasts.

Use of proceeds

We estimate that we will receive net proceeds of approximately $ million from the sale of shares of common stock offered in this offering based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional shares, we estimate that our net proceeds will be approximately $ million based on an assumed initial public offering price of $ per share.

We currently intend to use all or a portion of the net proceeds of this offering, together with existing cash and cash equivalents, to acquire access to ethanol facilities through direct acquisition and joint ventures, and retrofit those facilities to produce isobutanol. We completed our acquisition of Agri-Energy in September 2010, and we do not have agreements or commitments for any other specific acquisitions at this time. We may also use a portion of the net proceeds of this offering to fund working capital and other general corporate purposes, including paying off certain of our long-term debt obligations and the costs associated with being a public company.

The potential uses of net proceeds from this offering represent our current intentions based upon our present business plans and business conditions. As of the date of this prospectus, we cannot allocate specific percentages of the net proceeds that we may use to acquire access to ethanol facilities, retrofit these facilities, fund working capital and for other general corporate purposes.

Until we apply the net proceeds of this offering to its intended uses, we intend to invest the net proceeds in interest-bearing demand deposit accounts or short-term investment-grade securities. We cannot predict whether these temporary investments of the net proceeds will yield a favorable return, or any yield at all.

Dividend policy

We have never declared or paid cash dividends on shares of our common or preferred stock, and currently do not plan to declare or pay cash dividends in the foreseeable future. We expect to retain our future earnings, if any, for use in the operation and expansion of our business. In addition, the terms of our loan and security agreement with Lighthouse currently prohibit us from paying cash dividends, and the terms of Gevo, Inc.'s loan and security agreement with TriplePoint prohibit us from paying cash dividends until the completion of this offering. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of our board of directors and will depend upon such factors as earnings levels, capital requirements, requirements under the Delaware General Corporation Law, restrictions and covenants pursuant to any other credit facilities we may enter into, our overall financial condition and any other factors deemed relevant by our board of directors. Under the terms of Agri-Energy's $12.5 million loan and security agreement with TriplePoint, as amended, subject to certain limited exceptions, Agri-Energy is only permitted to pay dividends if the following conditions are satisfied: (i) the retrofit of the Luverne facility is complete and the facility is producing commercial volumes of isobutanol, (ii) its net worth is greater than or equal to $10.0 million, and (iii) no event of default has occurred and is continuing under the agreement. Accordingly, even if we decide to pay cash dividends in the future, we may not be able to access cash generated by Agri-Energy if amounts are then outstanding pursuant to its loan and security agreement with TriplePoint.

Capitalization

The following table sets forth our cash and cash equivalents and our capitalization as of September 30, 2010:

- on an actual basis; and
- on a pro forma basis to reflect:
  - the filing of a restated certificate of incorporation to authorize shares of common stock and shares of undesignated preferred stock;
  - the conversion of all of our outstanding shares of convertible preferred stock into 14,613,602 shares of common stock, based on the one-to-one conversion rate in effect as of September 30, 2010 (see Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering), and the related conversion of all outstanding convertible preferred stock warrants to common stock warrants; and
  - the reclassification of the convertible preferred stock warrant liability to stockholders' equity upon the completion of this offering; and
- on a pro forma, as adjusted basis to reflect the pro forma adjustments described above and our receipt of the estimated net proceeds from this offering, based on an assumed initial public offering of shares at a price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Capitalization

The pro forma and pro forma, as adjusted information below is illustrative only and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes appearing elsewhere in this prospectus.

	As of September 30, 2010		
	Actual	Pro forma (unaudited)	Pro forma, as adjusted
Cash and cash equivalents	$ 22,516,000	$ 22,516,000	$
Convertible preferred stock warrant liability	$ 3,003,000	—	
Secured long-term debt, net of current portion and debt discounts	$ 19,034,000	$ 19,034,000	
Stockholders' equity:			
Convertible preferred stock, $0.01 par value per share; 15,246,000 shares authorized, 14,613,602 shares issued and outstanding, actual; no shares authorized, no shares issued and outstanding, pro forma and pro forma, as adjusted	$ 146,000	—	
Preferred stock, $0.01 par value per share; no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma; shares authorized, no shares issued and outstanding, pro forma, as adjusted	—	—	
Common stock, $0.01 par value per share; 30,000,000 shares authorized; 1,160,657 issued and outstanding, actual; 30,000,000 shares authorized, 15,774,259 shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma, as adjusted	12,000	158,000	
Additional paid-in capital	102,878,000	105,881,000	
Accumulated deficit	(77,994,000)	(77,994,000)	
Total stockholders' equity	25,042,000	28,045,000	
Total capitalization	$ 47,079,000	$ 47,079,000	$

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, our pro forma, as adjusted cash and cash equivalents, additional paid-in capital and stockholders' equity by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Capitalization

The number of shares of common stock shown as issued and outstanding in the table is based on the number of shares of our common stock outstanding as of September 30, 2010 and excludes:

- 2,894,265 shares of common stock issuable upon the exercise of options outstanding as of September 30, 2010 at a weighted average exercise price of $2.83 per share;
- 858,000 shares of common stock issuable upon the exercise of common stock warrants outstanding as of September 30, 2010 at an exercise price of $2.70 per share;
- 303,173 shares of common stock issuable upon the exercise of preferred stock warrants outstanding as of September 30, 2010 at a weighted average exercise price of $9.46 per share, based on the one-to-one conversion rate in effect as of September 30, 2010 (see Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering); and
- shares of our common stock reserved for future issuance under our 2010 stock incentive plan, which will become effective in connection with the consummation of this offering.

Dilution

If you invest in our common stock, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma, as adjusted net tangible book value per share of our common stock after this offering.

Our pro forma net tangible book value at September 30, 2010 was $28.0 million, or $1.78 per share of common stock. Pro forma net tangible book value per share represents total tangible assets less total liabilities (which includes the reclassification of convertible preferred stock warrant liability into additional paid-in capital upon the conversion of outstanding shares of preferred stock underlying warrants into shares of common stock), divided by the number of outstanding shares of common stock on September 30, 2010, after giving effect to the conversion of all of our outstanding convertible preferred stock into shares of our common stock in connection with the completion of this offering, based on the one-to-one conversion rate in effect as of September 30, 2010 (see Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering), as if the conversion occurred on September 30, 2010. Our pro forma, as adjusted net tangible book value at September 30, 2010, after giving effect to the sale by us of shares of common stock in this offering at an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, would have been approximately $ million, or $ per share. This represents an immediate increase in pro forma, as adjusted net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors, or approximately % of the assumed initial public offering price of $ per share. The following table illustrates this per share dilution:

Assumed initial public offering price per share	$	
Pro forma net tangible book value per share at September 30, 2010	$	1.78
Increase in pro forma net tangible book value per share attributable to this offering		
Pro forma, as adjusted net tangible book value per share after this offering		
Dilution per share to new investors	$	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) would increase (decrease) our pro forma, as adjusted net tangible book value by $ million, the pro forma, as adjusted net tangible book value per share by $ per share and the dilution in the pro forma net tangible book value to new investors in this offering by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Dilution

The following table shows, as of September 30, 2010, the number of shares of common stock purchased from us, the total consideration paid to us and the average price paid per share by existing stockholders and by new investors purchasing common stock in this offering at an assumed initial public offering price of $ per share, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders		%		%	
New investors					
Total		100.0%		100.0%	

The table above, and the information below, assume that our existing stockholders do not purchase any shares in this offering.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) would increase (decrease) total consideration paid by new investors, total consideration paid by all stockholders and the average price per share paid by all stockholders by $, $ and $, respectively, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discount and estimated offering expenses payable by us.

The discussion and tables in this section regarding dilution are based on 15,774,259 shares of common stock issued and outstanding as of September 30, 2010, which assumes the conversion of all of our preferred stock into an aggregate of 14,613,602 shares of our common stock upon the completion of this offering, based on the one-to-one conversion rate in effect as of September 30, 2010 (see Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering), and excludes:

- 2,894,265 shares of common stock issuable upon the exercise of options outstanding as of September 30, 2010 at a weighted average exercise price of $2.83 per share;
- 858,000 shares of common stock issuable upon the exercise of common stock warrants outstanding as of September 30, 2010 at an exercise price of $2.70 per share;
- 303,173 shares of common stock issuable upon the exercise of preferred stock warrants outstanding as of September 30, 2010 at a weighted average exercise price of $9.46 per share, based on the one-to-one conversion rate in effect as of September 30, 2010 (see Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering); and
- shares of our common stock reserved for future issuance under our 2010 stock incentive plan, which will become effective in connection with the consummation of this offering.

If the underwriters exercise their option to purchase additional shares in full, the following will occur:

- the number of shares of our common stock held by existing stockholders would decrease to % of the total number of shares of our common stock outstanding after this offering; and
- the number of shares of our common stock held by new investors would increase to approximately % of the total number of shares of our common stock outstanding after this offering.

Dilution

To the extent that outstanding options or warrants are exercised, you will experience further dilution. If all of our outstanding options and warrants were exercised, our pro forma net tangible book value as of September 30, 2010 would have been $41.4 million, or $2.09 per share, and the pro forma, as adjusted net tangible book value after this offering would have been $ million, or $ per share, causing dilution to new investors of $ per share.

In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

Selected historical consolidated financial data

The following selected historical consolidated financial data should be read together with our consolidated financial statements and the accompanying notes appearing elsewhere in this prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The selected historical consolidated financial data in this section is not intended to replace our historical consolidated financial statements and the accompanying notes. Our historical results are not necessarily indicative of our future results.

We derived the consolidated statements of operations data for 2007, 2008 and 2009 and the consolidated balance sheet data as of December 31, 2008 and 2009 from our audited consolidated financial statements appearing elsewhere in this prospectus. The consolidated statements of operations data for 2005 and 2006 and the consolidated balance sheet data as of December 31, 2005, 2006 and 2007 have been derived from our unaudited consolidated financial statements not included in this prospectus. The consolidated statements of operations data for the nine months ended September 30, 2009 and 2010 and the consolidated balance sheet data as of September 30, 2010 are derived from our unaudited interim consolidated financial statements appearing elsewhere in this prospectus. The unaudited interim financial statements have been prepared on the same basis as the audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly our financial position as of September 30, 2010 and results of operations for the nine months ended September 30, 2009 and 2010. Operating results for the nine months ended September 30, 2010 are not necessarily indicative of the results that may be expected for the year ended December 31, 2010. The data should be read in conjunction with the consolidated financial statements, related notes, and other financial information included herein. For purposes of the disclosure contained in this section, “the company,” “we,” “us” and “our” refer to Gevo, Inc. and Gevo Development, as the context requires, and include Agri-Energy following the completion of our acquisition on September 22, 2010.

Consolidated statements of operations data:	Years ended December 31,					Nine months ended September 30,	
	2005	2006	2007	2008	2009	2009	2010(5)
Revenues:							
Grant revenue	$ —	$ 100,000	$ 275,000	$ 208,000	$ 660,000	$ 551,000	$ 1,175,000
Licensing revenue	—	—	—	—	—	—	138,000
Ethanol sales and related products	—	—	—	—	—	—	975,000
Total revenues	—	100,000	275,000	208,000	660,000	551,000	2,288,000
Cost of goods sold	—	—	—	—	—	—	(856,000)
Gross margin	—	100,000	275,000	208,000	660,000	551,000	1,432,000
Operating expenses:							
Research and development	(161,000)	(902,000)	(3,699,000)	(7,376,000)	(10,508,000)	(6,730,000)	(11,432,000)
Selling, general and administrative	(99,000)	(328,000)	(2,601,000)	(6,065,000)	(8,699,000)	(5,685,000)	(19,114,000)
Lease termination costs	—	—	(894,000)	—	—	—	—
Loss on abandonment or disposal of assets	—	—	(243,000)	(78,000)	(22,000)	(10,000)	—
Total operating expenses	(260,000)	(1,230,000)	(7,437,000)	(13,519,000)	(19,229,000)	(12,425,000)	(30,546,000)
Loss from operations	(260,000)	(1,130,000)	(7,162,000)	(13,311,000)	(18,569,000)	(11,874,000)	(29,114,000)

Selected consolidated financial data

Consolidated statements of operations data:	Years ended December 31,					Nine months ended September 30,	
	2005	2006	2007	2008	2009	2009	2010(5)
Other (expense) income:							
Interest expense	$ —	$ —	$ (140,000)	$ (1,385,000)	$ (1,103,000)	$ (798,000)	$ (1,448,000)
Interest and other income	1,000	20,000	76,000	154,000	277,000	247,000	96,000
Loss from change in fair value of warrant liabilities(1)	—	—	—	—	(490,000)	(400,000)	(3,302,000)
Other (expense) income—net	1,000	20,000	(64,000)	(1,231,000)	(1,316,000)	(951,000)	(4,654,000)
Net loss	(259,000)	(1,110,000)	(7,226,000)	(14,542,000)	(19,885,000)	(12,825,000)	(33,768,000)
Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock	—	—	—	—	—	—	(1,789,000)
Net loss attributable to Gevo, Inc. common stockholders	$ (259,000)	$ (1,110,000)	$ (7,226,000)	$ (14,542,000)	$ (19,885,000)	$ (12,825,000)	$ (35,557,000)
Net loss per share of common stock attributable to Gevo, Inc. stockholders, basic and diluted	$ (0.27)	$ (1.17)	$ (7.40)	$ (13.83)	$ (18.07)	$ (11.70)	$ (31.12)
Weighted average number of common shares used in computing net loss per share of common stock, basic and diluted	944,146	950,000	976,909	1,051,848	1,100,294	1,096,095	1,142,498
Net loss used in computing pro forma net loss per share of common stock, basic and diluted (unaudited)(2)(3)					$ (19,395,000)		$ (30,466,000)
Pro forma net loss per share of common stock, basic and diluted (unaudited)(4)					$ (1.62)		$ (2.04)
Weighted average number of common shares used in computing pro forma net loss per share of common stock, basic and diluted (unaudited)(4)					11,966,689		14,944,313

(1) On January 1, 2009, we changed the manner in which we account for warrants that are exercisable into preferred stock, as described in Note 18 to our consolidated financial statements.

(2) Net loss used in computing pro forma basic and diluted net loss per share of common stock has been adjusted to remove losses resulting from remeasurement of the convertible preferred stock warrant liability as these measurements would no longer be required when the convertible preferred stock warrants become warrants to purchase shares of the company's common stock.

(3) Net loss used in computing pro forma basic and diluted net loss per share of common stock has been adjusted to remove the deemed dividend associated with the amortization of the beneficial conversion feature on our Series D-1 preferred stock.

(4) Pro forma basic and diluted net loss per share of common stock and weighted average number of common shares used in computing pro forma basic and diluted net loss per share of common stock in the table above give effect to the conversion of all of our outstanding convertible preferred stock, based on the one-to-one conversion rate in effect as of September 30, 2010 for all periods presented. See Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of an initial public offering or a subsequent financing.

(5) Since Agri-Energy was acquired on September 22, 2010, our consolidated results of operations for the nine months ended September 30, 2010 include the results of operations of Agri-Energy from September 23, 2010 to the period end date.

Selected consolidated financial data

	As of December 31,					As of September 30,
Consolidated balance sheet data:	2005	2006	2007	2008	2009	2010(1)
Cash and cash equivalents	$ 183,000	$ 1,005,000	$ 63,000	$ 9,635,000	$ 21,240,000	$ 22,516,000
Total assets	228,000	1,776,000	2,391,000	13,094,000	26,383,000	57,850,000
Fair value of warrant liabilities	—	—	—	—	982,000	3,003,000
Secured long-term debt, including current portion, net of debt discounts	—	—	1,579,000	8,178,000	7,701,000	20,320,000
Total liabilities	44,000	205,000	3,029,000	9,936,000	11,300,000	32,808,000
Accumulated deficit	(259,000)	(1,369,000)	(8,595,000)	(23,137,000)	(42,437,000)	(77,994,000)
Total stockholders' equity (deficit)	184,000	1,571,000	(638,000)	3,158,000	15,083,000	25,042,000

(1) Since Agri-Energy was acquired on September 22, 2010, our balance sheet as of September 30, 2010 includes Agri-Energy.

Unaudited pro forma condensed consolidated combined financial information

The following unaudited pro forma condensed consolidated combined statements of operations have been prepared to give effect to our acquisition of Agri-Energy, using the acquisition method of accounting with the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed consolidated combined statements of operations. The unaudited pro forma condensed consolidated combined statements of operations reflect the combined results of operations of the company and Agri-Energy for the year ended December 31, 2009 and the nine months ended September 30, 2010, in both cases as if the transactions contemplated by the Agri-Energy acquisition agreement had occurred on January 1, 2009. There were no transactions between the company and Agri-Energy during the periods presented. There are no significant differences between the accounting policies of the company and Agri-Energy.

On September 22, 2010, we completed the acquisition of Agri-Energy pursuant to which we purchased all of the outstanding units of Agri-Energy, LLC and certain operating assets of Agri-Energy Limited Partnership. Pursuant to the acquisition agreement, we paid an aggregate purchase price comprised of $20,685,000 in cash plus the purchase of working capital totaling $4,919,000 (based on an estimate of actual working capital amounts at September 22, 2010). The purchase price was allocated to the following: property, plant and equipment of $20,685,000 and working capital of $4,919,000. We paid the aggregate purchase price with available cash reserves and by borrowing $12,500,000 under our loan and security agreement with TriplePoint (as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Secured long-term debt."

Agri-Energy is engaged in the business of producing and selling ethanol and related products through an ethanol plant located in Luverne, Minnesota. We acquired Agri-Energy with the intention of retrofitting the ethanol plant to produce isobutanol. We intend to record revenue from the sale of the ethanol, distiller's dried grains and other related products produced as part of the ethanol production process during the period of the retrofit of the Agri-Energy facility to isobutanol production. Continued ethanol production during the retrofit will allow us to retain local staff for the future operation of the plant, maintain the equipment and generate cash flow. As the production of ethanol is not our intended business, we intend to continue reporting our operating results as a development stage company during the retrofit process and only intend to report revenue from the sale of ethanol on an interim basis until we begin to generate revenue from sales of isobutanol. Accordingly, the historical operating results of Agri-Energy and the operating results reported during the retrofit to isobutanol production will not be indicative of future operating results for Agri-Energy once isobutanol production commences.

The unaudited pro forma condensed consolidated combined statements of operations presented are based on the assumptions and adjustments described in the accompanying notes. The unaudited pro forma condensed consolidated combined statements of operations are prepared for illustrative purposes only and are not necessarily indicative of the results of operations that would have actually been reported had the acquisitions described above occurred on January 1, 2009 nor are they necessarily indicative of the future results of operations of the combined company. The unaudited pro forma condensed consolidated combined statements of operations include adjustments which are based on preliminary estimates to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of Agri-Energy. Final purchase accounting adjustments for Agri-Energy may differ materially from the pro forma adjustments presented here.

Unaudited pro forma condensed consolidated combined financial information

These unaudited pro forma condensed consolidated combined statements of operations are based upon our historical consolidated financial statements and the historical combined financial statements of Agri-Energy, and should be read together with the company's and Agri-Energy's respective financial statements and accompanying notes appearing elsewhere in this prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Unaudited pro forma condensed consolidated combined financial information

GEVO, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMBINED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2009

Condensed consolidated combined statements of operations data:	Gevo	Agri-Energy	Adjustments for acquisition(1)	Pro forma condensed consolidated combined(1)
Revenues:				
Product revenue	$ —	$ 40,108,000	$ —	$ 40,108,000
Grant revenue	660,000	—	—	660,000
Total revenues	$ 660,000	$ 40,108,000	$ —	$ 40,768,000
Operating expenses:				
Cost of goods sold	—	(36,985,000)	(194,000)(2)	(37,179,000)
Research and development	(10,508,000)	—	—	(10,508,000)
Selling, general and administrative	(8,699,000)	(2,029,000)	—	(10,728,000)
Loss on abandonment or disposal of assets	(22,000)	—	—	(22,000)
Total operating expenses	(19,229,000)	(39,014,000)	(194,000)	(58,437,000)
Loss from operations	(18,569,000)	1,094,000	(194,000)	(17,669,000)
Other (expense) income:				
Minnesota producer payment	—	934,000(3)	(934,000)(3)	—
Interest expense	(1,103,000)	(145,000)	(1,875,000)(4)	(3,123,000)
Interest and other income	277,000	70,000	—	347,000
Loss from change in fair value of warrant liabilities	(490,000)	—	—	(490,000)
Other (expense) income—net	(1,316,000)	859,000	(2,809,000)	(3,266,000)
Income taxes	—	—	— (5)	—
Net (loss) income attributable to Gevo, Inc. common stockholders	$(19,885,000)	$ 1,953,000	$ (3,003,000)	$ (20,935,000)
Net loss per share of common stock attributable to Gevo, Inc. stockholders, basic and diluted	$ (18.07)			$ (19.03)
Weighted average number of common shares used in computing net loss per share of common stock, basic and diluted	1,100,294			1,100,294

(1) The adjustments for acquisition and the pro forma condensed consolidated combined columns reflect the combined results of operations of the company and Agri-Energy for the year ended December 31, 2009 as if the transactions contemplated by the acquisition agreement with Agri-Energy had occurred on January 1, 2009.

(2) Represents incremental depreciation expense of $194,000 for the year ended December 31, 2009 based on the fair value of acquired property, plant and equipment.

(3) Agri-Energy has been receiving incentives to produce ethanol from the State of Minnesota that are reported in the historical financial statements as Minnesota producer payments, and relate to ethanol sold prior to December 31, 2008. Any producer payments received after consummation of the acquisition will be remitted to CORN-er Stone Farmers' Cooperative.

(4) Interest expense on funds borrowed for the acquisition of Agri-Energy at 13% interest, the interest payable under the agreement, plus a portion of the final payment of 8% of the borrowed funds. See Note 7 of the Consolidated Financial Statements.

(5) State income taxes projected as payable in Minnesota on Agri-Energy's operations based on a corporate state income tax rate of 8.9%. Agri-Energy had previously been structured as a pass through entity for federal and state income tax purposes. Accordingly, no income tax expense was recognized in the audited financial statements. No adjustment was made for the year ended December 31, 2009 due to the net loss reported, as adjusted, for the period.

Unaudited pro forma condensed consolidated combined financial information

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMBINED STATEMENT OF OPERATIONS

For the Nine Months Ended September 30, 2010

Condensed consolidated combined statements of operations data:	Gevo(1)	Agri-Energy(1)	Adjustments for acquisition(1)	Pro forma condensed consolidated combined(1)
Revenues:				
Product revenue	$ 975,000	$ 30,494,000	$ —	$ 31,469,000
Government grant revenue	1,175,000	—	—	1,175,000
Licensing revenue	138,000	—	—	138,000
Total revenues	$ 2,288,000	$ 30,494,000	$ —	$ 32,782,000
Operating expenses:				
Cost of goods sold	(856,000)	(27,827,000)	(258,000)(2)	(28,941,000)
Research and development	(11,432,000)	—	—	(11,432,000)
Selling, general and administrative	(19,114,000)	(894,000)	—	(20,008,000)
Total operating expenses	(31,402,000)	(28,721,000)	(258,000)	(60,381,000)
Income (loss) from operations	(29,114,000)	1,773,000	(258,000)	(27,599,000)
Other (expense) income:				
Minnesota producer payments	—	2,494,000(3)	(2,494,000)(3)	—
Interest expense	(1,448,000)	(103,000)	(1,406,000)(4)	(2,957,000)
Interest and other income	96,000	155,000	—	251,000
Loss from change in fair value of warrant liabilities	(3,302,000)	—	—	(3,302,000)
Other (expense) income—net	(4,654,000)	2,546,000	(3,900,000)	(6,008,000)
Income taxes	—	—	— (5)	—
Net (loss) income	(33,768,000)	4,319,000	(4,158,000)	(33,607,000)
Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock	(1,789,000)	—	—	(1,789,000)
Net (loss) income attributable to Gevo, Inc. common stockholders	$(35,557,000)	$ 4,319,000	$ (4,158,000)	$ (35,396,000)
Net loss per share of common stock attributable to Gevo, Inc. stockholders, basic and diluted	$ (31.12)			$ (30.98)
Weighted average number of common shares used in computing net loss per share of common stock, basic and diluted	1,142,498			1,142,498

(1) The adjustments for acquisition and pro forma condensed consolidated combined columns reflect the combined results of operations of the company and Agri-Energy for the nine months ended September 30, 2010 as if the transactions contemplated by the acquisition agreement with Agri-Energy had occurred on January 1, 2009. The column titled “Gevo” includes the results of Agri-Energy after September 22, 2010, the date of our acquisition of Agri-Energy, as these results are reflected in our consolidated statement of operations. The column titled “Agri-Energy” includes the results of Agri-Energy for the period from January 1, 2010 through September 22, 2010.

(2) Represents incremental depreciation expense of $258,000 for the nine months ended September 30, 2010 based on the fair value of acquired property, plant and equipment.

(3) Agri-Energy has been receiving incentives to produce ethanol from the State of Minnesota that are reported in the historical financial statements as Minnesota producer payments, and relate to ethanol sold prior to December 31, 2008. Any producer payments received after consummation of the acquisition will be remitted to CORN-er Stone Farmers’ Cooperative.

(4) Represents interest expense on funds borrowed for the acquisition of Agri-Energy at 13% interest, the interest payable under the agreement, plus a portion of the final payment of 8% of the borrowed funds. See Note 7 of the Consolidated Financial Statements.

(5) State income taxes projected as payable in Minnesota on Agri-Energy’s operations based on a corporate state income tax rate of 8.9%. Agri-Energy had previously been structured as a pass through entity for federal and state income tax purposes. Accordingly, no income tax expense was recognized in the audited financial statements. No adjustment was made for the nine months ended September 30, 2010 due to the net loss reported, as adjusted, for that period.

Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear elsewhere in this prospectus. In addition to historical financial information, the following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in "Risk Factors."

OVERVIEW

We are a renewable chemicals and advanced biofuels company focused on the development and commercialization of alternatives to petroleum-based products. Our initial commercialization and development efforts are focused on isobutanol, a four carbon alcohol. Without any modification, our isobutanol has applications as a specialty chemical and a fuel blendstock. The potential global market for isobutanol as a specialty chemical is approximately 1.1 BGPY, and the potential global market for isobutanol as a fuel blendstock is approximately 40 BGPY.

Our isobutanol can also be converted by our customers into a wide variety of hydrocarbons which form the basis for the production of many products, including plastics, fibers, rubber and other polymers and hydrocarbon fuels, including jet and diesel fuel. We believe that products derived from isobutanol have potential applications in approximately 40% of the global petrochemicals market, representing a potential market for isobutanol of approximately 67 BGPY, and substantially all of the global hydrocarbon fuels market, representing a potential market for isobutanol of approximately 900 BGPY. When combined with a potential aggregate specialty chemical and fuel blendstock market for isobutanol of approximately 41.1 BGPY, this represents a potential global market for isobutanol of approximately 1,008 BGPY. Furthermore, our isobutanol and its derivatives are chemically identical to petroleum-derived products, except that they contain carbon from renewable sources, which we believe will reduce market adoption barriers.

Our technology platform consists of proprietary biocatalysts and a proprietary isobutanol separation unit. Together these technologies form the Gevo Integrated Fermentation Technology®. GIFT™ is designed to allow relatively low capital expenditure retrofits of existing ethanol facilities, enabling a rapid and cost-efficient route to isobutanol production from a variety of renewable feedstocks. Our biocatalysts are microorganisms that have been designed to metabolize sugars to produce isobutanol. By August 2009, we had improved our first-generation biocatalyst's performance to equal or exceed our targeted levels of commercial performance, initially at our GIFT™ mini-plant and then at our 10,000 gallon per year pilot plant in Englewood, Colorado. In September 2009, we replicated this performance by successfully completing the retrofit of a 1 MGPY ethanol demonstration facility located at ICM's St. Joseph, Missouri site.

To establish isobutanol production in a commercial industrial setting, we are now completing the development of our second-generation biocatalyst. We have transferred our proprietary isobutanol pathway to an industrially relevant yeast host and are currently optimizing the yeast's performance to achieve our commercial performance targets. As of October 2010, our second-generation biocatalyst has achieved a fermentation time of 52 hours and achieved approximately 94% of the theoretical maximum yield of isobutanol from feedstock, meeting our targeted fermentation performance criteria well in advance of our planned commercial launch of isobutanol production in the first half of 2012.

Using our biocatalysts, we have demonstrated that GIFT™ enables isobutanol fermentation times equal to, or less than, that achieved in the current conventional production of ethanol. Meeting the conventional ethanol fermentation time is important because it allows us to lower capital expenditures by leveraging the existing ethanol infrastructure through retrofit of ethanol plants to isobutanol production. We developed our technology platform to be compatible with the existing approximately 20 BGPY of global operating ethanol production capacity. We believe that this retrofit approach will allow us to rapidly expand our isobutanol production capacity in response to customer demand and will be attractive to current ethanol plant owners due to the opportunity to increase their operating margins through the retrofit of their existing facilities in joint venture settings.

Our strategy is to commercialize our isobutanol for use directly as a specialty chemical and value-added fuel blendstock and for conversion, into plastics, fibers, rubber, other polymers and hydrocarbon fuels. We intend to drive further adoption of our isobutanol in multiple US and international chemicals and fuels end-markets by offering a renewable product with superior properties at a competitive price. In addition, we intend to leverage existing and potential strategic partnerships with hydrocarbon companies to accelerate the use of isobutanol as a building block for drop-in hydrocarbons. This strategy will be implemented through direct supply agreements with leading chemicals and fuels companies, as well as through alliances with key technology providers.

As we add to our customer pipeline by entering into isobutanol supply agreements with customers in the refining, specialty chemicals and transportation sectors both in the US and internationally, we plan to secure access to additional and larger scale existing ethanol production facilities through direct acquisitions or joint ventures. We will then work with ICM to deploy our technology platform through retrofit of these production facilities. A commercial engineering study completed by ICM in May 2010 estimated the capital costs associated with the retrofit of a standard 50 MGPY ICM-designed corn ethanol plant to be approximately $22 to 24 million and the capital costs associated with the retrofit of a standard 100 MGPY ICM-designed corn ethanol plant to be approximately $40 to 45 million. These projected retrofit capital expenditures are substantially less than estimates for new plant construction for the production of advanced biofuels, including cellulosic ethanol. Notably, our calculations based on expected costs of retrofit, operating costs, volume of isobutanol production and price of isobutanol suggest that GIFT™ retrofits will result in an approximately two-year payback period on the capital invested in the retrofit. The ICM study also projected that each retrofit process would take approximately 14 months to complete. We believe that our exclusive alliance with ICM will enhance our ability to rapidly deploy our technology on a commercial scale at future production facilities. We plan to acquire additional production capacity to enable us to produce and sell over 500 million gallons of isobutanol in 2014.

In September 2009, Gevo, Inc. formed Gevo Development, LLC, or Gevo Development, as a 90% majority-owned subsidiary to develop isobutanol production assets using GIFT™. Gevo Development has a flexible business model and aims to secure access to existing ethanol capacity either through direct acquisition or joint venture. In September 2010, Gevo, Inc. acquired the remaining 10% of the outstanding equity interests of Gevo Development, from CDP Gevo, LLC, or CDP, a Texas limited liability company, pursuant to an equity purchase agreement. Gevo, Inc. currently owns 100% of the outstanding equity interests of Gevo Development as a wholly owned subsidiary.

At September 30, 2010, we were considered to be in the development stage as our primary activities since inception have been conducting research and development activities, establishing our facilities, recruiting personnel, business development, business and financial planning, and raising capital. Successful completion of our research and development program, obtaining adequate financing to complete our development activities, obtaining adequate financing to acquire access to and complete the retrofit of ethanol plants to isobutanol production, and ultimately, the attainment of profitable operations are dependent upon future events, including completion of our development activities resulting in commercial products and/or technology, achieving market acceptance and demand for our products and services, and attracting and retaining qualified personnel.

Series D-1 preferred stock issuance

Between March and May 2010, we issued 1,843,675 shares of Series D-1 preferred stock at a price of $17.12 per share for gross cash proceeds of approximately $31,564,000 and issued 58,412 shares of Series D-1 preferred stock at $17.12 per share in exchange for $1,000,000 of future services to be provided by ICM. The 58,412 shares issued to ICM in exchange for the credit against future services are fully vested, non-forfeitable and non-cancellable. In addition, ICM must pay a penalty of $250,000 if future services are not provided according to the terms of the agreement. In aggregate, we issued a total of 1,902,087 shares of Series D-1 preferred stock at $17.12 per share for $32,564,000.

Agri-Energy acquisition

In August 2010, we entered into an acquisition agreement with Agri-Energy. In September 2010, we closed the transactions contemplated by the acquisition agreement, and acquired a 22 MGPY ethanol production facility in Luverne, Minnesota that we intend to retrofit to produce isobutanol. We paid a purchase price of approximately $20.7 million. In addition, we acquired and paid for $4.9 million in estimated working capital. The purchase price was allocated to the following: property, plant and equipment of $20.7 million and working capital of $4.9 million. We paid the aggregate purchase price with available cash reserves and by borrowing $12.5 million under our loan and security agreement with TriplePoint (as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Secured long-term debt”). We have begun the project engineering and permitting portion of the Luverne facility retrofit process. The Luverne facility is a traditional dry-mill facility, which means that it uses dry-milled corn as a feedstock. Based on ICM’s initial evaluation of the Luverne facility, we project capital costs of approximately $17 million to retrofit this plant to produce isobutanol. We expect to incur additional costs of approximately $5 million related to the retrofit that are unique to the Luverne facility, including costs associated with the construction of a seed train and equipment and storage tanks that are designed to allow switching between isobutanol and ethanol production, bringing the total projected cost to approximately $22 million. We expect to begin commercial production of isobutanol at the Luverne facility in the first half of 2012, and we plan to expand our production capacity beyond this facility to produce and sell over 500 million gallons of isobutanol in 2014.

We will record revenue from the sale of the ethanol, distiller’s dried grains and other related products produced as part of the ethanol production process during the period of the retrofit of the Agri-Energy facility to isobutanol production. Continued ethanol production during the retrofit will allow us to retain local staff for the future operation of the plant, maintain the equipment and generate cash flow. As the production of ethanol is not our intended business, we intend to continue reporting our operating results as a development stage company during the retrofit process and only intend to report revenue from the sale of ethanol on an interim basis until we begin to generate revenue from sales of isobutanol. Accordingly, the historical operating results of Agri-Energy and the operating results reported during the retrofit to isobutanol production will not be indicative of future operating results for Agri-Energy once isobutanol production commences.

Ethanol plant operations are highly dependent on commodity prices, especially prices for corn, ethanol, distiller's dried grains and natural gas. Because the market prices of these commodities are not always correlated, at times ethanol production may be unprofitable. As commodity price volatility poses a significant threat to our margin structure, we are developing and will implement a risk management strategy focused on securing favorable operating margins. We will monitor market prices of corn, natural gas and other input costs relative to the prices for ethanol and distiller's dried grains at Luverne, Minnesota, the location of Agri-Energy. We will seek to create offsetting positions by using a combination of derivative instruments, fixed-price purchases and sales contracts or a combination of strategies within strict limits. Our primary focus will not be to manage general price movements, such as seeking to minimize the cost of corn consumed, but rather to lock in favorable profit margins whenever possible. By using a variety of risk management tools and hedging strategies we believe we will be able to maintain a disciplined approach to risk.

Agri-Energy Comparison of years ended December 31, 2008 and 2009

During the years ended December 31, 2008 and 2009, Agri-Energy reported total revenues of $50,906,000 and $40,108,000, respectively. Revenues included ethanol, E-85, distiller's dried grains, or DDGS, and other related products. The higher revenue reported for the year ended December 31, 2008 compared to the year ended December 31, 2009 was driven by higher ethanol, E-85 and DDGS sales. Ethanol sales included in revenue were $40,706,000 of total revenues for the year ended December 31, 2008 compared to $32,918,000 for the year ended December 31, 2009 primarily reflecting a higher selling price per gallon of approximately 15% during fiscal year 2008 combined with approximately 5% more total gallons sold. DDGS revenue for the year ended December 31, 2008 was $7,756,000 compared to $6,527,000 for the year ended December 31, 2009, primarily reflecting the higher average cost per bushel of corn in 2008. The cost to acquire corn is a significant factor in establishing the selling price of DDGS. In addition, E-85 sales were $2,338,000 in the year 2008 compared to $556,000 in the year 2009 due to the termination of a distribution arrangement for that product.

Agri-Energy reported a gross loss of $10,460,000 for the year ended December 31, 2008 compared to a gross margin for the year ended December 31, 2009 of $3,123,000. The improved gross margin in 2009 was driven by the decrease of approximately 40% per bushel in the average cost to acquire corn compared to the year 2008. Corn is the most significant cost component in the production of ethanol and DDGS. Additional cost savings were achieved as a result of a significant decrease in the cost of natural gas, also a significant cost component in the production of ethanol and DDGS, which was significantly lower in the year 2009 compared to the year 2008.

Selling, general and administrative expenses in fiscal year 2008 were $1,181,000 compared to $2,029,000 for the year 2009. The higher selling, general and administrative expenses in the year 2009 resulted from Agri-Energy's write-off of a receivable from Aventine Renewable Energy (ARE) in the amount of $1,006,000. ARE, the previous ethanol marketing firm for Agri-Energy, declared bankruptcy. Prior to the bankruptcy, Agri-Energy had filed suit against ARE for failure to pay for ethanol shipped to ARE in February 2009. The reserved account receivable from ARE of $1,440,000, which represents ethanol shipped to ARE in February 2009, remains in question as bankruptcy proceedings have commenced and the lawsuit has been placed on hold by the court. The unreserved balance receivable from ARE reflects management's estimate of the amount that could be collected from third parties that are interested in acquiring the Company's receivable from ARE based on written offers or the amount that would be collected through the bankruptcy proceedings. The claims related to the ARE receivable were excluded from Gevo Development's acquisition of Agri-Energy and remain the property of CORN-er Stone Farmers' Cooperative.

Other income, net of interest expense, was $2,275,000 for the year ended December 31, 2008 compared to $859,000 for the year ended December 31, 2009. Other income, net for each of these years, includes an incentive payment from the State of Minnesota based on the number of gallons of ethanol produced during the first ten years of Agri-Energy's operation. Although the required time-frame for operation has been completed, the State of Minnesota continues to make payments due to prior year underfunding. The State of Minnesota will annually make payments if and when funds are made available. Agri-Energy recognized income from these payments as they were received. Incentive income of $2,085,000 and $934,000 was recorded under this program for the years ended December 31, 2008 and 2009, respectively. The claims related to these producer payments were excluded from Gevo Development's acquisition of Agri-Energy and remain the property of CORN-er Stone Farmers' Cooperative.

After accounting for the items described above Agri-Energy reported a net loss of $9,366,000 for the year ended December 31, 2008 compared to net income of $1,953,000 for the year ended December 31, 2009.

Agri-Energy Comparison of six months ended June 30, 2009 and 2010

In September 2010, we acquired a 22 MGPY ethanol production facility in Luverne, Minnesota from Agri-Energy. Accordingly, Agri-Energy has not prepared stand alone financial statements for the quarter ended September 30, 2010. The results of Agri-Energy subsequent to closing the transaction are included in our consolidated results of operations discussed separately below.

During the six months ended June 30, 2009 and 2010, Agri-Energy reported total revenues of $17,905,000 and $20,017,000 respectively. Revenues included ethanol, E-85, DDGS and other related products. The lower revenue reported for the six months ended June 30, 2009 compared to the six months ended June 30, 2010 resulted primarily from lower ethanol and DDGS sales. Ethanol sales included in revenue were $14,008,000 for the six months ended June 30, 2009 compared to $16,882,000 for the six months ended June 30, 2010, primarily reflecting an approximately 9% lower average selling price per gallon of ethanol during the six months ended June 30, 2009 year combined with approximately 10% fewer gallons sold. DDGS sales for the six months ended June 30, 2009 were $3,601,000 compared to $2,883,000 for the six months ended June 30, 2010.

Agri-Energy reported a gross loss of $1,349,000 for the six months ended June 30, 2009 compared to a gross margin of $1,108,000 for the six months ended June 30, 2010. The increased gross margin in the 2010 period was driven by a decrease of approximately 13% per bushel in the average cost to acquire corn compared to the 2009 period. Corn is the most significant cost component in the production of ethanol and DDGS.

Selling, general and administrative expenses in the six months ended June 30, 2009 were $1,482,000 compared to $565,000 for the six months ended June 30, 2010. The higher selling, general and administrative expenses in the six months ended June 30, 2009 result from Agri-Energy's write-off of a receivable from ARE in the amount of $1,006,000 following ARE declaring bankruptcy.

Other expense, including interest expense, was $27,000 for the six months ended June 30, 2009 compared to other income, net of interest expense, of $66,000 for the six months ended June 30, 2010.

After accounting for the items described above Agri-Energy reported a net loss of $2,858,000 for the six months ended June 30, 2009 compared to net income of $609,000 for the six months ended June 30, 2010.

The combined financial statements of Agri-Energy were prepared in connection with the acquisition of Agri-Energy by Gevo Development, a subsidiary of Gevo, Inc. The combined financial statements and related notes present the financial position, results of operations and cash flows and changes in net parent investment of Agri-Energy, LLC and certain assets and liabilities of Agri-Energy Limited Partnership. Agri-Energy, LLC is a wholly owned subsidiary of CORN-er Stone Farmers’ Cooperative, or Cooperative, which is a cooperative association. Agri-Energy Limited Partnership is a limited partnership. The .01% general partnership interest of Agri-Energy Limited Partnership is held by CORN-er Stone Ethanol Management, Inc. which is a wholly owned subsidiary of the Cooperative. The 99.99% limited partnership interest of Agri-Energy Limited Partnership is under common ownership with the Cooperative. The assets, liabilities and operations of Agri-Energy Limited Partnership, which were not acquired by Gevo Development and are not included in these combined financial statements, include equity method investments held by Agri-Energy Limited Partnership, a note receivable arising from the sale of equity method investments and debt and related accounts used to finance the purchase of equity method investments. These investments were not managed or operated by Cooperative or Agri-Energy Limited Partnership management. Accordingly, changes in net parent investment represent net investments reported in the acquired entity to support acquired operations. Amounts recorded for services rendered by other entities owned by the Cooperative are recorded as due to related party in Agri-Energy’s combined financial statements.

REVENUES, COST OF GOODS SOLD AND OPERATING EXPENSES

Revenues

Revenues relating to government research grants and cooperative agreements are recognized in the period during which the related costs are incurred, provided that the conditions under the awards have been met and only perfunctory obligations are outstanding.

We also derive revenue from the sale of the ethanol, distiller’s dried grains and other products produced as part of the ethanol production process and we expect that we will continue to record revenue from these sources during the period of the retrofit of the Agri-Energy facility to isobutanol production. Revenue from the sale of ethanol, isobutanol and related products is recorded when all of the following criteria are satisfied: persuasive evidence of an arrangement exists, risk of loss and title transfer to the customer, the price is fixed and determinable and collectability of the revenue is reasonably assured. Ethanol and related products are generally shipped free on board shipping point.

Cost of goods sold and gross margin

Our gross margin is derived from our total revenues less our cost of goods sold. Cost of goods sold includes costs for direct labor, materials and certain plant overhead costs. Direct labor includes compensation of non-management personnel involved in the operation of our ethanol plant. Our cost of goods sold is mainly affected by the cost of corn and natural gas. Corn is generally our most significant raw material cost. We purchase natural gas to power steam generation in our ethanol production process and to dry our distiller’s dried grains. Cost of goods sold also includes net gains or losses from derivatives relating to corn and natural gas.

Research and development

Our research and development costs consist of expenses incurred to identify, develop and test our technologies for the production of isobutanol and the development of downstream applications thereof. Research and development expense includes personnel costs (including stock-based compensation), consultants and related contract research, facility costs, supplies, depreciation and amortization expense on property, plant and equipment used in product development, license fees paid to third parties for use of their intellectual property and patent rights and other overhead expenses incurred to support our research and development programs. Upfront fees and milestone payments made under licensing agreements, payments for sponsored research and university research gifts to support research at academic institutions are recorded as research and development expense.

Selling, general and administrative

Selling, general and administrative expense consists of personnel costs (including stock-based compensation), hiring and training costs, consulting and service provider expenses (including patent counsel related costs), marketing costs, corporate insurance costs, occupancy-related costs, depreciation and amortization expenses on property, plant and equipment not used in our product development programs or recorded in cost of goods sold, and travel and relocation expenses. After completion of this offering, we anticipate incurring a significant increase in selling, general and administrative expense as we incur additional compliance costs as a public company. These increases will likely include increased costs for insurance, costs related to the hiring of additional personnel and payment to outside consultants, lawyers and accountants. We also expect to incur significant costs to comply with the corporate governance, internal controls and similar requirements applicable to public companies.

We record selling, general and administrative expenses for the operations of the Luverne facility that include administrative and oversight, labor, insurance, property taxes and other operating expenses

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the US and include our accounts and the accounts of our wholly owned subsidiaries, Gevo Development and Agri-Energy. The preparation of our consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the applicable periods. Management bases its estimates, assumptions and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Different assumptions and judgments would change the estimates used in the preparation of our consolidated financial statements, which, in turn, could change the results from those reported. Our management evaluates its estimates, assumptions and judgments on an ongoing basis.

While our significant accounting policies are more fully described in Note 1 to our consolidated financial statements included in this prospectus, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our reported financial results and reflect the more significant judgments and estimates that we use in the preparation of our consolidated financial statements.

Stock-based compensation

Effective January 1, 2006, we adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 718, *Compensation—Stock Compensation*. Prior to January 1, 2006 we did not grant any share based awards. Compensation costs related to all equity instruments granted after January 1, 2006 are recognized at the grant-date fair value of the awards. We estimate the fair value of our share-based payment awards on the date of grant using the Black-Scholes option-pricing model and recognize the expense over the requisite service period of the awards on a straight-line basis.

We have accounted for stock options issued to nonemployees based on their estimated fair value determined using the Black-Scholes option-pricing method. The fair value of the options granted to nonemployees is re-measured as the services are performed and the options vest, and the resulting increase in value, if any, is recognized as expense during the period the related services are rendered.

The following table summarizes the stock options granted from January 1, 2008 through September 30, 2010 with their exercise prices, the fair value of the underlying common stock and the intrinsic value per share, if any:

Date of issuance	Number of options	Exercise price per share	Fair value	Intrinsic value
January 7, 2008 to February 25, 2008	64,500	$ 0.49	$ 0.49	—
June 12, 2008 to December 4, 2008	803,459	$ 1.16	$ 1.16	—
November 16, 2009 to December 1, 2009	863,720	$ 2.70	$ 2.70	—
June 3, 2010 to June 8, 2010	357,104	$ 10.07	$ 10.07	—
June 24, 2010	24,826	$ 10.07	$ 10.07	—
September 10, 2010 to September 13, 2010	64,950	$ 12.67	$ 12.67	—

Significant factors, assumptions and methodologies used in determining fair value

We have estimated the fair value of our stock option grants using the Black-Scholes option-pricing method. We calculate the estimated volatility rate based on selected comparable public companies, due to a lack of historical information regarding the volatility of our stock price. We will continue to analyze the historical stock price volatility assumption as more historical data for our common stock becomes available. Due to our limited history of grant activity, we calculate the expected life of options granted using the "simplified method" permitted by the SEC as the arithmetic average of the total contractual term of the option and its vesting period. The risk-free interest rate assumption was based on the US Treasury yield curve in effect during the year of grant for instruments with a term similar to the expected life of the related option. No dividends are expected to be paid. Forfeitures have been estimated by us based upon our historical and expected forfeiture experience.

The fair value of stock options granted in the years ended December 31, 2008 and 2009, and for the nine months ended September 30, 2010, were estimated using the following assumptions:

	Options granted in year 2008	Options granted in year 2009	Options granted during the nine months ended September 30, 2010
Risk-free interest rate	1.92%–4.43%	2.15%–2.55%	1.85%–2.53%
Expected dividend yield	None	None	None
Expected volatility factor	70%–75%	76%–80%	76%–80%
Expected option life (in years)	4.87–6.08	5.08–6.07	5.00–6.08
Expected forfeitures	0%–5%	0%–5%	0%–5%

We recognized a total of $207,000 in stock-based compensation expense during 2008, of which $140,000 was attributable to employee stock options and $67,000 was attributable to nonemployee stock options and restricted stock. Of these amounts, $101,000 was recorded as selling, general and administrative expense while $106,000 was recorded as a research and development expense. We recognized a total of $945,000 in stock-based compensation expense during 2009, of which $797,000 was attributable to employee stock options and $148,000 was attributable to nonemployee stock options and restricted stock. Of these amounts, $671,000 was recorded as selling, general and administrative expense while $274,000 was recorded as a research and development expense. In the nine months ended September 30, 2009 and 2010, we recognized a total of $258,000 and $10,024,000 in stock-based compensation expense, respectively, of which $149,000 and $2,045,000, respectively, was attributable to employee stock options and $109,000 and $227,000, respectively, was attributable to nonemployee stock options and restricted stock, and $0 and $7,752,000, respectively, was attributable to the warrant issued to CDP and the purchase of the 10% minority interest in Gevo Development from CDP. Of this total amount for the nine months ended September 30, 2009 and 2010, $138,000 and $9,507,000, respectively, was recorded as selling, general and administrative expense, while $120,000 and $517,000, respectively, was recorded as a research and development expense. Generally our stock options vest over four years. Historically, many of our stock option grants have contained a provision providing for vesting from the grantee’s date of hire. During the fourth quarter of 2009, we granted options to purchase 863,720 shares of common stock at a price of $2.70 per share. During the second quarter of 2010, we granted options to purchase 381,930 shares of common stock at a price of $10.07 per share. During the third quarter of 2010, we granted options to purchase 64,950 shares of common stock at a price of $12.67 per share. Because vesting for many of these grants commenced from the grantee’s date of hire, most of these grants were partially vested on the grant date resulting in a charge of approximately $558,000, $1,198,000 and $7,000 in the fourth quarter of 2009, the second quarter of 2010, and the third quarter of 2010, respectively, for the portion of the grants that was vested as of the grant date.

Common stock valuations

In the absence of a public trading market, we determined a reasonable estimate of the then current fair value of our common stock for purposes of granting stock based compensation based on multiple criteria. We determined the fair value of our common stock utilizing methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Practice Aid, “*Valuation of Privately-Held-Company Equity Securities Issued as Compensation*” (AICPA Practice Aid). In addition, we exercised judgment in evaluating and assessing the foregoing based on several factors including:

- the nature and history of our business;
- our historical operating and financial results;
- the market value of companies that are engaged in a similar business to ours;
- the lack of marketability of our common stock;
- the price at which shares of our preferred stock have been sold;
- the liquidation preference and other rights, privileges and preferences associated with our preferred stock;
- our progress in developing our isobutanol production technology;
- our progress towards achieving commercial performance targets for our bacteria and yeast based biocatalysts;
- our progress towards producing isobutanol at the one million gallon per year development plant scale;
- the risks associated with transferring our isobutanol production technology to full commercial scale settings;
- the overall inherent risks associated with our business at the time stock option grants were approved; and
- the overall equity market conditions and general economic trends.

We considered the factors outlined above, as well as the results of independent outside valuations performed as of the dates listed in the table below, in determining the underlying fair value of our common stock at September 30, 2007 after the completion of our Series B preferred stock financing, at March 13, 2008 after completion of our Series C preferred stock financing, at August 31, 2009 after completion of our Series D preferred stock financing, at March 31, 2010 after completion of our initial closing of the Series D-1 preferred stock financing, at August 31, 2010 and at September 30, 2010. We used an option-pricing method, as well as other factors outlined above, to estimate the fair value of our common stock as follows:

Valuation date	Fair value per share
September 30, 2007	$ 0.49
March 13, 2008	1.16
August 31, 2009	2.70
March 31, 2010	10.07
August 31, 2010	12.67
September 30, 2010	18.97

In November 2007, we completed a valuation to estimate the fair market value of a share of our common stock as of September 30, 2007 using the option-pricing method. To determine our estimated enterprise value, we applied an asset-based approach and a market-based approach based on the investment in our preferred stock by venture capital firms, including the issuance of 1,027,397 shares of Series B preferred stock at a price of $2.92 per share in July 2007. We used the option-pricing method to allocate the estimated enterprise value between common and preferred stockholders. We used a volatility of 70.3% based upon two years of data from a set of comparable public company stocks. Applying an appropriate risk free interest rate of 4.21% and a 50% discount for the lack of marketability of our common stock, we estimated a fair market value at September 30, 2007 of $0.49 per common share. We used this fair market value per common share for stock options granted through February 25, 2008.

In April 2008, we completed a valuation to estimate the fair market value of a share of our common stock as of March 13, 2008 using the option-pricing method. To determine our estimated enterprise value, we applied a market-based approach based on the investment in our preferred stock by venture capital firms, including the issuance of 3,102,190 shares of Series C preferred stock at a price of $5.48 per share in March 2008. We used the option-pricing method to allocate the estimated enterprise value between common and preferred stockholders. We used a volatility of 83.7% based upon three years of data from a set of comparable public company stocks. Applying an appropriate risk free interest rate of 1.84% and a 49% adjustment for the lack of marketability of our common stock, we estimated a fair market value at March 13, 2008 of $1.16 per common share. We used this fair market value per common share for options granted between June 12, 2008 and December 4, 2008.

In September 2009, we completed a valuation to estimate the fair market value of a share of our common stock as of August 31, 2009 using the option-pricing method. To determine our estimated enterprise value, we applied a market-based approach based on the investment in our preferred stock by venture capital firms and strategic investors, including the issuance of 4,616,483 shares of Series D preferred stock at a price of $7.04 per share between April and August 2009. We used the option-pricing method to allocate the estimated enterprise value between common and preferred stockholders. We used a volatility of 83.63% based upon two years of data from a set of comparable public company stocks. Applying an appropriate risk free interest rate of 0.97% and a 40% discount for the lack of marketability of our common stock, we estimated a fair market value at August 31, 2009 of $2.70 per common share. We used this fair market value per common share for options granted between November 16, 2009 and December 1, 2009.

In May 2010, we completed a valuation to estimate the fair market value of a share of our common stock as of March 31, 2010 using the option-pricing method. We first estimated our enterprise value and then allocated this value to the underlying classes of equity using the option-pricing method as outlined in the AICPA Practice Aid. In estimating the enterprise value, we used a scenario analysis incorporating probabilities of future events for existing shareholders of an initial public offering (IPO), merger / acquisition (M&A), or an orderly liquidation to calculate an overall estimated enterprise value of the company. To calculate the enterprise value in the IPO and M&A scenarios, we used an income approach which incorporated a discounted cash flow valuation. This approach requires a projection of the cash flows that the business expects to generate over a forecast period and an estimate of the present value of cash flows beyond that period, which is referred to as terminal value. These cash flows are converted to present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risks inherent in the business. The orderly liquidation scenario considered the total preferences of the preferred shareholders assuming no further rounds of financing after Series D-1. To allocate the enterprise value to the underlying classes of equity, we used the option-pricing method. Within the allocation model, we estimated a time until liquidity event of six months, a risk-free discount rate of 0.24% and a volatility input of 59.79% based upon 6 months of data from a set of comparable public company stocks. We estimated a fair market value at March 31, 2010 of $10.07 per common share.

In September 2010, we completed a valuation to estimate the fair market value of a share of our common stock as of August 31, 2010 using the same methodology that we used for our valuation as of March 31, 2010. We estimated a fair value at August 31, 2010 of $12.67 per common share.

In October 2010, we completed a valuation to estimate the fair market value of a share of our common stock as of September 30, 2010 using the same methodology that we used for our valuations as of March 31, 2010 and August 31, 2010. We estimated a fair value at September 30, 2010 of $18.97 per common share. For the August 31, 2010 and September 30, 2010 valuations, we used the following assumptions: risk free interest rate of 0.15%, expected volatility of between 49.14% and 61.90%, and an expected time to a liquidity event of 0.17 years.

No single event caused the valuation of our common stock to increase from January 2008 to September 2010; rather, it was a combination of the following factors that led to the changes in the fair value of the underlying common stock:

- We completed our Series C financing in March 2008. The value of the company negotiated during this financing, led by two new investors, took into account our license agreement signed with UCLA during the fall of 2007.
- We completed our Series D financing between April and August 2009. The value of the company negotiated during this financing, led by a new investor, took into account the operation of our pilot plant located at our facility in Colorado during 2008, our partnership with ICM that was entered into in 2008, improvements in our first-generation biocatalyst and construction of our demonstration plant in St. Joseph, Missouri.
- We completed our Series D-1 financing between March and May 2010. The value of the company negotiated during this financing took into account several recent developments including commissioning our demonstration plant in St. Joseph, Missouri during September 2009, the establishment of Gevo Development in September 2009 in order to focus on accessing, financing and developing ethanol facilities for future retrofit to isobutanol production, significant improvements in the isobutanol yield of our second-generation biocatalyst in late December 2009 through May 2010 and our entering into a number of letters of interest with potential future customers in the period from January 2010 to May 2010.

- We completed the acquisition of Agri-Energy in September 2010 gaining access to our first commercial facility for future retrofit to isobutanol production.
- As of October 2010, our second-generation biocatalyst has achieved a fermentation time of 52 hours and achieved approximately 94% of the theoretical maximum yield of isobutanol from feedstock, meeting our targeted fermentation performance criteria well in advance of our planned commercial launch of isobutanol production in the first half of 2012.

There is inherent uncertainty in these estimates and if we had made different assumptions than those described above, the amount of our stock-based compensation expense, net loss and net loss per share amounts could have been significantly different.

Estimation of fair value of warrants to purchase preferred stock

Effective January 1, 2009 upon the adoption of FASB ASC 815, *Derivatives and Hedging*, all warrants issued by us that are exercisable into preferred stock are accounted for as derivatives and recognized in the consolidated balance sheets as fair value of warrant liabilities at their estimated fair value. As such, effective January 1, 2009, we reclassified the fair value of these preferred stock warrants from equity to liability status as if these warrants were recorded as a derivative liability since their dates of issuance. We determined that this treatment was appropriate because the preferred stock underlying the warrants has down-round protection. As a result of this change in accounting principle, on January 1, 2009, we recorded these liabilities at their fair value of $289,000.

As of December 31, 2009 and September 30, 2010, the fair value of preferred stock warrants was estimated to be $982,000 and $3,003,000, respectively, using an option-pricing model. We recorded a $490,000 non-cash charge related to the change in fair value of preferred stock warrants for the year ended December 31, 2009, and $400,000 and $3,302,000, for the nine months ended September 30, 2009 and 2010, respectively. These warrant liabilities are marked to fair value from January 1, 2009 resulting in the recognition of gain or loss in our consolidated statements of operations as gain or loss from change in fair value of warrant liabilities from that date.

Preferred stock warrants were initially issued by us in connection with the issuance of secured long-term debt and convertible promissory notes. The warrants were not issued with the intent of effectively hedging any exposures to cash flow, market or foreign currency risks. The warrants do not qualify for hedge accounting, and as such, all future changes in the fair value of these warrants will be recognized currently in earnings until such time as the warrants are exercised, expire or are converted to common stock warrants. The warrants do not trade in an active market, and as such, we estimated the fair value of these warrants using an option-pricing model with the following assumptions:

	January 1, 2009	December 31, 2009	September 30, 2010
Risk-free interest rate	1.00%	1.14%	0.15%
Expected volatility factor	67.50%	91.60%	49.14%
Expected time to a liquidity event (in years)	3	2	0.17

During the year ended December 31, 2009, we granted an additional warrant to Lighthouse to acquire 55,000 shares of our Series D preferred stock with an exercise price of $7.04, and an additional warrant to acquire 416 shares of our Series C preferred stock with an exercise price of $5.48. In connection with signing and borrowing under the loan agreements with TriplePoint, we issued warrants to TriplePoint in August and September 2010 to acquire 105,140 shares our Series D-1 preferred stock in the aggregate with an exercise price of $17.12 per share, or shares of preferred stock issued in the next round of financing, if the price per share in such financing would be below $17.12, at an exercise price equal to the per share sales price in such financing. In September 2010, Khosla Ventures I, LP exercised their warrant to purchase 108,076 shares of Series C preferred stock at an exercise price of $5.48 per share resulting in total proceeds to us in the amount of $592,000. Upon exercise of the warrant, we reclassified $1,458,000 from preferred stock warrant liability to equity. Due to the nature of these derivative instruments, the instruments contain no credit-risk-related contingent features.

To value our preferred stock warrants as of September 30, 2010, we first estimated our enterprise value and then allocated this value to the underlying classes of equity using the option-pricing method as outlined in the AICPA Practice Aid. In estimating the enterprise value, we used a scenario analysis incorporating probabilities of future events for existing shareholders of an IPO, M&A transaction, or liquidation to calculate an overall estimated enterprise value of the company using the option-pricing method. To calculate the enterprise value in the IPO and M&A scenarios, we used an income approach which incorporated a discounted cash flow valuation. This approach requires a projection of the cash flows that the business expects to generate over a forecasted period and an estimate of the present value of cash flows beyond that period, which is referred to as terminal value. These cash flows are converted to present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risks inherent in the business. The orderly liquidation scenario considered the total preferences of the preferred stockholders assuming no further rounds of financing after Series D-1. To allocate the enterprise value to the underlying classes of equity, we used the option-pricing method. Within the allocation model, we estimated a time until liquidity event of four months, a risk-free discount rate of 0.15% and a volatility input of 49.14% based upon two months of data from a set of comparable public company stocks.

There is inherent uncertainty in these estimates and if we had made different assumptions than those described above, the amount of our loss on change in fair value of preferred stock warrants, net loss and net loss per share amounts could have been significantly different.

The table below summarizes the preferred stock warrants that were issued by us and recorded as a liability as of January 1, 2009, December 31, 2009 and September 30, 2010.

Type of preferred stock warrants	Year(s) of issuance	Number of warrant shares originally granted	Number of warrant shares outstanding at September 30, 2010	Exercise price	Issuance date original value assigned	Fair value of warrants outstanding at January 1, 2009	Fair value of warrants outstanding at December 31, 2009	Fair value of warrants outstanding at September 30, 2010
								(unaudited)
Series A-3 preferred stock warrant	2006, 2007	15,000	15,000	$ 1.75	$ 18,000	$ 30,000	$ 68,000	$ 258,000
Series A-4 preferred stock warrant	2007, 2008	15,021	15,021	2.33	27,000	27,000	65,000	250,000
Series C preferred stock warrant	2008, 2009	113,012(1)	113,012	5.48	432,000	118,000	356,000	1,525,000
Series C preferred stock warrant	2008	108,076(1)	0	5.48	398,000	114,000	341,000	—
Series D preferred stock warrant	2009	55,000	55,000	7.04	202,000	—	152,000	656,000
Series D-1 preferred stock warrant	2010	105,140	105,140	17.12	177,000	—	—	314,000
		411,249	303,173		$1,254,000	$ 289,000	$ 982,000	$ 3,003,000

(1) In September 2010, Khosla Ventures I, LP exercised their warrant to purchase 108,076 shares of Series C preferred stock at a price of $5.48 per share. As such, there were 113,012 Series C preferred stock warrants outstanding at September 30, 2010.

Upon the closing of this initial public offering and the conversion of the underlying preferred stock to common stock, all outstanding warrants to purchase shares of preferred stock will convert into warrants to purchase shares of our common stock. The then-current aggregate fair value of these warrants will be reclassified from liabilities to additional paid-in capital, a component of stockholders’ equity, and we will cease to record any related periodic fair value adjustments.

Beneficial conversion feature of Series D-1 preferred stock financing

Each share of Series D-1 preferred stock is convertible into the number of shares of common stock determined by dividing the original issue price of the Series D-1 of $17.12, as adjusted, by the conversion price of the Series D-1 in effect at the time of conversion. The initial conversion price for the Series D-1 is $17.12, resulting in an initial conversion ratio that is one share of Series D-1 preferred stock for one share of common stock. In addition to the conversion price adjustments that are applicable to the other series of preferred stock, including, but not limited to, adjustments in connection with stock splits and dilutive events, the conversion price of the Series D-1 adjusts upon the closing of an initial public offering (the offering) or a qualified financing. A qualified financing is defined as the first issuance of common stock or a new series of convertible preferred stock by us following the final closing of the Series D-1 financing. If the offering or qualified financing closes on or prior to December 31, 2010, the conversion price of the Series D-1 is adjusted to an amount equal to 75% of the offering price per share or price per share paid by investors in a qualified financing. If the offering or qualified financing closes between January 1, 2011 and September 30, 2011, the conversion price of the Series D-1 is adjusted to an amount equal to 60% of the offering price per share or price per share paid by investors in a qualified financing. If an initial public offering or qualified financing does not occur by September 30, 2011, then the conversion ratio adjusts such that each share of Series D-1 preferred stock is convertible into two shares of common stock. If a merger or asset sale occurs, as defined in the amended and restated certificate of incorporation, on or prior to September 30, 2011, then the conversion ratio adjusts so that each share of Series D-1 preferred stock is convertible into one and one-half shares of common stock.

Because the conversion ratio adjustments described above are unique to the Series D-1 preferred, the Series D-1 preferred is considered to have a beneficial conversion feature. In order to calculate the value of this beneficial conversion feature, we compared the Series D-1 preferred issuance price of $17.12 to the estimated fair value of two shares of common stock of $20.14, as of the original issue dates of the Series D-1 preferred (representing the conversion rate of the Series D-1 preferred if an initial public offering or qualified financing does not occur by September 30, 2011). On the basis of this comparison, the company has recorded an amount representing the intrinsic value of the beneficial conversion feature of $3.02 per share, or the difference between $20.14 and $17.12. As the company issued a total of 1,902,087 shares of Series D-1 preferred between March and May 2010, it recorded the beneficial conversion feature at its aggregate intrinsic value of approximately $5,744,000 (1,902,087 shares multiplied by $3.02 per share) as a discount on the Series D-1 preferred with a corresponding credit to additional paid-in-capital. Unless the Series D-1 preferred stock is converted into common stock prior to September 30, 2011, the discount will be amortized to retained earnings and additional paid-in-capital during the period from March 26, 2010 to September 30, 2011. In the event an initial public offering, qualified financing, or merger or asset sale closes on or prior to September 30, 2011, the beneficial conversion feature will be recalculated using the adjusted conversion ratio applied against the original commitment-date estimated fair value of the underlying common stock. If the amortized amount of the beneficial conversion feature resulting from the initial measurement of the intrinsic value before the event exceeds the re-measured intrinsic value, the excess amortization charge will not be reversed and any unamortized discount will be reversed.

Upon the closing of this offering, the Series D-1 preferred stock will convert to common stock. The ratio of the conversion of Series D-1 preferred stock to common stock will be determined by the final offering price.

Revenue recognition

Prior to our acquisition of Agri-Energy on September 22, 2010, substantially all of our revenue related to government research grants and cooperative agreements. Revenue under these research grants and cooperative agreements is recognized in the period during which the related costs are incurred, provided that the conditions under the awards have been met and only perfunctory obligations are outstanding. We expect the revenue from research grants and cooperative agreements will continue through at least the next twelve months.

After consummation of the Agri-Energy acquisition, we began recording revenue from the sale of ethanol and related products. We recognize revenue when all of the following criteria are satisfied: persuasive evidence of an arrangement exists; risk of loss and title transfer to the customer; the price is fixed and determinable; and collectability is reasonably assured. For sales of ethanol and distiller’s dried grains, we recognize revenue when title to the product and risk of loss transfer to an external customer. Ethanol and related products are generally shipped free on board shipping point. Collectability of revenue is reasonably assured based on historical evidence of collectability between us and our customers. In accordance with our agreements for the marketing and sale of ethanol and related products, commissions due to marketers are deducted from the gross sales price at the time payment is remitted. Ethanol and related products sales are recorded net of commissions.

Intercompany revenues are eliminated on a consolidated basis for reporting purposes. There were no intercompany revenues to eliminate through September 30, 2010.

Cost of goods sold

Cost of goods sold includes costs for direct labor, materials and certain plant overhead costs. Direct labor includes compensation of non-management personnel involved in the operation of the ethanol plant. Direct materials consist of the costs of corn feedstock, denaturant and process chemicals. Corn feedstock costs include realized and unrealized gains and losses on related derivative financial instruments. Plant overhead costs primarily consist of plant utilities and plant depreciation. Cost of goods sold is mainly affected by the cost of corn and natural gas. Corn is generally the most significant raw material cost. We purchase natural gas to power steam generation in the ethanol production process and to dry the distiller’s dried grains.

We enter into short-term cash, option and futures contracts as a means of securing corn and natural gas and managing exposure to changes in commodity prices. We also enter into fixed price corn and natural gas supply contracts. These transactions are considered to be derivatives and are recorded on the balance sheet as assets and liabilities based on each derivative’s fair value. Changes in the fair value of the derivative contracts are recognized currently in income, as a component of cost of goods sold, unless specific hedge accounting criteria are met. We have not designated any of our derivatives as hedges for financial reporting purposes.

Inventory

Corn, ethanol, DDGS, enzymes and other inputs are stated at the lower of cost or market value. Cost is determined by the first-in, first-out method. The cost of ethanol inventory consists of the cost of raw materials and an applicable share of the cost of labor and manufacturing overhead.

Derivatives and hedging

Our activities, through our Agri-Energy subsidiary, expose us to a variety of market risks, including the effects of changes in commodity prices. These financial exposures are monitored and managed by our management as an integral part of our overall risk-management program. Our risk management program focuses on the unpredictability of financial and commodities markets and seeks to reduce the potentially adverse effects that the volatility of these markets may have on our operating results.

We generally follow a policy of using exchange-traded futures contracts to reduce our net position in merchandisable agricultural commodity inventories and forward cash purchase and sales contracts to reduce price risk. Exchange-traded futures contracts and forward contracts are valued at market price and are recorded as derivative assets or derivative liabilities on the consolidated balance sheet and changes in market price are recorded in cost of goods sold.

We periodically enter into fixed price contracts to purchase corn and natural gas to lock in the price of these commodities. These contracts are considered to be derivative transactions and are valued at market price and are recorded as derivative assets or derivative liabilities in the consolidated balance sheet and changes in market price are recorded in cost of goods sold.

Our derivatives do not include any credit risk related contingent features. For the exchange-traded contracts, we maintain a margin deposit. We will not enter into these derivative financial instruments for trading or speculative purposes, and we have not designated any of our derivatives as hedges for financial accounting purposes.

Impairment of long-lived assets

In accordance with FASB ASC 360, *Property, Plant, and Equipment*, we assess impairment of long-lived assets, which include property, plant and equipment, for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to, significant decreases in the market price of the asset; significant adverse changes in the business climate, legal or regulatory factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; or expectations that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life.

Given our current period cash flow combined with a history of operating losses, we evaluated the recoverability of the book value of our property, plant and equipment. We performed an undiscounted cash flow analysis, the results of which indicate that the sum of the undiscounted cash flows is substantially in excess of the book value of the property, plant and equipment. Accordingly, no impairment charges have been recorded during the period from June 9, 2005 (date of inception) through September 30, 2010.

Prior to the acquisition of Agri-Energy, our property, plant and equipment were substantially comprised of laboratory and related equipment used in our demonstration plant in St. Joseph, Missouri and our pilot plant and laboratories in Englewood, Colorado. This equipment is used directly in the development and testing of our technology, including our proprietary separation process and biocatalysts, and the testing of isobutanol that we produce. Any resulting technological improvements are incorporated into our retrofit and production processes. We believe our laboratory equipment and demonstration plant will continue to have future utility, as we intend to continue using it to test and develop enhancements to our retrofit and production processes, in support of our acquired operations at Agri-Energy and any additional ethanol production facilities that we acquire, and to test the methods and feasibility of converting the isobutanol that we produce into a variety of renewable products, in support of our future commercialization efforts. Accordingly, we have based our undiscounted cash flow analysis on the cash flows that we anticipate from these future operations.

Upon the acquisition of Agri-Energy on September 22, 2010, we recorded the acquired property, plant and equipment at their fair values. The Agri-Energy acquired property, plant and equipment constitute a majority of our total property, plant and equipment.

We have not yet generated positive cash flows from operations on a sustained basis, and such cash flows may not materialize for a significant period in the future, if ever. Additionally, we may make changes to our business plan that will result in changes to the expected cash flows from long-lived assets. As a result, it is possible that future evaluations of long-lived assets may result in impairment.

We make estimates and judgments about future undiscounted cash flows. Although our cash flow forecasts are based on assumptions that are consistent with our plans, there is significant exercise of judgment involved in determining the cash flow attributable to a long-lived asset over its estimated remaining useful life. As a result, the carrying amounts of our long-lived assets could be reduced through impairment charges in the future.

RESULTS OF OPERATIONS

The following table sets forth our consolidated results of operations for the periods shown:

	Year ended December 31,			Nine months ended September 30,	
Consolidated statements of operations data:	**2007**	**2008**	**2009**	**2009**	**2010**
Revenues:					
Granted revenue	$ 275,000	$ 208,000	$ 660,000	$ 551,000	$ 1,175,000
Licensing revenue	—	—	—	—	138,000
Ethanol sales and related products	—	—	—	—	975,000
Total revenues	275,000	208,000	660,000	551,000	2,288,000
Cost of goods sold				—	(856,000)
Gross margin	275,000	208,000	660,000	551,000	1,432,000
Operating expenses:					
Research and development	(3,699,000)	(7,376,000)	(10,508,000)	(6,730,000)	(11,432,000)
Selling, general and administrative	(2,601,000)	(6,065,000)	(8,699,000)	(5,685,000)	(19,114,000)
Lease termination costs	(894,000)	—	—	—	—
Loss on abandonment or disposal of assets	(243,000)	(78,000)	(22,000)	(10,000)	—
Total operating expenses	(7,437,000)	(13,519,000)	(19,229,000)	(12,425,000)	(30,546,000)
Loss from operations	(7,162,000)	(13,311,000)	(18,569,000)	(11,874,000)	(29,114,000)
Other (expense) income:					
Interest expense	(140,000)	(1,385,000)	(1,103,000)	(798,000)	(1,448,000)
Interest and other income	76,000	154,000	277,000	247,000	96,000
Loss from change in fair value of warrant liabilities	—	—	(490,000)	(400,000)	(3,302,000)
Other expense—net	(64,000)	(1,231,000)	(1,316,000)	(951,000)	(4,654,000)
Net loss	(7,226,000)	(14,542,000)	(19,885,000)	(12,825,000)	(33,768,000)
Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock	—	—	—	—	(1,789,000)
Net loss attributable to Gevo, Inc. common stockholders	$ (7,226,000)	$ (14,542,000)	$ (19,885,000)	$ (12,825,000)	$ (35,557,000)

Comparison of nine months ended September 30, 2009 and 2010

The following table shows the amounts of the listed items from our consolidated statements of operations for the periods presented, showing period-over-period changes:

	Nine months ended September 30,			
	2009	2010	$ Increase (decrease)	% Change
Revenues:				
Grant revenue	$ 551,000	$ 1,175,000	$ 624,000	113%
Licensing revenue	—	138,000	138,000	N/A
Ethanol sales and related products	—	975,000	975,000	N/A
Total revenues	551,000	2,288,000	1,737,000	315%
Cost of goods sold	—	(856,000)	(856,000)	N/A
Gross margin	551,000	1,432,000	881,000	160%
Operating expenses:				
Research and development	(6,730,000)	(11,432,000)	4,702,000	70%
Selling, general and administrative	(5,685,000)	(19,114,000)	13,429,000	236%
Loss on abandonment or disposal of assets	(10,000)	—	(10,000)	(100%)
Total operating expenses	(12,425,000)	(30,546,000)	18,121,000	146%
Loss from operations	(11,874,000)	(29,114,000)	17,240,000	145%
Other (expense) income:				
Interest expense	(798,000)	(1,448,000)	650,000	81%
Interest and other income	247,000	96,000	(151,000)	(61%)
Loss from change in fair value of warrant liabilities	(400,000)	(3,302,000)	2,902,000	726%
Other expense—net	(951,000)	(4,654,000)	3,703,000	389%
Net loss	(12,825,000)	(33,768,000)	20,943,000	163%
Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock	—	(1,789,000)	1,789,000	N/A
Net loss attributable to Gevo, Inc. common stockholders	$(12,825,000)	$(35,557,000)	$22,732,000	177%

Revenues: The increase in grant revenue of $624,000, or 113%, primarily relates to additional awards from the US Department of Agriculture and the Army Research Laboratory that commenced in the fourth quarter of 2009. The increase in ethanol sales and related products of $975,000 is due to our acquisition of Agri-Energy that occurred on September 22, 2010. The increase in licensing revenue of $138,000 relates to our licensing of Clostridia strains to a company in the business of producing n-butanol through fermentation.

Cost of goods sold and gross margin: The increase in cost of goods sold of $856,000 relates to our acquisition of Agri-Energy on September 22, 2010. Prior to our acquisition of Agri-Energy, we did not have any cost of goods sold. Cost of goods sold includes costs for direct labor, materials and certain plant overhead costs. Direct labor includes compensation of non-management personnel involved in the operation of our ethanol plant. Our gross margin is derived from our total revenues less our cost of goods sold.

Research and development: The increase in research and development expense of $4,702,000, or 70%, was primarily driven by expenses recorded under our licensing agreement with Cargill for an increase of $1,383,000, an increase in depreciation expense of $1,284,000, which includes depreciation of equipment at our demonstration facility, the incurrence of payroll and related expenses of $583,000, an increase in stock-based compensation of $398,000, and an increase of $435,000 relating to our use of consultants and for contracted research, including work under our contractor and development agreements with VIB, Caltech, UCLA and Cargill. Research and development expense includes stock-based compensation expense of $120,000 and $517,000 in the nine months ended September 30, 2009 and 2010, respectively.

Selling, general and administrative: The increase in selling, general and administrative expense of $13,429,000, or 236%, was primarily driven by an increase in stock-based compensation expense of $9,369,000 and legal fees of $1,479,000, which relate primarily to our acquisition of Agri-Energy, legal expenses to support our intellectual property positions and other general legal fees. We also had increases in management fees paid to CDP of $427,000, the incurrence of payroll and related expenses, including relocation and recruiting, of $904,000, and use of consultants of $574,000. Selling, general and administrative expense included stock-based compensation expense of $138,000 and $9,507,000 in the nine months ended September 30, 2009 and 2010, respectively. Included in the $9,507,000 of stock-based compensation in selling, general and administrative expense for the nine months ended September 30, 2010 is $6,978,000 relating to the warrant issued to CDP and $774,000 relating to the purchase of the 10% minority interest in Gevo Development from CDP, both of which are described in Notes 6 and 13 to our consolidated financial statements.

Interest expense: Interest expense increased by $650,000, or 81%, due to the incurrence of additional debt, higher interest rates on our secured long-term debt facility and higher amortization of debt discounts and debt issue costs relating to our debt with Lighthouse and TriplePoint. In August 2010, we paid off a portion of our Lighthouse debt, consisting of $5,000,000 in principal and $250,000 in final payment, which resulted in accelerating the recognition of $332,000 of debt discounts to non-cash interest expense.

Interest and other income: The decrease in interest and other income of $151,000, or 61%, is primarily due to $144,000 received in 2009 under a Colorado state incentive program related to local jobs creation.

Loss from change in fair value of warrant liabilities: The increase in loss from change in fair value of warrant liabilities of $2,902,000, or 726%, relates to the change in the fair value of our preferred stock warrants, which are recorded as derivatives and recognized in our consolidated balance sheet as a liability.

Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock: The increase in deemed dividend – amortization of beneficial conversion feature on Series D-1 convertible preferred stock of $1,789,000 relates to our issuance of Series D-1 convertible preferred stock between March and May 2010 which conversion ratio adjusts such that each share of Series D-1 preferred stock is convertible into two shares of common stock if an initial public offering or qualified financing does not occur by September 30, 2011.

Comparison of years ended December 31, 2008 and 2009

	Year ended December 31, 2008	Year ended December 31, 2009	$ increase (decrease)	% Change
Revenue	$ 208,000	$ 660,000	$ 452,000	217%
Operating expenses:				
Research and development	(7,376,000)	(10,508,000)	3,132,000	42%
Selling, general and administrative	(6,065,000)	(8,699,000)	2,634,000	43%
Loss on abandonment or disposal of assets	(78,000)	(22,000)	(56,000)	-72%
Total operating expenses	(13,519,000)	(19,229,000)	5,710,000	42%
Loss from operations	(13,311,000)	(18,569,000)	5,258,000	40%
Other (expense) income:				
Interest expense	(1,385,000)	(1,103,000)	(282,000)	-20%
Interest and other income	154,000	277,000	123,000	80%
Loss from change in fair value of warrant liabilities	0	(490,000)	490,000	N/A
Other expense—net	(1,231,000)	(1,316,000)	85,000	7%
Net loss attributable to Gevo, Inc. common stockholders	$ (14,542,000)	$ (19,885,000)	$ 5,343,000	37%

Revenues: The increase in revenue of $452,000, or 217%, is primarily related to increased activity under our ongoing awards and an additional grant from the EPA.

Research and development: The increase in research and development expense of $3,132,000, or 42%, was primarily due to additional resources deployed for development of our first-generation and second-generation biocatalysts and the operation of our demonstration facility in St. Joseph, Missouri. The increase included $824,000 for sponsored research under our agreements with The Regents and VIB; upfront and milestone amounts totaling $875,000 under our Cargill license agreement, and $771,000 and $529,000 of operating expenses and depreciation expense, respectively, relating to our demonstration facility in St. Joseph, Missouri. Research and development expenses included stock-based compensation expense of $106,000 and $274,000 in 2008 and 2009, respectively.

Selling, general and administrative: The increase in selling, general and administrative expense of $2,634,000, or 43%, reflected hiring of additional personnel to support the growth in our business and related expenses, legal expenses to support our intellectual property positions and establishment of our activities through Gevo Development. Our personnel costs, including costs for initial hiring of executives with specialized knowledge of our industry, and expenses for stock-based compensation increased approximately $1,808,000. Selling, general and administrative expense included stock-based compensation expense of $101,000 and $671,000 in 2008 and 2009, respectively. We increased our spending on legal expenses by $145,000 as we developed our intellectual property portfolio. Gevo Development, which was established during September 2009, incurred expenses of $731,000, including initial costs related to start up activities, in 2009. Partially offsetting these increases in selling, general and administrative expense in 2009 were costs incurred for relocation of our primary business offices and operations from Pasadena, California to Englewood, Colorado of $706,000 that we recorded in selling, general and administrative expense in 2008.

Loss on abandonment or disposal of assets: Loss on abandonment or disposal of assets in 2008 primarily represents abandoned assets as a result of the relocation of our primary business offices from Pasadena, California to Englewood, Colorado. Loss on abandonment or disposal of assets in 2009 represents disposal of obsolete equipment.

Interest expense: The net decrease in interest expense of $282,000, or 20%, is primarily due to debt discounts recorded on our convertible promissory notes that were fully amortized to interest expense in 2008, partially offset by increases in interest expense relating to our secured debt facility. Interest expense related to our Lighthouse facility was $332,000 and $1,103,000 in 2008 and 2009, respectively. The increase in interest expense related to our Lighthouse debt facility reflected a higher debt balance outstanding throughout 2009 and issuance of warrants in 2009 related to a modification of our terms with Lighthouse in July 2009. During January 2008, we issued $3,000,000 of convertible promissory notes with warrants to existing investors. Debt discounts recorded against these convertible promissory notes of approximately $1,010,000 for the fair value assigned to the warrants and a beneficial conversion feature associated with the conversion feature of the notes were fully amortized to interest expense upon the conversion of the notes to Series C preferred stock in March 2008.

Interest and other income: Interest and other income increased by $123,000, or 80%, primarily due to $144,000 received in 2009 under a Colorado state incentive program related to local jobs creation.

Loss from change in fair value of warrant liabilities: The increase in loss from change in fair value of warrant liabilities of $490,000 relates to our preferred stock warrants, which effective January 1, 2009, were reclassified from equity to derivative liabilities and recognized in our consolidated balance sheet as a liability.

Comparison of years ended December 31, 2007 and 2008

	Year ended December 31, 2007	Year ended December 31, 2008	$ increase (decrease)	% Change
Revenue	$ 275,000	$ 208,000	$ (67,000)	-24%
Operating expenses:				
Research and development	(3,699,000)	(7,376,000)	3,677,000	99%
Selling, general and administrative	(2,601,000)	(6,065,000)	3,464,000	133%
Lease termination costs	(894,000)	—	894,000	-100%
Loss on abandonment or disposal of assets	(243,000)	(78,000)	(165,000)	-68%
Total operating expenses	(7,437,000)	(13,519,000)	6,082,000	82%
Loss from operations	(7,162,000)	(13,311,000)	6,149,000	86%
Other (expense) income:				
Interest expense	(140,000)	(1,385,000)	1,245,000	889%
Interest and other income	76,000	154,000	78,000	103%
Other expense—net	(64,000)	(1,231,000)	1,167,000	1,823%
Net loss attributable to Gevo, Inc. common stockholders	$ (7,226,000)	$(14,542,000)	$7,316,000	101%

Revenues: The decrease in revenue of $67,000, or 24%, primarily reflects completion of research services on a project funded by the US Army under which we were a sub-awardee of Caltech in 2007.

Research and development: The increase in research and development expense of $3,677,000, or 99%, was primarily related to $1,894,000 of increases in personnel costs, including costs for hiring additional research and development staff, and expenses for stock-based compensation. Research and development expense included stock-based compensation expenses of $36,000 and $106,000 during 2007 and 2008, respectively. Our overall research and development expense increases reflected increased levels of activity including increased spending on research-related consultants of $395,000 and laboratory supplies and services of $312,000 in 2008. Depreciation expense on equipment used in research and development activities, including initial depreciation on our pilot plant which was commissioned in 2008, also increased by approximately $403,000.

Selling, general and administrative: The increase in selling, general and administrative expense of $3,464,000, or 133%, primarily related to $1,761,000 of increases in personnel costs, including costs for initial hiring of executives with specialized knowledge of our industry and administrative staff to support growth, and expenses for stock-based compensation. Selling, general and administrative expense included stock-based compensation expenses of $19,000 and $101,000 during 2007 and 2008, respectively. In addition, during 2008 we relocated our primary business offices and operations from Pasadena, California to Englewood, Colorado and incurred $706,000 in moving and relocation costs. We also increased our spending on rent expense and travel-related expenses by approximately $337,000 and $172,000, respectively, as we expanded our operations and business.

Lease termination costs: In December 2007 we terminated a facility lease in connection with the relocation of our offices from California to Colorado in exchange for specific termination payments and recorded a lease termination cost of $894,000.

Loss on abandonment or disposal of assets: Loss on abandonment or disposal of assets in 2007 and 2008 primarily represented abandoned assets as a result of the relocation of our offices in California to Englewood, Colorado.

Interest expense: The increase in interest expense of $1,245,000, or 889%, primarily relates to $1,010,000 of debt discounts on our convertible promissory notes that were amortized to interest expense upon conversion to Series C preferred stock in March 2008, and $192,000 increase in interest expense relating to our secured debt facility.

Interest and other income: Interest and other income comprised interest earned from invested funds.

LIQUIDITY AND CAPITAL RESOURCES

From inception through September 30, 2010, we have funded our operations primarily through an aggregate of $89,068,000 from the sale of preferred equity securities, $26,578,000 in borrowings under our secured debt financing arrangement and $3,531,000 from revenues. To date, we have not generated any revenues from the sale of isobutanol.

As of September 30, 2010, our cash and cash equivalents totaled $22,516,000, including proceeds from the issuance of our Series D-1 preferred stock. Between March and May 2010, we issued 1,843,675 shares of Series D-1 preferred stock at a price of $17.12 per share for gross cash proceeds of approximately $31,564,000 and issued 58,412 shares of Series D-1 preferred stock at $17.12 per share in exchange for $1,000,000 of future services to be provided by ICM. In addition, we have $119,000 of restricted cash in certificates of deposit. Based on our current level of operations and anticipated growth, we believe that the anticipated net proceeds from this offering and our existing cash and cash equivalents will provide adequate funds for ongoing operations, planned capital expenditures and working capital requirements for at least the next 12 months. Possible future acquisitions of or joint ventures involving ethanol plant assets for retrofit to isobutanol production will be subject to our raising additional capital through this offering or future equity or debt issuances. Successful completion of our research and development program, and ultimately, the attainment of profitable operations are dependent upon future events, including completion of our development activities resulting in commercial products and/or technology, obtaining adequate financing to complete our development activities, obtaining adequate financing to acquire access to and complete the retrofit of ethanol plants to isobutanol production, market acceptance and demand for our products and services and attracting and retaining qualified personnel.

The following table sets forth the major sources and uses of cash for each of the periods set forth below:

	Year ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2009	Nine months ended September 30, 2010
Net cash used in operating activities	(5,869,000)	(11,741,000)	(16,099,000)	(15,870,000)
Net cash used in investing activities	(1,559,000)	(2,315,000)	(2,942,000)	(24,810,000)
Net cash provided by financing activities	6,486,000	23,628,000	30,646,000	41,956,000

Operating activities

Our primary uses for cash from operating activities are personnel-related expenses and research and development-related expenses including costs incurred under development agreements, for licensing of technology and for the operation of our pilot and demonstration production facilities.

Cash used in operating activities of $15,870,000 during the nine months ended September 30, 2010 reflected our net loss of $33,768,000 offset by non-cash charges totaling $15,298,000 and changes in operating assets and liabilities of $2,600,000. Non-cash charges included depreciation and amortization of $2,173,000, stock-based compensation of $9,250,000, loss from change in fair value of warrant liabilities of $3,302,000 and non-cash interest expense and amortization of debt discounts of $573,000. The net source of cash from our operating assets and liabilities of $2,600,000 primarily reflected accrued milestone payments under our Cargill license agreement that are payable in 2011 and 2012 and amounts accrued for work performed by ICM.

Cash used in operating activities of $16,099,000 in 2009 reflected our net loss of $19,885,000 offset by non-cash charges totaling $3,203,000 and changes in operating assets and liabilities of $583,000. Non-cash charges included depreciation and amortization of $1,511,000, stock-based compensation of $945,000, loss from change in fair value of warrant liabilities of $490,000 and non-cash interest expense and amortization of debt discounts of $235,000. The net source of cash from our operating assets and liabilities of $583,000 primarily reflected accrued milestone payments under our Cargill license that were payable in 2010.

Cash used in operating activities of $11,741,000 in 2008 reflected our net loss of $14,542,000 offset by non-cash charges totaling $2,065,000 and changes in operating assets and liabilities of $736,000. Non-cash charges included depreciation of $678,000, stock-based compensation of $207,000, non-cash interest expense and amortization of debt discounts of $1,102,000 and loss on abandonment or disposal of fixed assets of $78,000. The net source of cash from our operating assets and liabilities of $736,000 primarily reflected elimination of prepaid rent and recovery of deposits related to our former California offices following the relocation of our principal offices to Colorado and other changes in the ordinary course of our business.

Cash used in operating activities of $5,869,000 in 2007 reflected our net loss of $7,226,000 offset by non-cash charges totaling $602,000 and changes in our operating assets and liabilities of $755,000. Non-cash charges included depreciation of $240,000, stock-based compensation of $55,000, loss on abandonment or disposal of fixed assets of $243,000 and non-cash interest expense and amortization of debt discounts of $54,000. The net source of cash from our operating assets and liabilities primarily reflected accrual of costs related to the relocation of our principal offices from California to Colorado.

Investing activities

Our investing activities consist primarily of capital expenditures.

During the nine months ended September 30, 2010, cash used in investing activities included $472,000 for capital expenditures and $24,378,000 related to the purchase and acquisition of Agri-Energy (aggregate cash purchase price of $24,963,000 less cash acquired of $585,000).

In 2009, cash used in investing activities was primarily related to $2,982,000 of capital expenditures, including $2,586,000 for construction of our demonstration facility in St. Joseph, Missouri.

In 2008, cash used in investing activities was primarily related to $2,360,000 of capital expenditures, including costs to build out our facility in Englewood, Colorado, including $710,000 for construction of our pilot plant, and $1,154,000 for laboratory related equipment used in our development programs.

In 2007, cash used in investing activities was primarily related to $1,341,000 of capital expenditures, including $837,000 for laboratory related equipment used in our development programs.

Financing activities

During the nine months ended September 30, 2010, cash provided by financing activities was $41,956,000, primarily due to the net proceeds of $31,411,000 from our sale of Series D-1 preferred stock, gross debt borrowings from TriplePoint of $17,500,000, proceeds from the exercise of a preferred stock warrant of $592,000, repayment of $5,000,000 of principal and $250,000 of final payment under our debt with Lighthouse, payment of deferred offering costs relating to this offering of $1,351,000 and payment of debt issue costs relating to our TriplePoint debt of $962,000.

In 2009, cash provided by financing activities was $30,646,000, primarily due to net proceeds of $31,154,000 from our sale of Series D preferred stock. In addition, we repaid a net amount of $508,000 under our secured long-term debt arrangement.

In 2008, cash provided by financing activities was $23,628,000, primarily due to net proceeds of $13,747,000 from our sale of Series C preferred stock. Additionally, during 2008 we raised $3,000,000 from the sale of convertible promissory notes and warrants and borrowed a net amount of $6,875,000 under our long-term debt arrangement.

In 2007, cash provided by financing activities was $6,486,000, primarily due to net proceeds of $4,918,000 from our sales of Series A-4 preferred stock and Series B preferred stock. During 2007, we also borrowed $1,568,000 under our long-term debt arrangement.

Agri-Energy acquisition

In August 2010, we entered into an acquisition agreement with Agri-Energy. In September 2010, we closed the transactions contemplated by the acquisition agreement and acquired a 22 MGPY ethanol production facility in Luverne, Minnesota that we intend to retrofit to produce isobutanol. We paid a purchase price of approximately $20.7 million. In addition, we acquired and paid for $4.9 million in estimated working capital. We paid the aggregate purchase price with available cash reserves and by borrowing $12.5 million under our loan and security agreement with TriplePoint (as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Secured long-term debt"). We have begun the project engineering and permitting portion of the Luverne facility retrofit process. Based on ICM's initial evaluation of the Luverne facility, we project capital costs of approximately $17 million to retrofit this plant to produce isobutanol. We expect to incur additional costs of approximately $5 million related to the retrofit that are unique to the Luverne facility, including the costs associated with construction of a seed train and equipment and storage tanks that are designed to allow switching between isobutanol and ethanol production, bringing the total projected cost to approximately $22 million. While we believe we will have the ability to reverse the retrofit and switch between ethanol and isobutanol production, there is no guarantee that this will be the case and it is not our intent to do so.

We will also require additional funding to achieve our goal of producing and selling over 500 MGPY of isobutanol in 2014.

Gevo Development, LLC and CDP Gevo, LLC

In September 2010, Gevo, Inc. acquired 100% of the class B interests in Gevo Development, which comprise 10% of the outstanding equity interests of Gevo Development, from CDP pursuant to an equity purchase agreement. Gevo, Inc. currently owns 100% of the outstanding equity interests of Gevo Development as a wholly owned subsidiary. In exchange for the class B interests, CDP will receive aggregate consideration of up to approximately $1,143,000, (i) $500,000 of which was paid on September 22, 2010, (ii) $274,000 of which will be paid on December 30, 2010, and (iii) the remainder of which is payable in five equal quarterly installments beginning in January 2011, subject to the terms and conditions set forth in the agreement. As of September 22, 2010, each of the owners of CDP is employed by Gevo, Inc. as executive vice president of upstream business development and as a co-managing director of Gevo Development.

Secured long-term debt

On December 18, 2006, we entered into a loan and security agreement with Lighthouse. Through June 30, 2009, we had borrowed $9,078,000 and repaid principal of $1,143,000, resulting in an outstanding principal balance of $7,935,000. In July 2009, we amended the Lighthouse agreement to aggregate all outstanding loan advances totaling $7,935,000 into one promissory note that bears an interest rate of 12% per annum, requires interest only payments for the period from July 2009 through December 2010, principal plus interest repayments of equal amounts over the 18 months commencing January 1, 2011 and a final payment of $454,000 due on July 1, 2012. Under the terms of the amendment, we are prohibited from granting a security interest in our intellectual property assets to any other entity until Lighthouse is paid in full, and Lighthouse was entitled to maintain a blanket security interest in all of our assets, other than our intellectual property, until such time as we paid $5,000,000 in principal payments against the note. On August 6, 2010, we repaid $5,000,000 in outstanding principal under the note, using amounts borrowed pursuant to a loan and security agreement with TriplePoint. As a result of such payment, Lighthouse has released its blanket security interest, and retains only our negative pledge on our intellectual property and a security interest in the assets, including equipment and fixtures, financed by the proceeds of each original loan advance made under the loan agreement until such time as the loan is paid in full. The Lighthouse agreement does not contain financial ratio covenants, but does impose certain affirmative and negative covenants, which include prohibiting us from paying any dividends or distributions or creating any liens against the collateral as defined in the agreement, as amended. We cannot borrow any further amounts under our agreement with Lighthouse and are in compliance with all debt covenants.

In August 2010, concurrently with the execution of the acquisition agreement with Agri-Energy, Gevo, Inc. entered into a loan and security agreement with TriplePoint, pursuant to which it borrowed $5,000,000. The loan and security agreement includes customary affirmative and negative covenants for agreements of this type and events of default. The aggregate amount outstanding under the loan and security agreement bears interest at a rate equal to 13%, is subject to an end-of-term payment equal to 8% of the amount borrowed and is secured by substantially all of the assets of Gevo, Inc., other than its intellectual property. This loan is also secured by substantially all of the assets of Agri-Energy, LLC. Additionally, under the terms of each of (i) the loan and security agreement and (ii) Gevo, Inc.’s guarantee of Gevo Development’s and Agri-Energy’s obligations under the loan and security agreement described below, Gevo, Inc. is prohibited from granting a security interest in its intellectual property assets to any other entity until both TriplePoint loans are paid in full. The loan matures on August 31, 2014, and provides for interest only payments during the first 24 months. Gevo, Inc. used the funds from this loan to repay a portion of its existing indebtedness with Lighthouse.

In August 2010, Gevo Development also entered into a loan and security agreement with TriplePoint under which, upon the satisfaction of certain conditions, Gevo Development could borrow up to $12.5 million to finance the transactions contemplated by the acquisition agreement with Agri-Energy. In September 2010, Gevo Development borrowed the $12.5 million and closed the transactions contemplated by the acquisition agreement, at which time the loan and security agreement was amended and Agri-Energy, LLC became a borrower under the loan and security agreement. The loan and security agreement includes customary affirmative and negative covenants for agreements of this type and events of default. The aggregate amount outstanding under the loan and security agreement bears interest at a rate equal to 13% and is subject to an end-of-term payment equal to 8% of the amount borrowed. The loan is secured by the equity interests of

Agri-Energy held by Gevo Development and substantially all the assets of Agri-Energy. The loan matures on September 1, 2014, and provides for interest only payments during the first 24 months. The loan is guaranteed by Gevo, Inc. pursuant to a continuing guaranty executed by Gevo, Inc. in favor of TriplePoint, which is secured by substantially all of the assets of Gevo, Inc., other than its intellectual property.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following summarizes the future commitments arising from our contractual obligations at December 31, 2009:

	Total	2010	2011	2012	2013	2014 and Thereafter
Secured long-term debt, including current portion (before debt discounts)(1)	$ 8,389,000	$ —	$ 5,131,000	$ 3,258,000	$ —	$ —
Cash interest payments on long-term debt(1)	1,654,000	965,000	619,000	70,000	—	—
Operating leases(2)	1,770,000	490,000	491,000	497,000	292,000	—
Management fees to CDP(3)	1,910,000	955,000	955,000	—	—	—
Total	$ 13,723,000	$ 2,410,000	$ 7,196,000	$ 3,825,000	$ 292,000	$ —

(1) Includes principal and final payments on our long-term debt as of December 31, 2009. In August 2010, we paid off approximately $5 million of principal on our debt with Lighthouse and borrowed $5 million from TriplePoint. In September 2010, we borrowed an additional $12.5 million from TriplePoint. For more information on these subsequent events, please see “—Secured long-term debt” above.

(2) Our commitments for operating leases primarily relate to our leased facility in Englewood, Colorado.

(3) Includes management fees payable to CDP under the commercialization agreement through December 31, 2011. In September 2010, Gevo, Inc. purchased all of the outstanding class B interests in Gevo Development from CDP pursuant to an equity purchase agreement. In connection with this transaction, the commercialization agreement was terminated and is of no further force or effect and Gevo, Inc. is no longer obligated to pay the management fees that would otherwise have become due to CDP.

The table above reflects only payment obligations that are fixed and determinable. The above amounts exclude potential payments to be made under our license and other agreements that are based on the achievement of future milestones or royalties on product sales.

Cargill, Incorporated

During February 2009, we entered into a license agreement with Cargill to obtain certain biological materials and license patent rights to use a yeast biocatalyst owned by Cargill. Under the agreement, Cargill has granted us an exclusive, royalty-bearing license, with limited rights to sublicense, to use the patent rights in a certain field, as defined in the agreement. The agreement contains five future milestone payments totaling approximately $4,300,000 that are payable after each milestone is completed.

During 2009, two milestones were completed and we recorded the related milestone amounts, along with an up-front signing fee, totaling $875,000 to research and development expense. During March 2010, we completed milestone number three and recorded the related milestone amount of $2,000,000 to research and development expense at its present value amount of $1,578,000 because the milestone payment will be paid over a period greater than twelve months from the date it was incurred. At September 30, 2010, the milestone payment of $2,000,000 was recorded as a total liability of $1,682,000, net of a discount of $318,000, of which $682,000 was recorded in accounts payable and accrued expenses, and $1,000,000 was recorded in other liabilities on our balance sheet, which will be paid during the years ended December 31, 2011 and 2012. Upon commercialization of a product which uses the Cargill biological material or is otherwise covered by the patent rights under this agreement, a royalty based on net sales is payable by us, subject to a minimum royalty amount per year, as defined in the agreement, and up to a maximum amount per year. We may terminate this agreement at any time upon 90 days’ written notice. Unless terminated earlier, the agreement remains in effect until no licensed patent rights remain, but in no case before December 31, 2025. The accretion of the liability from March 2010 to September 30, 2010 of $104,000 was recorded to interest expense.

During January 2010, we entered into a subcontractor agreement with Cargill to engage Cargill to provide research and development services to develop biological material that has been licensed by the company. The agreement may require payment of up to $1,500,000 through the term of the agreement which ends August 31, 2011. The agreement can be canceled thereafter by either party upon 30 days’ written notice.

VIB

In May 2009, we entered into a research agreement with VIB to engage in research to modify yeast to improve the production of isobutanol. The term of the agreement, as modified, is for two years during which we must pay VIB the sum of €300,000 per year, plus travel expenses, and up to an additional €210,000 depending on the completion of four defined contract milestones. The agreement may be terminated by us with six months advance written notice. No milestones have been met or paid under this agreement as of September 30, 2010.

California Institute of Technology (Caltech)

In 2005 we entered into a fully paid up license agreement with Caltech to obtain certain patent rights and improvement rights in exchange for the issuance of 200,000 shares of our common stock valued at a de minimis amount. The term of the agreement, as amended, shall continue until the expiration, revocation, invalidation, or unenforceability of the licensed patent rights and improvements licensed to us. Improvements conceived and reduced to practice in the applicable laboratory at Caltech prior to July 12, 2013 are included in the improvement rights.

During 2009 we entered into a contractor agreement with Caltech under which Caltech will provide us research and development services. The agreement is effective from October 1, 2009 through September 30, 2011 and may require future payments of up to $450,000. Either party may terminate the agreement upon 15 days’ written notice.

OFF-BALANCE SHEET ARRANGEMENTS

We did not have during the periods presented, and we do not currently have, any relationships with unconsolidated entities, such as entities often referred to as structured finance or special purpose entities, established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk

We had unrestricted cash and cash equivalents totaling $9,635,000, $21,240,000 and $22,516,000 at December 31, 2008 and 2009 and September 30, 2010, respectively. These amounts were invested primarily in demand deposit savings accounts and are held for working capital purposes. The primary objective of our investment activities is to preserve our capital for the purpose of funding our operations. We do not enter into investments for trading or speculative purposes. We believe we do not have material exposure to changes in fair value as a result of changes in interest rates. Declines in interest rates, however, will reduce future investment income. If overall interest rates fell by 10% in 2009, and the nine months ended September 30, 2010, our interest income would have declined by approximately $13,000 and $10,000, respectively, assuming consistent investment levels.

The terms of our Lighthouse and TriplePoint long-term debt facilities provide for a fixed rate of interest, and therefore are not subject to fluctuations in market interest rates.

Commodity price risk

We produce ethanol and distiller’s dried grains from corn and our business is sensitive to changes in the price of this commodity. The price of corn is subject to fluctuations due to unpredictable factors such as weather, corn planted and harvested acreage, changes in national and global supply and demand and government programs and policies. We use natural gas in the ethanol production process and, as a result, our business is also sensitive to changes in the price of natural gas. The price of natural gas is influenced by such weather factors as extreme heat or cold in the summer and winter, or other natural events like hurricanes in the spring, summer and fall. Other natural gas price factors include North American exploration and production, and the amount of natural gas in underground storage during both the injection and withdrawal seasons. Ethanol prices are sensitive to world crude-oil supply and demand, crude-oil refining capacity and utilization, government regulation and consumer demand for alternative fuels. Distiller’s dried grains prices are sensitive to various demand factors such as numbers of livestock on feed, prices for feed alternatives and supply factors, primarily production by ethanol plants and other sources. We attempt to reduce the market risk associated with fluctuations in the price of corn and natural gas by employing a variety of risk management and economic hedging strategies. Strategies include the use of forward fixed-price physical contracts and derivative financial instruments, such as futures and options.

Foreign currency risk

All of our employees are located, and all of our major operations are currently performed, in the US. We occasionally pay for contractor or research services in a currency other than the US dollar. Today, we have minimal exposure to fluctuations in foreign currency exchange rates as the difference from the time period for any services performed which require payment in a foreign currency and the date of payment is short.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB amended its guidance to FASB ASC 810, Consolidation, (previously FASB Statement No. 167, Amendments to FASB Interpretation No. 46(R)) surrounding a company’s analysis to determine whether any of its variable interest entities constitute controlling financial interests in a variable interest entity. This analysis identifies the primary beneficiary of a variable interest entity as an enterprise that has both of the following characteristics: (a) the power to direct the activities of a variable interest entity that most significantly impact the entity’s economic performance and (b) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity. Additionally, an enterprise is required to assess whether it has an implicit financial responsibility to ensure that a variable interest entity operates as designed when determining whether it has the power to direct the activities of the variable interest entity that most significantly impact the entity’s economic performance. The new guidance also requires ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. The guidance is effective for the first annual reporting period that begins after November 15, 2009. The adoption did not have a material impact on our consolidated financial statements.

In January 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-06, “Fair Value Measurements and Disclosures—Improving Disclosures above Fair Value Measurements,” that requires entities to make new disclosures about recurring or nonrecurring fair-value measurements and provides clarification of existing disclosure requirements. This amendment requires disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. This amendment is effective for periods beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances and settlements, which will be effective for fiscal years beginning after December 15, 2010. The adoption did not have a material impact on our consolidated financial statements.

In February 2010, the FASB issued ASU No. 2010-09, “Subsequent Events—Amendments to Certain Recognition and Disclosure Requirements,” that amends guidance on subsequent events. This amendment removes the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events. However, the date-disclosure exemption does not relieve management of an SEC filer from its responsibility to evaluate subsequent events through the date on which financial statements are issued. All of the amendments in this ASU are effective upon issuance of the final ASU, except for the use of the issued date for conduit debt obligors. That amendment is effective for interim or annual periods ending after June 15, 2010. The adoption of this standard did not have a material impact on our consolidated financial statements.

Background and perspective

Historically, our management team has had a goal to develop a technology for the production of a building block for biobased fuels and chemicals with the following characteristics:

- the process would have very high conversion yields so as to maximize carbon capture from fermentation plants while minimizing costs;
- the product would be produced in existing fermentation plants to minimize capital costs while utilizing well-known, low-risk production processes;
- the process would utilize a wide variety of economical and sustainable feedstocks; and
- the process would produce at least one platform product that could be sold directly into existing petrochemical value chains for both fuels and chemicals, diversifying market risk and minimizing required change in existing business systems.

We envisioned a technology that could connect the ethanol industry's highly developed infrastructure for the production of fermentation products using renewable feedstocks and the petrochemical industry's well-developed infrastructure of existing refineries and pipelines in order to deliver products that have significant value, yet are economical enough to replace their petrochemical equivalents. The optimal platform product would be produced via fermentation and then converted into hydrocarbons utilizing well-known, widely utilized technologies. Taking these considerations into account, we determined that isobutanol would be the optimal platform product if we had the technology to produce it.

Isobutanol is an attractive product because it can be converted into plastics, fibers, rubber, other polymers and hydrocarbon fuels using well-known processing techniques, many of which are commonly used in the petrochemical and refining industries today. Isobutanol, when produced from renewable sources, enables the production of a series of basic petrochemical products which are chemically identical to the petroleum-based products currently used by petrochemical companies and refineries, except that they contain carbon derived from renewable sources. We developed GIFT™ in order to economically produce isobutanol. We believe that our technology, and the renewable isobutanol that can be produced from it, approach the goal envisioned by our management team.

Our technology platform is high yielding, approaching 94% of the theoretically possible conversion of plant sugars to isobutanol. Carbon dioxide is the renewable carbon source, which is converted to sugars by plants, and those plant sugars can be converted to isobutanol using GIFT™. Our biocatalysts were designed to operate in existing ethanol plants, yet produce isobutanol. Our low cost GIFT™ retrofit package uses well-known processing equipment and is expected to cost approximately $40 million for a standard ICM-designed 100 MGPY ethanol plant. We believe our approach will be capital efficient for several reasons: (i) based on the study conducted by ICM, we expect a relatively short 14-month build-out cycle, (ii) we believe the ethanol plant undergoing retrofit can continue to produce marketable ethanol during most of the retrofit period, and (iii) we will know that the plant subject to retrofit is operational and only the retrofit will be new.

GIFT™ enables us to utilize fermentable sugars from grains, sugar cane and cellulosic biomass to produce isobutanol. We believe that the most economical approach in the near term is to use feedstocks that already have existing infrastructure, commodity markets and a strong agricultural base, like corn and sugar cane. In the US, we plan to use corn starch as the fermentation feedstock. As our biocatalysts have already been shown to be capable of utilizing sugars from cellulosic feedstocks, we expect to be in a position to utilize cellulosic feedstocks once the technology to convert such feedstocks into fermentable sugars becomes commercially available.

Background and perspective

Isobutanol, without modification, has direct applications in portions of the chemicals and fuel blendstock markets. However, its greatest value lies in the fact that it can be used as a building block to produce plastics, fibers, rubber, other polymers and hydrocarbon fuels. We believe that the hydrocarbon products that can be produced from isobutanol have potential applications in approximately 40% of the global petrochemicals market, based upon volume data from SRI, CMAI and Nexant, and substantially all of the global hydrocarbon fuels market, based upon volume data from the IEA.

Business

COMPANY OVERVIEW

We are a renewable chemicals and advanced biofuels company. Our strategy is to commercialize biobased alternatives to petroleum-based products using a combination of synthetic biology and chemical technology. In order to implement this strategy, we are taking a building block approach. We intend to produce and sell isobutanol, a four carbon alcohol. Isobutanol can be sold directly for use as a specialty chemical or a value-added fuel blendstock. It can also be converted into butenes using simple dehydration chemistry deployed in the refining and petrochemicals industries today. Butenes are primary hydrocarbon feedstocks that can be employed to create substitutes for the fossil fuels used in the production of plastics, fibers, rubber, other polymers and hydrocarbon fuels. Customer interest in our isobutanol is primarily driven by its potential to serve as a building block to produce alternative sources of raw materials for their products at competitive prices. We believe products made from biobased isobutanol will be subject to less cost volatility than the petroleum-derived products in use today. We believe that the products derived from isobutanol have potential applications in approximately 40% of the global petrochemicals market, representing a potential market for isobutanol of approximately 67 BGPY, based upon volume data from SRI, CMAI and Nexant, and substantially all of the global hydrocarbon fuels market, representing a potential market for isobutanol of approximately 900 BGPY, based upon volume data from IEA. When combined with a potential specialty chemical market for isobutanol of approximately 1.1 BGPY, based upon volume data from SRI, and a potential fuel blendstock market for isobutanol of approximately 40 BGPY, based upon data from IEA, the potential global market for isobutanol is approximately 1,008 BGPY.

We also believe that the raw materials produced from our isobutanol will be drop-in products, which means that customers will be able to replace petroleum-derived raw materials with isobutanol-derived raw materials without modification to their equipment or production processes. In addition, the final products produced from our isobutanol-based raw materials will be chemically identical to those produced from petroleum-based raw materials, except that they will contain carbon from renewable sources. We believe that at every step of the value chain, renewable products that are chemically identical to the incumbent petrochemical products will have lower market adoption hurdles, as the infrastructure and applications for such products already exist.

In order to produce and sell isobutanol made from renewable sources, we have developed the Gevo Integrated Fermentation Technology®, or GIFT™, an integrated technology platform for the efficient production and separation of isobutanol. GIFT™ consists of two components, proprietary biocatalysts which convert sugars derived from multiple renewable feedstocks into isobutanol through fermentation, and a proprietary separation unit which is designed to continuously separate isobutanol from water during the fermentation process. We developed our technology platform to be compatible with the existing approximately 20 BGPY of global operating ethanol production capacity, as estimated by the RFA. GIFT™ is designed to allow relatively low capital expenditure retrofits of existing ethanol facilities, enabling a rapid and cost-efficient route to isobutanol production from the fermentation of renewable feedstocks. While we are a development stage company that has generated minimal revenue and has experienced net losses since inception, we believe that our cost-efficient production route will enable rapid deployment of our technology platform and allow our isobutanol and the products produced from it to be economically competitive with many of the petroleum-derived products used in the chemicals and fuels markets today.

We expect that the combination of our efficient proprietary technology, our marketing focus on providing substitutes for the raw materials of well-known and widely used products and our relatively low capital investment retrofit approach will mitigate many of the historical issues associated with the commercialization of renewable chemicals and fuels.

OUR MARKETS

Relative to petroleum-based products, we expect that chemicals and fuels made from our isobutanol will provide our potential customers with the advantages of lower cost volatility and increased supply options for their raw materials. While we intend to focus on producing and marketing isobutanol, the demand for our product is driven in large part by the fact that our isobutanol can be converted into a number of valuable hydrocarbons, providing us with multiple sources of potential demand. We anticipate that additional uses of our isobutanol will develop rapidly because the technology to convert isobutanol into hydrocarbon products is known and practiced in the chemicals industry today.

Isobutanol for direct use

- Without any modification, isobutanol has applications as a specialty chemical. Chemical-grade isobutanol can be used as a solvent and chemical intermediate. The global market for chemical-grade butanol is approximately 1.1 BGPY, based upon volume data from SRI.
- Isobutanol also has direct applications as a specialty fuel blendstock. Fuel-grade isobutanol may be used as a high energy content, low Reid Vapor Pressure, or RVP, gasoline blendstock and oxygenate, which we believe, based on its low water solubility, will be compatible with existing refinery infrastructure, allowing for blending at the refinery rather than blending at the terminal. RVP measures a fuel’s volatility, and in warm weather, high RVP fuel contributes to smog formation. Additionally, fuel-grade isobutanol can be blended in conjunction with, or as a substitute for, ethanol and other widely-used fuel oxygenates. The potential global market for fuel-grade isobutanol as a fuel oxygenate is approximately 40 BGPY, based on IEA volume data.

Isobutanol for the production of plastics, fibers, rubber and other polymers

Isobutanol can be dehydrated to produce butenes which have many industrial uses in the production of plastics, fibers, rubber and other polymers. The straightforward conversion of isobutanol into butenes is a fundamentally important process that enables isobutanol to be used as a building block chemical in multiple markets.

- Isobutanol can be converted into hydrocarbons which form the basis for the production of rubber, lubricants and additives for use predominantly in the automotive markets. Based on conversations between our officers and these producers and an SRI study, we believe producers in these markets are looking for new sources of drop-in hydrocarbons. These products represent a potential market for isobutanol of approximately 7.6 BGPY.
- Isobutanol can also be converted into methyl methacrylate (MMA) which is used to produce plastics and industrial coatings for use in consumer electronics and automotive markets. Based on conversations between our officers and these producers and multiple market studies, we believe producers of MMA are looking for new sources of raw materials. These products represent a potential market for isobutanol of approximately 739 MGPY.
- Propylenes used in packaging, fibers and automotive markets may also be made from isobutanol. Based on conversations between our officers and these producers, an article in ICIS Chemical Business and multiple market studies, we believe producers of propylenes are looking to find new sources of raw materials and biobased alternatives that will allow them to market their products as environmentally friendly. These products represent a potential market for isobutanol of approximately 31.7 BGPY.
- Isobutanol can also be used to produce para-xylene and its derivatives, including polyesters, which are used in the beverage and food packaging and fibers markets. Based on conversations between our officers and these producers, multiple news articles and producer press releases, we believe producers

of these products are looking to find biobased alternatives that will allow them to market their products as environmentally friendly. These products represent a potential market for isobutanol of approximately 15 BGPY.

- Styrene and polystyrene can also be made from isobutanol for use in food packaging. Based on conversations between our officers and these producers, producer press releases and a CMAI presentation, we believe producers of these products are looking to find biobased alternatives that will allow them to market their products as environmentally friendly. These products represent a potential market for isobutanol of approximately 12 BGPY.

Isobutanol for the production of hydrocarbon fuels and specialty blendstocks

Beyond direct use as a fuel additive, isobutanol can be converted into many hydrocarbon fuels and specialty blendstocks, offering substantial potential for additional demand.

- Isobutanol may be converted into isooctane, which is valuable, particularly in low vapor pressure markets like California, for reducing gasoline’s RVP and increasing its octane rating. Compared to alkylate, which is currently used to reduce vapor pressure, isooctane has a lower vapor pressure and higher octane rating. Renewable isooctane produced from our isobutanol would give refiners an additional option to meet their renewable volume obligations set by the EPA in a cost effective way. Isooctane produced from biobased isobutanol may also be blended with isobutanol and low value gasoline components to create gasoline with a high percentage renewable content. This represents a potential market for isobutanol of approximately 349 BGPY.
- We have demonstrated the conversion of our isobutanol into a renewable jet fuel blendstock which meets current ASTM and US military synthetic jet fuel blendstock performance and purity requirements, and we are working to obtain ASTM approval for the use of such jet fuel blendstock in commercial aviation. Commercial airlines are currently looking to form strategic alliances with biofuels companies to meet their supply demands. This represents a potential market for isobutanol of approximately 94 BGPY.
- Diesel fuel may also be produced from our isobutanol. This represents a potential market for isobutanol of approximately 484 BGPY.

OUR RETROFIT STRATEGY

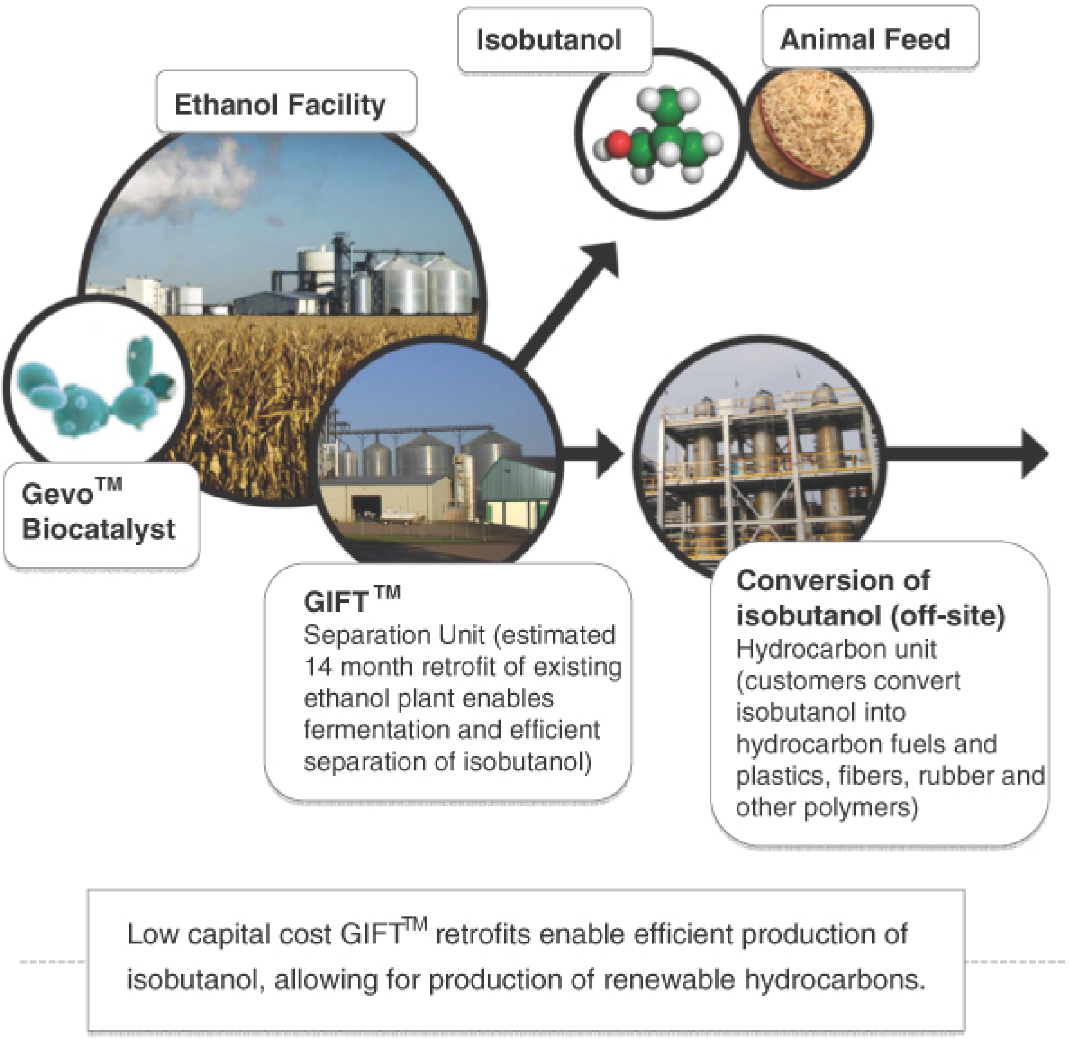
We plan to commercialize our isobutanol for direct use as a solvent and gasoline blendstock and for use in the production of plastics, fibers, rubber, other polymers and hydrocarbon fuels derived from renewable feedstocks instead of petroleum. Our strategy of retrofitting existing ethanol production facilities to produce isobutanol allows us to project substantially lower capital outlays and a faster commercial deployment schedule than the construction of new plants. We developed our technology platform to be compatible with the existing approximately 20 BGPY of global operating ethanol production capacity and we believe that this retrofit approach will allow us to rapidly expand our isobutanol production capacity in response to customer demand. We believe our isobutanol not only offers a compelling value proposition to customers in the chemicals and fuels markets, but should also provide current ethanol plant owners with an opportunity to increase their operating margins through the retrofit of their existing facilities in joint venture settings. Additionally, the ability of GIFT™ to convert sugars from multiple renewable feedstocks into isobutanol will enable us to leverage the abundant domestic sources of low cost grain feedstocks (e.g., corn) currently used for ethanol production and will potentially enable the expansion of our production capacity into international markets that use sugar cane or other feedstocks that are prevalent outside of the US.

Through our exclusive alliance with ICM, a leading engineering firm that has designed approximately 60% of current US operating ethanol production capacity, which the RFA estimates to be over 12 BGPY, we are developing our retrofit equipment package and have successfully demonstrated the production of isobutanol via the retrofit of a 1 MGPY ethanol demonstration facility in St. Joseph, Missouri using our first-generation biocatalyst. We plan to secure access to existing ethanol production facilities through direct acquisitions and joint ventures. We will then work with ICM to deploy GIFT™ through retrofit of these production facilities. In partnership with ICM, we have developed retrofit equipment packages for the retrofit of standard 50 MGPY and 100 MGPY ICM-designed corn ethanol plants.

In September 2010, we acquired a 22 MGPY ethanol production facility in Luverne, Minnesota. We have begun the project engineering and permitting portion of the Luverne facility retrofit process. The Luverne facility is a traditional dry-mill facility, which means that it uses dry-milled corn as a feedstock. Based on an initial evaluation of the Luverne facility by ICM, we project capital costs of approximately $17 million to retrofit this plant to produce 18 MGPY of isobutanol. We expect to incur additional costs of approximately $5 million related to the retrofit that are unique to the Luverne facility, including costs associated with the construction of a seed train and equipment and storage tanks that are designed to allow switching between isobutanol and ethanol production, bringing the total projected cost to approximately $22 million. We expect to begin commercial production of isobutanol at the Luverne facility in the first half of 2012. We then plan to expand our production capacity beyond this facility to produce and sell over 500 million gallons of isobutanol in 2014.

We are currently in discussions with several other ethanol plant owners that have expressed an interest in either selling their facilities to us or entering into joint ventures with us to retrofit their plants to produce isobutanol. Collectively, these ethanol plant owners represent over 1.8 BGPY of ethanol capacity. However, there can be no assurance that we will be able to acquire access to ethanol plants from these owners.

The following graphic illustrates our low capital cost retrofit strategy to produce isobutanol for direct use, for use in the production of plastics, materials, rubber and other polymers and for use in the production of hydrocarbon fuels:


Isobutanol
Animal Feed
Ethanol Facility
Gevo™ Biocatalyst
GIFT™
Separation Unit (estimated 14 month retrofit of existing ethanol plant enables fermentation and efficient separation of isobutanol)
Conversion of isobutanol (off-site)
Hydrocarbon unit (customers convert isobutanol into hydrocarbon fuels and plastics, fibers, rubber and other polymers)
Low capital cost GIFT™ retrofits enable efficient production of isobutanol, allowing for production of renewable hydrocarbons.

PRODUCTION AND DISTRIBUTION

We plan to commence commercial production of isobutanol in the first half of 2012 at our acquired facility in Luverne, Minnesota. We expect our initial production to be targeted to regional fuel blendstock markets in the US that value isobutanol's low RVP and higher energy content as compared to ethanol. Certain of our initial sales are expected to be to refiner customers that will further process our isobutanol into hydrocarbon products such as isooctane and butenes. In addition, we intend to sell isobutanol to high-value specialty chemicals markets focused on solvents and chemical-grade isobutanol.

In September 2010, we acquired a 22 MGPY ethanol production facility in Luverne, Minnesota which we intend to retrofit for isobutanol production. During the retrofit process, we intend to continue to produce and sell ethanol and related distiller's dried grains. Following retrofit of the facility to isobutanol production, we intend produce and sell isobutanol to customers and to sell protein fermentation meal as animal feed for local markets in the same manner as distiller's dried grains are sold today.

As our customers place processing assets into service, we plan to transition to selling increased isobutanol volumes under direct customer relationships, many of which we have already established. We are developing a pipeline of future customers for our isobutanol and its derivative chemical products across multiple target chemicals and fuels markets both in the US and internationally. As of August 2010, we have entered into the following arrangements:

Ø **LANXESS**. In May 2010, we entered into a non-binding heads of agreement outlining the terms of a future supply agreement with LANXESS Inc., or LANXESS, an affiliate of LANXESS Corporation, an investor in our company. LANXESS is a specialty chemical company with global operations that currently produces butyl rubber from petrochemical-based isobutylene. Isobutylene is a type of butene that can be produced from isobutanol through straightforward, well-known chemical processes. Pursuant to the heads of agreement, LANXESS has proposed to purchase at least 20 million gallons of our isobutanol per year for an initial term of 10 years, with an option to extend the term for an additional five years. The pricing under our heads of agreement with LANXESS includes a mechanism that adjusts for future changes in the cost of our feedstock. This pricing mechanism is appealing to LANXESS due to the lower historical price volatility of the resulting butanol, as compared to their traditional petroleum-based feedstocks. This pricing mechanism also allows us to enter into long-term supply agreements for our isobutanol.

Ø **TOTAL PETROCHEMICALS**. In February 2010, we entered into a non-binding letter of intent with TOTAL PETROCHEMICALS USA, Inc., or TOTAL PETROCHEMICALS, an affiliate of TOTAL S.A., a major oil and gas integrated company and indirect investor in our company. Under the terms of the letter of intent, we have agreed to negotiate a definitive supply agreement, for a term of up to five years, for the sale of a specified amount of isobutanol to TOTAL PETROCHEMICALS for use as a second-generation biofuel. TOTAL PETROCHEMICALS anticipates that it will require a volume of isobutanol ranging from 5 to 10 million gallons during the first year of the agreement. After the first year, the parties will mutually agree upon a ramp-up schedule to increase the annual volume of isobutanol to be supplied by us over the remaining term of the agreement. TOTAL PETROCHEMICALS is affiliated with one of our investors, Total Energy Ventures International.

Ø **Toray Industries**. In April 2010, we received a non-binding letter of interest from Toray Industries, Inc., or Toray Industries, a leader in the development of fibers, plastics and chemicals. Under the terms of the letter of interest, the parties have agreed to negotiate a supply agreement, pursuant to which, beginning on or after 2012, Toray Industries would purchase 1,000 metric tons per year of biobased p-xylene made from our isobutanol, potentially building to 5,000 metric tons within five years. Production of 5,000 metric tons of p-xylene is expected to require approximately 2.3 million gallons of isobutanol. We believe that the p-xylene can be produced by third-party manufacturers using isobutanol. We intend to solicit commitments from these manufacturers to purchase our isobutanol in order to supply Toray Industries.

Ø **United Airlines**. In July 2010, we entered into a non-binding letter of intent with United Air Lines, Inc., or United Airlines, one of the largest international airlines in the world. This letter of intent sets forth the initial terms for a supply agreement for renewable jet fuel, produced from our isobutanol, to serve United Airline's major hub airport in Chicago. We anticipate that the quantity of renewable jet fuel provided to the hub airport in Chicago will initially be 10,000 barrels per day, beginning in the fourth quarter of 2012. The production of this quantity of renewable jet fuel will require approximately 205 MGPY of isobutanol. The memorandum also contemplates a ramp-up in the supply of renewable jet fuel to 30,000 barrels per day by 2015 and 60,000 barrels per day by 2020. Importantly, the pricing of the renewable jet fuel will be indexed to the cost of corn, the feedstock that we will use to produce our isobutanol.

To further assist our entry into the jet fuels market, we are currently engaged in discussions facilitated by the Air Transport Association of America, or ATA, with several major passenger and cargo airlines in order to secure commitments from the ATA member airlines to purchase significant quantities of renewable jet fuel made from our isobutanol once the proper certifications have been obtained. To serve this market, we are also in discussions with major refiners to produce renewable jet fuel using our isobutanol at their refineries. For example, in May 2010 we received an expression of interest from a major US oil refiner and marketer that is interested in evaluating the suitability and economics of using our isobutanol to produce iso paraffinic kerosene, or IPK, a renewable jet fuel blendstock. This expression of interest, which is subject to ongoing discussions with potential airline customers, among other things, contemplates an initial term of at least five years and an initial volume of renewable jet fuel of up to 300 MGPY, up to 50% of which would be IPK produced from our isobutanol.

We have also secured a non-binding development and marketing commitment from CDTECH, a leading hydrocarbon technology provider for the petrochemical and refining industry. We believe that our relationship with CDTECH will accelerate the development of a broader market for downstream applications of our isobutanol. In addition, we are actively pursuing commercial relationships with petrochemical companies and large brand owners for the production of biobased plastics.

We anticipate that isobutanol will have a higher price than ethanol based on our review of refinery pricing models, which attribute a higher value to products with lower RVP and higher energy content in fuels markets. We have also been successful in including pricing mechanisms which are linked to the cost of feedstocks in our letters of intent. These pricing mechanisms result in lower price volatility for our customers, as compared to supply agreements for petroleum-based raw materials, and allow us to reduce the risk of entering into long-term supply agreements for our isobutanol. We believe that our ability to enter into long-term agreements for the supply of isobutanol, with customer pricing linked to the cost of feedstocks, provides us with an advantage over current ethanol marketing agreements.

Although we have agreed to preliminary terms with each of the potential customers discussed above, none of these agreements are binding and there can be no assurance that we will be able to enter into definitive supply agreements with any of these potential customers, or attract customers based on our arrangements with the petrochemical companies and large brand owners discussed above.

COMPETITIVE STRENGTHS

Our competitive strengths include:

Ø **Renewable platform molecule to serve multiple large drop-in markets**. We believe that the butenes produced from our isobutanol will serve as renewable alternatives for the production of plastics, fibers, rubber and other polymers which comprise approximately 40% of the global petrochemicals market, and will have potential applications in substantially all of the global hydrocarbon fuels market, enabling our customers to reduce raw material cost volatility, diversify suppliers and improve feedstock security. We believe that we will face reduced market adoption barriers because products derived from our isobutanol are chemically identical to petroleum-derived products, except that they will contain carbon from renewable sources.

- **Proprietary, low cost technology with global applications**. We believe that GIFT™ is currently the only known biological process to produce isobutanol cost-effectively from renewable carbohydrate sources, which will enable the economic production of hydrocarbon derivatives of isobutanol. Our proprietary separation unit is designed to achieve superior energy efficiency in comparison to other known separation processes for isobutanol and, as a result, reduces energy consumption costs—the second largest operating cost component of isobutanol production. Both our first- and second- generation biocatalysts are able to achieve a product yield on sugar of approximately 94% of theoretical maximum by weight, which is near to, if not the maximum practical yield attainable from fermentable sugars. Collectively, we believe that these attributes, coupled with our ability to leverage the existing ethanol production infrastructure, will create a low capital cost route to isobutanol. Furthermore, we believe that our low cost production route will allow our isobutanol to be economically competitive with many of the petroleum-derived products used in the chemicals and fuels markets today. Additionally, GIFT™ is designed to enable the economic production of isobutanol and other alcohols from multiple renewable feedstocks, which will allow our technology to be deployed worldwide.
- **Capital-light commercial deployment strategy optimized for existing infrastructure**. We have designed GIFT™ to enable capital-light retrofits of existing ethanol facilities, which allows us to leverage the existing approximately 20 BGPY of global operating ethanol production capacity. Our retrofit strategy supports a rapid and low capital cost route to isobutanol production. Based on a study completed by ICM in May 2010, we expect that the retrofit of an ICM-designed corn ethanol plant can be completed in approximately 14 months at a cost of approximately $22 to 24 million for a standard 50 MGPY plant and approximately $40 to 45 million for a standard 100 MGPY plant. These projected retrofit capital expenditures are substantially less than estimates for new plant construction for the production of advanced biofuels, including cellulosic ethanol. Based on ICM's initial evaluation of the Luverne facility, we project capital costs of approximately $17 million to retrofit this plant to produce 18 MGPY of isobutanol. Notably, our calculations based on expected costs of retrofit, operating costs, volume of isobutanol production and price of isobutanol suggest that GIFT™ retrofits will result in an approximate two-year payback period on the capital invested in the retrofit. We have also designed our production technology to minimize the disruption of ethanol production during the retrofit process, mitigating the costs associated with downtime as the plant is modified. Following an ICM-estimated two-week period to transition to isobutanol production, we expect the original plant to operate in essentially the same manner as it did prior to the retrofit, producing a primary product (isobutanol) and a co-product (protein fermentation meal as an animal feed). We intend to seek the necessary regulatory approvals to permit us to market our co-product as an animal feed, which will allow us to recover a significant portion of our feedstock costs. Where we retrofit wet-milled plants, we will instead extract high-value feedstock co-products such as corn gluten meal, corn oil and corn gluten animal feed before fermentation, which can likewise be marketed to defray feedstock costs.
- **GIFT™ demonstrated at commercially relevant scale**. We have completed the retrofit of a 1 MGPY ethanol facility in St. Joseph, Missouri with our proprietary engineering package designed in partnership with ICM. During September 2009, we successfully produced isobutanol at this facility using our first-generation biocatalyst, achieving our commercial targets for concentration, yield and productivity, which are consistent with the current yeast performance observed in a grain ethanol plant. These operations also demonstrated the effectiveness of our proprietary technology, confirming the fermentation performance of our biocatalyst technology and our ability to effectively separate isobutanol from water as it is produced. Also, we believe that our acquisition of a 22 MGPY ethanol production facility demonstrates the readiness of our technology for commercial deployment and supports our plan to commence initial commercial-scale isobutanol production in the first half of 2012.

- **Strategic relationships with chemicals, fuels and engineering industry leaders**. We have entered into strategic relationships with global industry leaders to accelerate the execution of our commercial deployment strategy both in the US and internationally. To facilitate the adoption of our technology at existing ethanol plants, we have entered into an exclusive alliance with ICM. We expect our relationships with customers such as TOTAL PETROCHEMICALS, LANXESS, Toray Industries and United Airlines to contribute to the development of chemical and fuel market applications of our isobutanol. To enable the integration of cellulosic feedstocks into our isobutanol production process, we have obtained an exclusive license from Cargill to integrate its proprietary biocatalysts into the GIFT™ system. To accelerate the adoption of isobutanol as a platform molecule, we have secured a non-binding development and marketing commitment from CDTECH. A number of our strategic partners are also direct or indirect investors in our company.
- **Experienced team with a proven track record**. Our management team offers an exceptional combination of scientific, operational and managerial expertise. Our CEO, Dr. Patrick Gruber, has spent over 20 years developing and successfully commercializing industrial biotechnology products, and our top five executive officers named in this prospectus average 19 years of relevant experience. Across the company, our employees have 450 combined years of biotechnology, synthetic biology and biobased product experience. Our employees have generated over 300 patent and patent application authorships over the course of their careers. Our team members have played key roles in the commercialization of several successful, large-scale industrial biotechnology projects, including a sugar substitute sweetener, four organic acid technologies, an animal feed additive and monomers for plastics and biobased plastics. Our team members have played key roles in the commercialization of several successful, large-scale industrial biotechnology projects including the first biologically derived high purity monomer for the production of plastic at a world-scale production facility. As a result of their deep experience, members of our management team play important roles in the industrial biotechnology industry at US and international levels.

OUR PRODUCTION TECHNOLOGY PLATFORM

We have used tools from synthetic biology, biotechnology and process engineering to develop a proprietary fermentation and separation process to cost effectively produce isobutanol from renewable feedstocks. GIFT™ is designed to allow for relatively low capital expenditure retrofits of existing ethanol facilities, enabling a rapid and cost-efficient route to isobutanol production. GIFT™ isobutanol production is very similar to existing ethanol production, except that we replace the ethanol producing biocatalyst with our isobutanol producing biocatalyst and we incorporate well-known equipment into the production process to separate and collect the isobutanol during the fermentation process. A commercial engineering study completed by ICM in May 2010 projected the capital costs associated with the retrofit of a standard 50 MGPY ICM-designed corn ethanol plant to be approximately $22 to 24 million and the capital costs associated with the retrofit of a standard 100 MGPY ICM-designed corn ethanol plant to be approximately $40 to 45 million. The ICM study also projected that each GIFT™ retrofit would take approximately 14 months to complete, including completion of the relevant regulatory approval process. Individual ethanol plant retrofits could vary from these estimates based on the design of the underlying ethanol plant and the regulatory jurisdiction the plant operates in, among other factors. We have designed our production technology to minimize the disruption of ethanol production during the retrofit process, mitigating the costs associated with downtime as the plant is modified. Following an estimated two-week period to transition to isobutanol production, we expect the corn ethanol facility will be able to produce isobutanol, as well as protein fermentation meal as an animal feed co-product, while operating in substantially the same manner as it did prior to the retrofit.

Reusing large parts of the ethanol plant without modification is beneficial because the unchanged parts will stay in place and continue to operate after the retrofit as they did when ethanol was produced. This means that the existing operating staff can continue to manage the production of isobutanol because they will already have experience with the base equipment. This continuity reduces the risks associated with the production startup following the retrofit as most of the process is unchanged and the existing operating staff is available to monitor and manage the production process.

We intend to process the spent grain mash from our fermentors to produce protein fermentation meal, relying on established processes in the current ethanol industry. We anticipate approval of our protein fermentation meal by the FDA, and we plan to market it to the dairy, beef, swine and poultry industries as a high-protein, high-energy animal feed. Protein fermentation meal can also be sold for use as a boiler fuel, fertilizer and weed inhibitor. We believe that our sales of protein fermentation meal will allow us to offset a significant portion of our grain feedstock costs, as is practiced by the corn-based ethanol industry today. Where we instead retrofit an ethanol plant that uses wet-milled corn, we will not produce protein grains post-fermentation, but will instead extract valuable proteins pre-fermentation, which we can sell as animal feed without the need for FDA approval.

BIOCATALYST OVERVIEW

Our biocatalysts are microorganisms that have been designed to metabolize sugars to produce isobutanol. Our technology team develops these proprietary biocatalysts to efficiently convert fermentable sugars of all types by engineering isobutanol pathways into the biocatalysts, and then minimizing the production of unwanted by-products to improve isobutanol yield and purity, thereby reducing operating costs. With our first-generation biocatalyst, we have already demonstrated that we can produce isobutanol at key commercial parameters, validating our biotechnology pathways and efficiencies. To establish isobutanol production in a commercial industrial setting, we are now nearing completion of the development of our second-generation biocatalyst, which is designed to produce isobutanol from any fuel ethanol feedstock currently in commercial use, including grains (e.g., corn, wheat, sorghum and barley) and sugar cane. This feedstock flexibility supports our initial deployment in the US, as we seek to retrofit available ethanol production facilities focused on corn feedstocks, and will enable our future expansion into international markets for production of isobutanol using sugar cane or other grain feedstocks.

Although development work still needs to be done, we have shown at laboratory scale that we can convert cellulosic sugars into isobutanol. In addition, through an exclusive license and a services arrangement with Cargill, we are developing a future-generation yeast biocatalyst specifically designed to efficiently produce isobutanol from the sugars derived from cellulosic feedstocks, including crops that are specifically cultivated to be converted into fuels (e.g., switchgrass), forest residues (e.g., waste wood, pulp and sustainable wood), agricultural residues (e.g., corn stalks, leaves, straw and grasses) and municipal green waste (e.g., grass clippings and yard waste).

Our second- and future-generation biocatalysts are built upon robust industrial varieties of yeast that are widely used in large-scale fermentation processes, such as ethanol and lactic acid production. We have carefully selected our yeast biocatalyst platforms for their tolerance to isobutanol and other conditions present during an industrial fermentation process, as well as their known utility in large-scale commercial production processes. As a result, we expect our biocatalysts to equal or exceed the performance of the yeast used in prevailing grain ethanol production processes.

BIOCATALYST DEVELOPMENT

Initially, we used a pathway developed at UCLA and exclusively licensed from The Regents to create a first-generation biocatalyst capable of producing biobased isobutanol. We chose to use *E. coli* as the bacteria in our first-generation biocatalyst because of its ease of use and greater understanding relative to other biocatalysts, and because it was the microorganism used by UCLA in developing the licensed pathway. By applying our proprietary technology to the licensed technology we were able to engineer the isobutanol pathways into the biocatalyst, convert the isobutanol pathway to allow for anaerobic, or oxygen free, isobutanol production and then minimize the production of unwanted by-products to improve isobutanol yield and purity thereby reducing operating costs. These efforts resulted in a substantial fermentation yield increase and enabled compatibility with existing ethanol infrastructure.

By fermenting sugars to isobutanol without producing the typical by-products, our proprietary isobutanol pathway channels the available energy content of fermentable sugars to isobutanol. Due to thermodynamic constraints that govern the conservation of energy, other processes may match our yield, but will be unable to exceed it significantly. We have achieved approximately 94% of the theoretical yield, which is near to, if not the maximum practical yield limit attainable from the fermentation of sugars, with yield losses being accounted for by cell production and metabolic energy (organism sustaining energy). Our expected theoretical yield is equivalent to that of industrial ethanol production.

We designed our biocatalysts to equal or exceed the performance of the yeast currently used in commercial ethanol production not only in yield, or percentage of the theoretical maximum percentage of isobutanol that can be made from a given amount of feedstock, but also fermentation time, or how fast the sugar fed to the fermentation is converted to isobutanol. Matching this level of performance is important because doing so allows GIFT™ fermentation to be performed in most existing grain ethanol fermentors without increasing vessel sizes. Because an isobutanol molecule contains more carbon and hydrogen than an ethanol molecule, and because liquid isobutanol has a different density than liquid ethanol, the isobutanol volume our fermentation process produces will be approximately 80 percent of the volume of ethanol produced by ethanol fermentation at an equivalent fermentation theoretical yield on sugar. In other words, ICM's design studies predict that a retrofitted 100 MGPY ethanol plant can produce approximately 80 MGPY of isobutanol. A volume of 80 million gallons of isobutanol has roughly the same energy content as 100 million gallons of ethanol.

Demonstrated biocatalyst performance

By August 2009, we had improved our first-generation biocatalyst's performance to equal or exceed our targeted levels of commercial performance, defined as 48 to 72 hours fermentation time and a product yield of approximately 94% of the theoretical yield of isobutanol from the sugar in the feedstock. We initially achieved these fermentation performance goals with our first-generation biocatalyst at our GIFT™ mini- plant. In September 2009, we replicated this performance by successfully completing the retrofit of a 1 MGPY ethanol demonstration facility located at ICM's St. Joseph, Missouri site.

We have transferred our proprietary isobutanol pathway to an industrially relevant yeast host and are currently optimizing the yeast's performance to achieve our commercial performance targets. Yeast is the preferred host for low cost industrial fermentation because it is industrially proven for biofuels production, capable of out-competing most bacteria, and is not susceptible to bacteriophage, a common problem for bacterial fermentations. Our yeast has been specifically selected and developed for its performance in the GIFT™ process, which will allow for lower cost isobutanol production.

As of October 2010, our second-generation biocatalyst has achieved a fermentation time of 52 hours and achieved approximately 94% of the theoretical maximum yield of isobutanol from feedstock, meeting our targeted fermentation performance criteria well in advance of our planned commercial launch of isobutanol production in the first half of 2012.

Comparison of fermentation performance

The chart below compares the target performance levels of our biocatalysts to the performance levels achieved in ethanol fermentation. We have already achieved these levels of performance with our first-generation biocatalyst, and our second-generation biocatalyst's performance is approaching our commercial targets, as discussed above. Because we are developing our isobutanol fermentation performance to be similar to that of current ethanol fermentation, we expect to be able to use existing ethanol production infrastructure to ferment isobutanol without needing to change the milling and cooking processes, expand the fermentor tank sizes or increase natural gas consumption.

Comparison of Fermentation Performance	Ethanol	Gevo™ Isobutanol(1)
Microorganism	Yeast	Yeast
Fermentation time (hours)	48-72(2)	48-72(2)

(1) Commercial targets accomplished with first- and second-generation biocatalysts.

(2) Commercial range for existing ethanol plants according to information supplied by ethanol producers and ICM. The Luverne facility utilizes a 65 hour fermentation time.

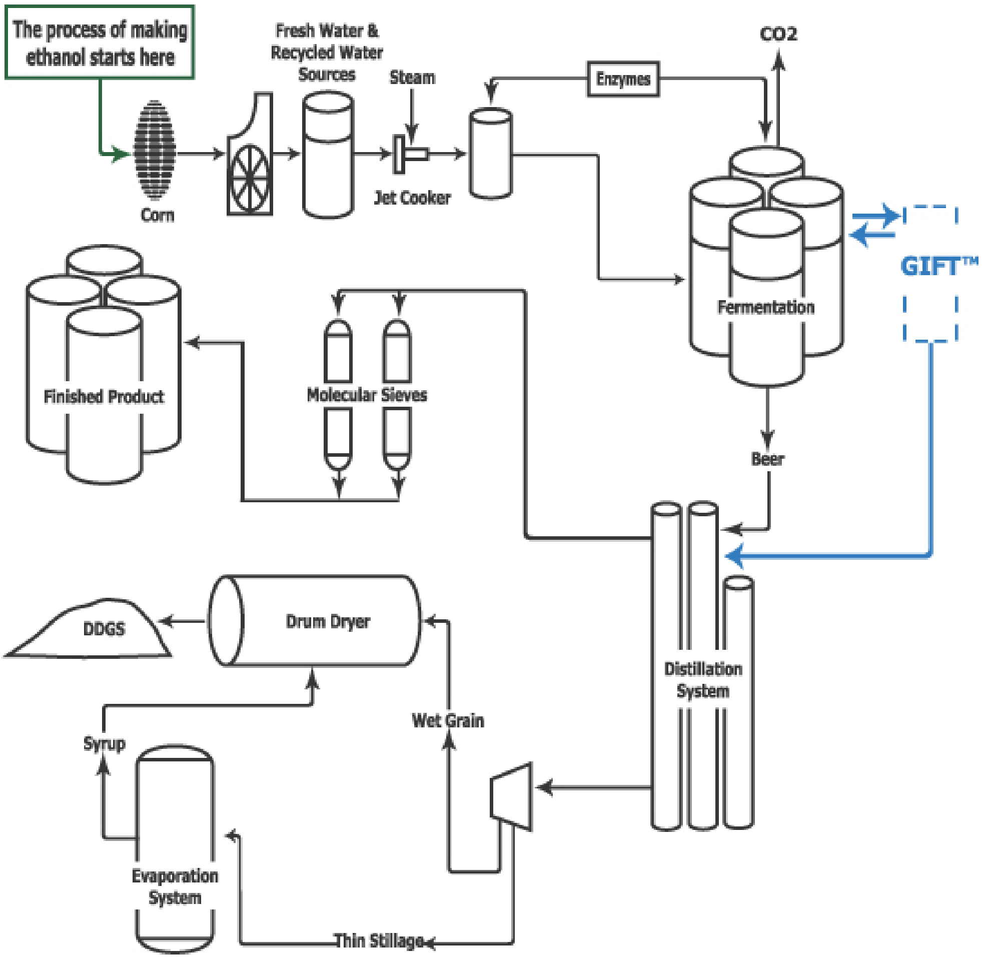
FEEDSTOCK FLEXIBILITY

We have designed our biocatalyst platform to be capable of producing isobutanol from any fuel ethanol feedstock currently in commercial use, which we believe, in conjunction with our proprietary isobutanol separation unit, will permit us to retrofit any existing fuel ethanol facility. We have demonstrated with our first-generation biocatalyst that our pathway is capable of converting the types of sugars in grains and sugar cane to isobutanol at our commercial targets for concentration, yield and productivity. Similarly, we believe our second-generation biocatalyst will have the ability to convert these sugars into isobutanol at a commercial scale. The vast majority of fuel ethanol currently produced in the US is produced from corn feedstock, which is abundant, according to data from the US Department of Agriculture and the RFA. Although development work still needs to be done, we have shown at laboratory scale that we can convert cellulosic sugars into isobutanol. Through an exclusive license with Cargill, we are also developing a future-generation yeast biocatalyst that is specifically designed to efficiently produce isobutanol from mixed sugars derived from cellulosic sources including purpose grown energy crops, agricultural residues, forest residues and municipal green waste. This yeast is highly hydrolyzate-tolerant and employs Cargill's technology for mixed sugar conversion. We expect that our feedstock flexibility will allow our technology to be deployed worldwide and will enable us to offer our customers protection from the raw material cost volatility historically associated with petroleum-based products.

GIFT™ IMPROVES FERMENTATION PERFORMANCE

Our experiments show that GIFT's™ integrated fermentation and recovery system provides enhanced fermentation performance as well as low cost, energy-efficient recovery of isobutanol and other alcohols. Since biocatalysts have a low tolerance for high isobutanol concentrations in fermentation, the valuable ability of our process to continuously remove isobutanol as it is produced allows our biocatalyst to continue processing sugar into isobutanol at a high rate without being suppressed by rising levels of isobutanol in the fermentor, thereby reducing the time to complete the fermentation. Using our first- and second-generation biocatalysts, we have demonstrated that GIFT™ enables isobutanol fermentation times equal to, or less than, those achieved in the current conventional production of ethanol, which allows us to fit our technology into existing ethanol fermentors thereby reducing capital expenditures. Finally, the GIFT™ separation of isobutanol reduces natural gas costs per unit of energy in the fermented product (relative to conversion into ethanol), thereby reducing energy consumption and costs incurred for distillation, relative to ethanol production. We have designed a proprietary engineering package in partnership with ICM to carry out our isobutanol fermentation and recovery process, and this equipment has been successfully deployed via the retrofit of a 1 MGPY corn ethanol demonstration facility in St. Joseph, Missouri.

As shown in the following diagram, GIFT™ requires little change to existing ethanol production infrastructure. As with ethanol production, feedstock is ground, cooked, treated with enzymes and fermented. Just like ethanol production, after fermentation, a primary product (isobutanol) and a co-product (protein fermentation meal) are recovered and stored. GIFT's™ main modifications are replacing the ethanol biocatalyst with Gevo's proprietary isobutanol producing biocatalyst, and adding low temperature distillation for continuous removal and separation of isobutanol.


The process of making ethanol starts here
Fresh Water & Recycled Water Sources
Steam
CO2
Enzymes
Corn
Jet Cooker
GIFT™
Fermentation
Finished Product
Molecular Sieves
Beer
Drum Dryer
DDGS
Distillation System
Wet Grain
Syrup
Evaporation System
Thin Stillage

How GIFT™ SEPARATION WORKS

The GIFT™ system enables inexpensive, continuous separation of isobutanol from the fermentation tanks while fermentation is in process. Isobutanol is removed from the fermentation broth using a low temperature distillation to continuously remove the isobutanol as it is formed without the biocatalyst being affected. Additionally, isobutanol and water are only sparingly miscible (they do not readily form a solution when mixed). GIFT™ utilizes this immiscibility to separate isobutanol and water into two phases, a water-rich phase and an isobutanol-rich phase. This separation allows concentrated isobutanol to be moved forward to final product dewatering in the dewatering column of the distillation system, and water-rich isobutanol to be redistilled utilizing the existing distillation equipment and a very low energy input. The GIFT™ process not only efficiently separates isobutanol, but also promotes optimal fermentation by preventing excessive isobutanol concentration in the fermentor, which can hinder biocatalyst performance.

CONVERSION OF ISOBUTANOL INTO HYDROCARBONS

We have demonstrated conversion of our isobutanol into a wide variety of hydrocarbon products which are currently used to produce plastics, fibers, rubber, other polymers and hydrocarbon fuels. Hydrocarbon products consist entirely of hydrogen and carbon and are currently derived almost exclusively from petroleum. Importantly, isobutanol can be dehydrated to produce butenes, hydrocarbon products with many industrial uses. The straightforward conversion of our isobutanol into butenes is a fundamentally important process that enables isobutanol to be used as a building block chemical. Much of the technology necessary to convert isobutanol into butenes and subsequently into these hydrocarbon products is known and practiced in the chemicals industry today, as shown in an SRI research study. For example, the dehydration of ethanol to ethylene, which uses a similar process and technology to the dehydration of isobutanol, is practiced commercially today to serve the ethylene market. The dehydration of isobutanol into butenes is not commercially practiced today, because isobutanol from petroleum is not cost-competitive with other petrochemical processes for generation of butenes, but we and our potential customers believe that our efficient and low cost fermentation technology for producing isobutanol will promote commercial isobutanol dehydration and provide us with the opportunity to access the hydrocarbon markets.

We have demonstrated the feasibility of converting isobutanol into many downstream products and expect to work with other companies to further develop this production technology and to commercialize these products. We have formed strong relationships with LANXESS, TOTAL PETROCHEMICALS, Toray Industries, United Airlines and CDTECH and we are in discussions with multiple other companies. Some of these companies are working with us to define commercial technology for dehydration of isobutanol and other required downstream conversion technologies. In some cases, we have provided these companies with technical information and product samples to enable complete development of production technology packages to convert isobutanol into fuel components and hydrocarbon chemicals. We intend to utilize these collaborations to develop and broaden the downstream markets for products derived from our isobutanol.

MILESTONES ACHIEVED AND COMMERCIALIZATION ROADMAP

GIFT™ developed in mini-plant and pilot plant

In 2008, we utilized a 10,000 gallon per year pilot plant to prove that our biocatalysts could function in our low temperature distillation process. Additionally in 2008, we developed bench- and pilot-scale bioreactors (containers in which biological reactions occur) to demonstrate and test our GIFT™ biocatalyst and process at our Englewood, Colorado facility. The bench-scale bioreactor, referred to as our mini-plant, was engineered to utilize a two liter fermentor on a bench top and allowed for fermentation and simultaneous recovery utilizing GIFT™. The mini-plant confirmed that GIFT™ enhances fermentation and recovers isobutanol as expected. We met our commercial fermentation performance targets with our first-generation biocatalyst in mid-2009 on the basis of GIFT™ performance in our mini-plant.

Design and operation of demonstration facility

In 2008, we began our ramp-up to commercial scale production when we formed an exclusive alliance with ICM to jointly develop a proprietary design for retrofitting an ethanol plant for the production of isobutanol using GIFT™. The proprietary retrofit design was then implemented at ICM's 1 MGPY ethanol demonstration facility in St. Joseph, Missouri. The initial retrofit design, procurement and construction were completed in August 2009. By the end of September 2009, we had operated the demonstration plant facility and successfully produced isobutanol at commercial fermentation performance levels using our first-generation biocatalyst. We incurred total capital expenditures for the retrofit of the demonstration facility of $2.6 million during 2009.

Engineering scale-up

We formed an exclusive alliance with ICM in 2008 to develop and commercialize our technology. ICM is widely regarded as the leading engineering and design firm for grain ethanol plants, and its designs account for an estimated 60% of the operating ethanol plant capacity in the US. ICM has agreed to work exclusively with us on the production of butanols (including isobutanol), pentanols and propanols in existing and future ICM-engineered plants utilizing any sugar fermentation technology globally.

Commercial engineering study completed

In 2010, we completed a commercial engineering study in conjunction with ICM evaluating the equipment and resources required to retrofit standard ICM-designed 50 MGPY and 100 MGPY corn ethanol facilities to produce isobutanol using the GIFT™ process and biocatalyst. The study was conducted to confirm capital and operating cost estimates for ethanol plant retrofits to produce isobutanol for use in commercialization planning and to facilitate the design process for identified facilities. The study estimated the capital costs associated with the retrofit of a standard 50 MGPY ICM-designed corn ethanol plant to be approximately $22 to 24 million and the capital costs associated with the retrofit of a standard 100 MGPY ICM-designed corn ethanol plant to be approximately $40 to 45 million. The study also reviewed a number of engineering options for retrofitting an ethanol facility, including the potential ability to reverse the retrofit to switch between ethanol and isobutanol production, which was estimated to cost an additional approximately $2 to 3 million depending on the size of the facility, and the addition of a seed train to produce sufficient quantities of our biocatalyst without need for a yeast seed production contract, which was estimated to cost an additional approximately $2 to 4 million depending on the size of the facility. Additionally, when we acquire access to facilities that use non-ICM based technology, we may incur further costs to upgrade such plants to a modern ICM design, thus improving the efficiency of their operations. Once a retrofit has been completed, we expect our total operating costs to be comparable to, or even lower than, those of a traditional ethanol production facility.

Based on ICM's initial evaluation of the Luverne facility, we project capital costs of approximately $17 million to retrofit this plant to produce isobutanol. We expect to incur additional costs of approximately $5 million related to the retrofit that are unique to the Luverne facility, including costs associated with the construction of a seed train and equipment and storage tanks that are designed to allow switching between isobutanol and ethanol production, bringing the total projected cost to approximately $22 million.

Our strategy

Our strategy is to commercialize our isobutanol for use directly as a specialty chemical and low RVP fuel blendstock and for conversion into plastics, fibers, rubber, other polymers and hydrocarbon fuels. Key elements of our strategy include:

- **Deploy first commercial production facility**. In September 2010, we acquired a 22 MGPY ethanol production facility in Luverne, Minnesota. We have begun the project engineering and permitting portion of the Luverne facility retrofit process and expect to commence commercial production of approximately 18 MGPY of isobutanol at the Luverne facility in the first half of 2012.
- **Enter into supply agreements with customers to support capacity growth**. We intend to transition the letters of intent that we have already received into firm supply agreements, and then add to our customer pipeline by entering into isobutanol supply agreements for further capacity with additional customers in the refining, specialty chemicals and transportation sectors both in the US and internationally.
- **Expand our production capacity via retrofit of additional existing ethanol facilities**. As we secure supply agreements with customers, we plan to acquire or gain access to additional and larger scale ethanol facilities via acquisitions and joint ventures. We believe that our exclusive alliance with ICM will enhance our ability to rapidly deploy our technology on a commercial scale at these facilities. We plan to acquire additional production capacity to enable us to produce and sell over 500 million gallons of isobutanol in 2014.
- **Expand adoption of our isobutanol across multiple applications and markets**. We intend to drive adoption of our isobutanol in multiple US and international chemicals and fuels end-markets by offering a renewable product with superior properties at a competitive price. In addition, we intend to leverage existing and potential strategic partnerships with hydrocarbon companies to accelerate the use of isobutanol as a building block for drop-in hydrocarbons. This strategy will be implemented through direct supply agreements with leading chemicals and fuels companies, as well as through alliances with key technology providers.
- **Align the value chain for our isobutanol by collaborating with large brand owners**. We are developing commitments from large brand owners to purchase products made from our isobutanol by third-party chemicals and fuels companies. For example, we recently entered into a letter of intent with United Airlines to purchase significant quantities of renewable jet fuel made from our isobutanol. We intend to use these commitments to obtain contracts to sell our isobutanol directly into the manufacturing chain that will use our isobutanol as a building block in the production of renewable jet fuel.
- **Incorporate additional feedstocks into our isobutanol production facilities**. Our second-generation biocatalyst can produce isobutanol from any fuel ethanol feedstock currently in commercial use, including grains (e.g., corn, wheat, sorghum and barley) and sugar cane. We are developing a future-generation biocatalyst under contract with Cargill. We believe that this future-generation biocatalyst will enable us to efficiently integrate mixed sugars from cellulosic feedstocks into our production facilities when the technology to separate and break down cellulosic biomass into separate simple sugar molecules becomes commercially available. While our initial focus is to access corn ethanol facilities in the US, the ability of our biocatalyst to produce isobutanol from multiple feedstocks will support our future efforts to expand production of isobutanol into international markets that use sugar cane or other grain feedstocks, either directly or through partnerships.

INDUSTRY OVERVIEW

Petroleum is a fundamental source of chemicals and fuels, with annual global demand in 2008 estimated at $3.0 trillion based on data from the IEA and EIA. Today's organic chemicals and fuels are predominantly derived from petroleum, as it has historically been convenient and inexpensive. However, recent fundamental trends including increasing petroleum demand (especially from emerging markets), limited new supply, price volatility and the changing regulatory framework in the US and internationally with regard to the environmental impact of fossil fuels, has increased the need for economical, renewable and environmentally sensitive alternatives to petroleum at stable prices.

These market developments, combined with advances in synthetic biology and metabolic pathway engineering, have encouraged the convergence between the industrial biotechnology and energy sectors. These new technologies enable the production of flexible platform chemicals, such as isobutanol, from renewable sources instead of fossil fuels, at economically attractive costs. Based on our compilation of data from SRI, CMAI, the EIA and the IEA, we believe that isobutanol and the products derived from it have potential applications in approximately 40% of the global petrochemicals market and substantially all of the global fuels market, and that our isobutanol fulfills an immediate need for alternatives to petroleum. Previous attempts to create renewable, cost-effective alternatives to petroleum-based products have faced several challenges:

- **First generation renewable products are not drop-in solutions for existing infrastructure**. Many products contemplated by earlier manufacturers are not considered effective alternatives to conventional petroleum due to various limitations, including lower energy content, viscosity and corrosive properties which limit pipeline transportation or require expensive engine modifications.
- **Capital intensity**. Due to the high capital cost incurred in establishing new ethanol plants, numerous ethanol companies have faced limited expansion or customization opportunities and have not been able to relocate to areas with access to new or more cost effective feedstocks.
- **Reliance on regulatory environment**. Many conventional alternatives to current nonrenewable chemicals and fuels rely on heavy government subsidies. In the absence of governmental support, these alternatives face significant operational hurdles and are often no longer economically viable.

Advantages of our isobutanol

We believe our isobutanol provides advantages over both petroleum-based products and alternative renewable chemicals and fuels. These advantages are based on the chemical properties of isobutanol and our low cost production technology.

- **Optimized for existing infrastructure**. Isobutanol is a fungible, drop-in fuel with chemical and performance characteristics as a fuel additive that are well known. For example, due to its low water solubility, we believe isobutanol can be transported in pipelines and blended into gasoline formulations at the refinery in contrast to prevailing practices where ethanol is blended at the terminal and can not be transported via pipelines. Initial test results from DNV Columbus, Inc., a well-respected materials testing company, showed that isobutanol did not contribute to stress corrosion cracking in pipeline materials under conditions where ethanol typically would. We believe that refiners are interested in the possibility of using isobutanol to replace more expensive alkylates in their gasoline formulations. In addition, pending necessary regulatory approval, we believe our isobutanol can be combined with ethanol to increase the benefits associated with using ethanol as a fuel blendstock. Therefore, we believe an important and distinct advantage of isobutanol is its potential ability to align the interests of refiners, commodity agriculture and the ethanol industry, accelerating the development of a biobased economy.

- **Low cost convertibility of renewable feedstocks into specialty chemicals and fuels**. We believe our proprietary technology platform will enable rapid deployment and a low capital cost route to isobutanol and currently represents the only known biological process to produce isobutanol cost-effectively from the fermentation of renewable feedstocks. Isobutanol is a highly flexible platform molecule with broad applications in the chemicals and fuels markets.
- **Highly effective solution to current regulatory limitations**. The EPA currently limits gasoline blends for use in normal automobile engines to a maximum of 15% ethanol for model years 2007 and later, and 10% for all other model years. Isobutanol can expand biofuel market opportunities as a fuel blendstock as we expect it to be blended into gasoline at higher levels without modifying engines or gasoline distribution logistics. Additionally, we believe a pathway could be defined with the EPA for our isobutanol to be classified as an advanced biofuel according to the Renewable Fuels Standard, or RFS2. Even if made from corn in retrofitted ethanol plants, isobutanol can qualify as an advanced biofuel if it can provide a 50% lifecycle greenhouse gas, or GHG, reduction compared to gasoline. Lifecycle GHG emissions are the aggregate quantity of GHGs related to the full fuel cycle, including all stages of fuel and feedstock production and distribution, from feedstock generation and extraction through distribution, delivery and use of the finished fuel. Furthermore, because isobutanol contains approximately 30% more energy than ethanol, each gallon of isobutanol provides a RIN value of 1.3. Therefore, a refiner could purchase fewer gallons of isobutanol than ethanol while meeting its biofuels obligation under RFS2.
- **Alternative source of four-carbon hydrocarbons.** Butenes, hydrocarbon products with many industrial uses, can be produced through the dehydration of isobutanol. We believe that butenes derived from our isobutanol can be further processed into other high-value hydrocarbon products using currently known chemistries, as shown in research reports by SRI. These include ethyl tert-butyl ether, or ETBE, for use as a value-added gasoline blendstock, propylene, MMA, for use in plastics, industrial coatings and other chemical additives, such as antioxidants and plastics modifiers. The prevailing process to manufacture these hydrocarbon products today is through the practice of cracking oil and natural gas. Ethylene crackers produce butenes as a co-product and the butenes market has tightened as these crackers have shut down and shifted from oil to natural gas feedstocks reducing the available supply of butenes. As a result, we expect the hydrocarbons derived from our isobutanol to provide chemical and fuel producers with both supply chain diversity and alternatives to current petroleum-derived products which can be particularly important in a tight petrochemicals environment.
- **Feedstock flexibility**. We believe our second-generation biocatalyst will produce isobutanol cost-effectively at a commercial scale from any feedstock currently used to produce grain ethanol. Additionally, this biocatalyst provides the ability to convert sugar cane into isobutanol which provides us with opportunities to expand our production into Brazil and other areas with sugar cane ethanol facilities. Moreover, our work with Cargill to develop a future-generation yeast biocatalyst enabling cellulosic isobutanol production will position us to integrate non-food-based feedstocks into our production facilities when the technology to separate and break down cellulosic biomass into separate simple sugar molecules becomes commercially available. We believe that having the flexibility to use different crops and agricultural by-products as a feedstock for isobutanol production is a particularly attractive trait to the chemicals and fuels markets and has the potential to mitigate their exposure to petroleum price volatility.
- **Lower impact on air quality**. Isobutanol has a low RVP. RVP measures a fuel’s volatility, and in warm weather, high RVP fuel can contribute to smog formation. The EPA sets regional and seasonal clean air standards in the US, which include RVP limitations, with the potential for stricter air quality regulations in the near future. Given isobutanol’s lower RVP relative to ethanol, we believe refiners using isobutanol blends have more flexibility in their gasoline formulations to meet clean air standards. This added flexibility can be valuable in regions of the US that fail to meet EPA-designated national air quality standards, or in markets like California where the RVP maximum is very low.

COMPETITION

Our isobutanol is targeted to three main markets: direct use as a solvent and gasoline blendstock, use in the chemicals industry for producing plastics, fibers, rubber and other polymers and use in the production of hydrocarbon fuels. We face competitors in each market, some of which are limited to individual markets, and some of which will compete with us across all of our target markets.

Renewable isobutanol competition

We are a leader in the development of renewable isobutanol via fermentation of renewable plant biomass. While the competitive landscape in renewable isobutanol production is limited at this time, we are aware of other companies that are seeking to develop isobutanol production capabilities. These include Butamax, a joint venture between BP and DuPont, and Butalco GmbH, a development stage company based in Switzerland. While each of these entities is a private company, based on our due diligence related to intellectual property filings we believe that we have a very competitive position in the development of renewable isobutanol production.

Gasoline blendstock and solvent markets competition

We also face competition from companies that are focused on the development of n-butanol, a related compound to isobutanol. These companies include Cathay Industrial Biotech Ltd., METabolic EXplorer S.A., TetraVitae Bioscience, Inc., Cobalt Technologies, Inc. and Green Biologics Ltd. We understand that these companies produce n-butanol from an acetone-butanol-ethanol, or ABE, fermentation process primarily for the small chemicals markets. ABE fermentation using a Clostridia biocatalyst has been used in industrial settings since 1919. As discussed in several academic papers analyzing the ABE process, such fermentation is handicapped in competitiveness by high energy costs due to low concentrations of butanol produced and significant volumes of water processed. It requires higher capital and operating costs to support industrial scale production due to the low rates of the Clostridia fermentation, and results in a lower butanol yield because it produces ethanol and acetone as by-products. We believe our proprietary process has many significant advantages over the ABE process because of its limited requirements for new capital expenditures, its production of almost pure isobutanol and its limited energy costs and water usage in production. We believe these advantages will produce a lower cost isobutanol compared to n-butanol produced by ABE fermentation. N-butanol’s lower octane rating compared to isobutanol gives it a lower value in the gasoline blendstock market, but n-butanol can compete directly in many solvent markets where n-butanol and isobutanol have similar performance.

In the gasoline blendstock market isobutanol competes with non-renewable alkylate and renewable ethanol. According to the RFA, the global market for ethanol as a fuel blendstock was approximately 20 billion gallons in 2009, and we estimate the total potential global market for isobutanol as a gasoline blendstock at 40 BGPY. Alkylate is a premium value gasoline blendstock typically derived from petroleum. However, petroleum feeds for alkylate manufacture are pressured by continued increases in the use of natural gas to generate olefins for the production of alkylate, due to the low relative cost of natural gas compared to petroleum. Alkylate has a low RVP and high octane rating. Ethanol is renewable and has a high octane rating, and although it has a high RVP, ethanol receives a one pound RVP waiver in a large portion of the US gasoline market. Renewability is important in the US because the RFS2 mandates that a minimum volume of renewable blendstocks be used in gasoline each year. A high octane rating is important for engine performance and is a valuable characteristic because many gasoline blendstocks have lower octane ratings. Low RVP is important because the EPA sets maximum permissible RVP levels for gasoline. Ethanol’s vapor pressure waiver is valuable because it offsets much of the negative value of ethanol’s high RVP. We believe that our isobutanol will be valued for its combination of low RVP, high octane and renewability. With this combination of properties our isobutanol is targeted to compete effectively in the portions of the gasoline market where ethanol blending is not allowed, as well as in regions with particularly low RVP limits.

Many production and technology supply companies are working to develop ethanol production from cellulosic feedstocks, including Shell Oil, BP, DuPont-Danisco Cellulosic Ethanol LLC, Abengoa Bioenergy, S.A., POET, LLC, ICM, Mascoma, Range Fuels, Inbicon A/S, INEOS New Planet BioEnergy LLC, Coskata, Archer Daniels Midland Company, BlueFire Ethanol, Inc., KL Energy Corporation, ZeaChem Inc., Iogen Corporation, Qteros, Inc., AE Biofuels, Inc. and many smaller start-up companies. Successful commercialization by some or all of these companies will increase the supply of renewable gasoline blendstocks worldwide, potentially reducing the market size or margins available to isobutanol.

Plastics, fibers, rubber and other polymers market competition

Isobutanol can be dehydrated to produce butenes, hydrocarbon products with many industrial uses in the production of plastics, fibers, rubber and other polymers. The straightforward conversion of our isobutanol into butenes is a fundamentally important process that enables isobutanol to be used as a building block chemical in multiple markets. These markets include butyl rubber, lubricants and additives derived from butenes such as isobutylene, poly methyl methacrylate from isobutanol, propylene for polypropylene from isobutylene, polyesters made via para-xylene from isobutylene and polystyrene made via styrene.

In these markets we compete with the renewable isobutanol companies and renewable n-butanol producers described previously, and face similar competitive challenges. Our competitive position versus petroleum-derived plastics, fibers, rubber and other polymers varies, but we believe that the high volatility of petroleum prices, often tight supply markets for petroleum-based petrochemical feedstocks and the desire of many consumers for goods made from more renewable sources will enable us to compete effectively. However, petrochemical companies may develop alternative pathways to produce petrochemical-based hydrocarbon products that may be less expensive than our isobutanol, or more readily available or developed in conjunction with major petrochemical, refiner or end user companies. These products may have economic or other advantages over the plastics, fibers, rubber and other polymers developed from our isobutanol. Further, some of these companies have access to significantly more resources than we do to develop products.

There is also one small company in France, Global Bioenergies, S.A., pursing the direct production of isobutylene from renewable carbohydrates. Through analysis of the fermentation pathway, we believe that the direct production of butenes such as isobutylene via fermentation will have higher capital and operating costs than production of butenes derived from our isobutanol.

Hydrocarbon fuels market competition

Beyond direct use as a fuel additive, isobutanol can be converted into many hydrocarbon fuels and specialty blendstocks, offering substantial potential for additional demand in the fuels markets. We will compete with the incumbent petroleum-based fuels industry, as well as biofuels companies.

The incumbent petroleum-based fuels industry makes the vast majority of the world’s gasoline, jet and diesel fuels and blendstocks. The petroleum-based fuels industry is mature, and includes a substantial base of infrastructure for the production and distribution of petroleum-derived products. However, the industry faces challenges from its dependence on petroleum. Supply limitations have begun to increase the cost of crude, and oil prices are extremely volatile. High and volatile oil prices provide an opportunity for renewable producers relying on biobased feedstocks like corn, which in recent years have had lower price volatility than oil.

Biofuels companies will provide substantial competition in the gasoline market. These biofuels competitors are numerous and include both large established companies and numerous startups. Government tax incentives for renewable fuel producers and regulations such as the RFS2 help provide opportunities for renewable fuels producers to compete. In particular, in the gasoline and gasoline blendstock markets Virent offers a competitive process for making gasoline and gasoline blendstocks. However, we have the advantage of being able to target conversion of isobutanol into specific high-value molecules such as isooctane, which can be used to make gasoline blendstocks with a higher value than whole gasoline, which we do not believe Virent's process can match.

In the jet fuel market, we will face competition from companies such as Synthetic Genomics, Inc., Solazyme, Inc., Sapphire Energy, Inc. and Exxon-Mobil Corporation, which are pursuing production of jet fuel from algae-based technology. LS9, Inc. and others are also targeting production of jet fuels from renewable biomass. We may also face competition from companies working to produce jet fuel from hydrogenated fatty acid methyl esters.

In the diesel fuels market, competitors such as Amyris provide alternative hydrocarbon diesel fuel. We believe our technology provides a 20% higher yield on feedstock than the isoprenoid fermentation pathway developed by Amyris, which we believe will yield an approximately 20% production cost advantage.

INTELLECTUAL PROPERTY

Our success depends in large part on our proprietary products and technology for which we seek protection under patent, copyright, trademark and trade secret laws. Such protection is also maintained in part using confidential disclosure agreements. Protection of our technologies is important so that we may offer our customers and partners proprietary services and products unavailable from our competitors, and so that we may exclude our competitors from practicing technology that we have developed or exclusively licensed. If competitors in our industry have access to the same technology, our competitive position may be adversely affected. As of October 14, 2010, we exclusively licensed rights to 73 issued patents and filed patent applications in the US and in various foreign jurisdictions. Of the licensed patents and patent applications, most are owned by Cargill and exclusively licensed to us for use in certain fields. These licensed patents and patent applications cover both enabling technologies and products or methods of producing products. Our licenses to such patents allow us to freely practice the licensed inventions, subject only to the terms of these licenses. As of October 14, 2010, we have submitted 179 patent applications in the US and in various foreign jurisdictions. These patent applications are directed to our technologies and specific methods and products that support our business in the biofuel and bioindustrial markets. We continue to file new patent applications, for which terms extend up to 20 years from the filing date in the US.

We will continue to file and prosecute patent applications and maintain trade secrets, as is consistent with our business plan, in an ongoing effort to protect our intellectual property. It is possible that our licensors' current patents, or patents which we may later acquire or license, may be successfully challenged or invalidated in whole or in part. It is also possible that we may not obtain issued patents from our filed applications, and may not be able to obtain patents regarding other inventions we seek to protect. Under appropriate circumstances, we may sometimes permit certain intellectual property to lapse or go abandoned. Due to uncertainties inherent in prosecuting patent applications, sometimes patent applications are rejected and we may subsequently abandon them. It is also possible that we may develop products or technologies that will not be patentable or that the patents of others will limit or preclude our ability to do business. In addition, any patent issued to us may provide us with little or no competitive advantage, in which case we may abandon such patent or license it to another entity.

We have obtained a registered trademark for Gevo Integrated Fermentation Technology® in the US, and have pending US trademark applications for Gevo™ and GIFT™. The Gevo™ and GIFT™ marks are also registered or pending in certain foreign countries.

Our means of protecting our proprietary rights may not be adequate and our competitors may independently develop technology or products that are similar to or compete with ours. Patent, trademark and trade secret laws afford only limited protection for our technology platform and products. The laws of many countries do not protect our proprietary rights to as great an extent as do the laws of the US. Despite our efforts to protect our proprietary rights, unauthorized parties have in the past attempted, and may in the future attempt, to operate using aspects of our intellectual property or products or to obtain and use information that we regard as proprietary. Third parties may also design around our proprietary rights, which may render our protected technology and products less valuable. In addition, if any of our products or technologies is covered by third-party patents or other intellectual property rights, we could be subject to various legal actions. We cannot assure you that our technology platform and products do not infringe patents held by others or that they will not in the future.

Litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement, invalidity, misappropriation or other allegations. Any such litigation could result in substantial costs and diversion of our resources. Moreover, any settlement of or adverse judgment resulting from such litigation could require us to obtain a license to continue to make, use or sell the products or technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology.

PARTNERSHIPS AND COLLABORATIONS

ICM, Inc.

We currently have an exclusive alliance with ICM for the commercial development of the GIFT™ system that enables the production of isobutanol from retrofitted ethanol plants. ICM is a company which focuses on engineering, building and supporting biorefineries for the renewable fuel industry. We believe that our alliance with ICM will provide us with a competitive advantage and allow us to more quickly achieve commercial-scale production of isobutanol. Through our alliance with ICM, we plan to retrofit existing ethanol plants to expand our production. ICM is well-positioned for this project because they have designed approximately 60% of the US operating ethanol production capacity.

Development Agreement. On October 16, 2008, we entered into a development agreement with ICM, which set forth the terms for the development of a 1 MGPY corn drying ethanol demonstration facility in St. Joseph, Missouri. Working with ICM engineers, we installed GIFT™ at the St. Joseph demonstration plant, and successfully produced isobutanol. This demonstrated that we can cost-effectively retrofit existing ethanol facilities to produce isobutanol, a cornerstone of our strategy. We have agreed to reimburse ICM for engineering fees, equipment, plant modification costs and project fees incurred under the development agreement. We can terminate the development agreement at any time with 30 days’ written notice and either party may terminate the development agreement immediately upon the other party’s material breach of any provisions of the agreement relating to confidentiality or intellectual property. Unless it is terminated earlier, the development agreement, as amended, is effective through December 31, 2011.

Commercialization Agreement. We also entered into a commercialization agreement with ICM on October 16, 2008. Under this agreement, ICM serves as our exclusive engineering contractor for the retrofit of ICM-designed ethanol plants in North America, and we serve as ICM’s exclusive technology partner for the production of butanols, pentanols and propanols from the fermentation of sugars. This commercialization agreement outlines the terms and fees under which ICM will provide engineering and construction services for any ICM-designed commercial plants utilizing dry-milled feed stocks of corn or grain sorghum. Pursuant to the commercialization agreement, we are working with ICM on the joint development of commercial plants utilizing our GIFT™ system, including the development of engineering designs to retrofit existing dry-mill ethanol facilities. Due to the fact that some of ICM’s proprietary process technology will be included in the plant designs, both parties intend that ICM will be the exclusive engineering services provider for ICM-designed commercial plants. However, in the event that ICM fails to meet commercially reasonable timelines for the engineering of the commercial plants, after a 30-day cure period, we may terminate our exclusivity obligations to ICM. The term of the commercialization agreement is through October 16, 2018. Either party may terminate the commercialization agreement upon 30 days’ notice in the event that the other party ceases regular operations, enters or is forced into bankruptcy or receivership, liquidates its assets or breaches the agreement.

We expect our alliance with ICM to help us continue to develop efficiency and cost improvements in retrofitting plants and producing isobutanol.

UCLA

We have licensed intellectual property based on research conducted at UCLA from The Regents, and we have obtained an exclusive license to UCLA’s pathway for the production of isobutanol. This technology should allow us to speed our development of biomass processing microorganisms, enabling more rapid scaling of our technologies to commercial production. This technology continues to develop, and we expect continued improvements in our production scale and efficiency.

License Agreement. On September 6, 2007, we entered into an exclusive license agreement with The Regents to obtain certain patent rights to an alcohol production pathway which was developed in the course of research at the University of California. This exclusive license is specific to a certain field of use and The Regents reserve the right to use the patent rights and associated technology for educational and research purposes.

As consideration for the license agreement, we paid an upfront license issue fee and issued shares of our common stock to The Regents. The license agreement requires us to pay for all costs related to obtaining and maintaining patents on the licensed technology and we are required to pay annual license maintenance fees, cash payments upon achievement of certain milestones, and royalties based on our revenues from products utilizing the licensed technology. We also have the right to issue sublicenses to third parties, subject to the payment of sublicensing fees and royalty fees to The Regents.

The license agreement sets forth lists of due diligence deadlines for the development, manufacture and commercialization of certain molecules. Should we fail to meet the diligence deadlines set forth in the license agreement for any specific chemical in the field of use, The Regents will have the right to either reduce such license to a nonexclusive license or terminate such license. We have limited rights to extend the due diligence deadlines and we can terminate the license agreement at any time with 90 days’ written notice. The Regents also have the right to terminate the license agreement if we are prevented from performing our obligations under the agreement, due to a force majeure event, for a period of one year. Unless terminated earlier, the license agreement will remain in effect for the life of the last-to-expire patent in the licensed patent rights or until the last patent application licensed under this agreement is abandoned.

The license agreement has been amended to, among other things, expand the patent rights and the field of use and clarify The Regents’ right to either (i) reduce the license to a nonexclusive license or

(ii) terminate specific rights in the event that we fail to meet any of the due diligence deadlines set forth in the license agreement. Any such reduction or termination of our rights will apply only to the specific molecule for which the due diligence deadline was missed; the rights relating to other molecules will not be affected.

Cargill, Incorporated

We have developed a relationship with Cargill, and have obtained exclusive rights to develop and integrate Cargill's microorganisms into GIFT™. These microorganisms are able to process cellulosic biomass, which we hope will eventually allow low cost production of isobutanol from varied inputs with an even smaller environmental footprint, including purpose grown energy crops (e.g., switchgrass), forest residues (e.g., waste wood, pulp and sustainable wood), agricultural residues (e.g., corn stalks, leaves, straw and grasses) and municipal green waste (e.g., grass clippings and yard waste).

License Agreement. On February 19, 2009, we entered into a license agreement with Cargill. Under the license agreement, Cargill granted us an exclusive, worldwide, royalty-bearing license to certain Cargill patents and to use certain of Cargill's biological materials, including specialized microorganisms and tools for modifying those microorganisms to produce specific molecules. We also have an option, with a first right of refusal, to purchase an exclusive license to use such patents and biological materials owned by Cargill to produce additional molecules.

In exchange for the rights granted under the license agreement, we paid Cargill an upfront license fee and have committed to make additional payments to Cargill including, (i) payments based on the achievement of certain milestones, (ii) payments upon the commercialization of product lines which use the Cargill biological materials or are otherwise covered by the patent rights, and (iii) royalty payments. We may terminate the license agreement at any time upon 90 days' written notice and either party may terminate the license agreement for a material breach by the other party that is not cured within 120 days of notification of such breach. Unless terminated earlier, the agreement remains in effect until no licensed patent rights remain under the license agreement.

California Institute of Technology

License Agreement. In July 2005, we entered into a license agreement with Caltech to obtain a fully paid-up, exclusive license to certain patent rights and improvement rights arising from Dr. Frances Arnold's research at Caltech, and a nonexclusive license to use the related technology. As consideration for these rights, we issued shares of our common stock to Caltech. The license agreement has been amended to, among other things, relinquish our rights to patents that are no longer of use to our business, expand the field of use to include additional molecules and extend our right to improvements conceived or developed in Dr. Arnold's laboratory at Caltech through July 12, 2013. The term of the license agreement continues until the expiration or unenforceability of all of the licensed patent rights and improvement patent rights covered by the license agreement.

OTHER MATERIAL AGREEMENTS

Gevo Development, LLC

In September 2009, Gevo, Inc. formed Gevo Development, as a majority-owned subsidiary to develop isobutanol production assets using GIFT™. Gevo Development has a flexible business model and aims to secure access to existing ethanol capacity through direct acquisitions and joint ventures. Gevo Development has two classes of membership interests outstanding. Since Gevo Development's inception, Gevo, Inc. has been the sole owner of the class A interests, which comprise 90% of the outstanding equity interests of Gevo Development. When Gevo Development was formed, CDP Gevo, LLC, or CDP, which is indirectly owned by the two co-managing directors of Gevo Development, was the sole owner of the class B interests, which comprise the remaining 10% of the outstanding equity interests of Gevo Development. In September 2010, Gevo, Inc. acquired 100% of the outstanding class B interests of Gevo Development from CDP pursuant to an equity purchase agreement. As a result of this acquisition, Gevo, Inc. currently owns 100% of the outstanding equity interests of Gevo Development as a wholly owned subsidiary. See further discussion under the heading "Equity Purchase Agreement and Related Transactions" below.

Warrant Agreement. In September 2009, in connection with the formation of Gevo Development, Gevo, Inc. granted a common stock warrant to CDP pursuant to which CDP may purchase up to 858,000 shares of our common stock at an exercise price of $2.70 per share, the estimated fair value of shares of our common stock at the time Gevo, Inc. granted the warrant. The warrant expires in September 2016, unless terminated earlier as provided in the agreement. In September 2010, upon the consummation of Gevo, Inc.'s purchase of the class B interests from CDP, the warrant agreement was amended and restated to provide that 50% of the warrant shares granted under such warrant agreement would vest on September 22, 2010. The remaining warrant shares will vest over a two-year period beginning on September 22, 2010, subject to acceleration and termination in certain circumstances. The Company valued the warrant at approximately $13,956,000 on September 22, 2010 and recognized 50% of this amount as stock based compensation on September 22, 2010. The Company will recognize the remaining 50% over the 24 month vesting period beginning on September 22, 2010.

Equity Purchase Agreement and Related Transactions. In September 2010, Gevo, Inc. became the sole owner of Gevo Development by acquiring 100% of the class B interests in Gevo Development, which comprise 10% of the outstanding equity interests of Gevo Development, from CDP pursuant to an equity purchase agreement. This equity purchase agreement, which was entered into in August 2010, provided that the purchase of the class B interests would close on the earlier of September 22, 2010, or the date Gevo, Inc. completed this offering. In exchange for the class B interests, CDP will receive aggregate consideration of up to approximately $1,143,000, (i) $500,000 of which was paid on September 22, 2010, (ii) $274,000 of which will be paid on December 30, 2010, and (iii) the remainder of which is payable in five equal quarterly installments beginning in January 2011, subject to the terms and conditions set forth in the equity purchase agreement. As of September 22, 2010, each of the owners of CDP is employed by Gevo, Inc. as executive vice president of upstream business development and as a co-managing director of Gevo Development. Upon the closing of the transactions contemplated by the equity purchase agreement, Gevo, Inc. amended and restated CDP's warrant agreement, as described above.

Agri-Energy acquisition

Acquisition Agreement. In August 2010, we entered into an acquisition agreement pursuant to which we agreed to purchase all of the membership interests of Agri-Energy, LLC, a Minnesota limited liability company, and certain assets of Agri-Energy Limited Partnership, a Minnesota limited partnership, from their common owner, CORN-er Stone Farmers' Cooperative, a Minnesota cooperative association. In September 2010, we consummated the transactions contemplated by this acquisition agreement, and acquired ownership of a 22 MGPY ethanol production facility located in Luverne, Minnesota which we plan to retrofit for isobutanol production. We paid a purchase price of approximately $20.7 million. In addition, we acquired and paid for $4.9 million in estimated working capital. The acquisition agreement contains customary representations, warranties, covenants and indemnification provisions and provided for an aggregate of approximately $3.5 million to be placed into escrow as security for deficiencies in working capital and seller indemnification obligations.

We have begun the project engineering and permitting portion of the Luverne facility retrofit process. The Luverne facility is a traditional dry-mill facility, which means that it uses dry-milled corn as a feedstock. Based on ICM's initial evaluation of the Luverne facility, we project capital costs of approximately $17 million to retrofit this plant to produce isobutanol. We expect to incur additional costs of approximately $5 million related to the retrofit that are unique to the Luverne facility, including costs associated with the construction of a seed train and equipment and storage tanks designed to allow switching between isobutanol and ethanol production, bringing the total projected cost of the retrofit to approximately $22 million. We expect to begin commercial production of isobutanol at the Luverne facility in the first half of 2012.

TriplePoint financing

Loan and Security Agreement 1. In August 2010, concurrently with the execution of the acquisition agreement with Agri-Energy, Gevo, Inc. entered into a loan and security agreement with TriplePoint, pursuant to which it borrowed $5.0 million. The loan and security agreement includes customary affirmative and negative covenants for agreements of this type and events of default. The aggregate amount outstanding under the loan and security agreement bears interest at a rate equal to 13%, is subject to an end-of-term payment equal to 8% of the amount borrowed and is secured by substantially all of the assets of Gevo, Inc., other than its intellectual property. Additionally, under the terms of each of (i) the loan and security agreement and (ii) Gevo, Inc.'s guarantee of Gevo Development's obligations under the loan and security agreement described below, Gevo, Inc. is prohibited from granting a security interest in its intellectual property assets to any other entity until both TriplePoint loans are paid in full. The loan matures on August 31, 2014, and provides for interest only payments during the first 24 months. Gevo, Inc. used the funds from this loan to repay $5.0 million in outstanding principal under its loan facility with Lighthouse. This loan is also secured by substantially all of the assets of Agri-Energy, LLC.

Warrant Agreement 1. In August 2010, in connection with entering into the initial loan and security agreement with TriplePoint, Gevo, Inc. issued TriplePoint a warrant to purchase 32,126 shares of its Series D-1 preferred stock (or the shares of its preferred stock issued in its next round of equity financing, if such shares are sold at a price per share less than $17.12). The exercise price of the warrant is $17.12 per share (or the price per share of the next round of preferred stock, if applicable). The warrants are subject to antidilution adjustments upon the occurrence of certain events. The warrants provide TriplePoint with registration rights, and are exercisable until the later of (i) August 5, 2017 or (ii) five years from the effective date of this offering.

Loan and Security Agreement 2. In August 2010, concurrently with the execution of the acquisition agreement, Gevo Development entered into a loan and security agreement with TriplePoint under which, upon the satisfaction of certain conditions, Gevo Development could borrow up to $12.5 million to finance the transactions contemplated by the acquisition agreement with Agri-Energy. In September 2010, Gevo borrowed the $12.5 million and closed the transactions contemplated by the acquisition agreement, at which time the loan and security agreement was amended and Agri-Energy, LLC became a borrower under the loan and security agreement. The loan and security agreement includes customary affirmative and negative covenants for agreements of this type and events of default. The loan bears interest at a rate equal to 13% and is subject to an end-of-term payment equal to 8% of the amount borrowed. The loan is secured by the equity interests of Agri-Energy held by Gevo Development and substantially all the assets of Agri-Energy. The loan matures on September 1, 2014, with interest only payments during the first 24 months, and is guaranteed by Gevo, Inc. pursuant to a continuing guaranty executed by Gevo, Inc. in favor of TriplePoint, which is secured by substantially all of the assets of Gevo, Inc., other than its intellectual property.

Warrant Agreement 2. In August 2010, in connection with entering into the second loan and security agreement, Gevo, Inc. issued TriplePoint a warrant to purchase up to 73,014 shares of its Series D-1 preferred stock (or the shares of its preferred stock issued in its next round of equity financing, if such shares are sold at a price per share less than $17.12). The exercise price of the warrant is $17.12 per share (or the price per share of the next round of preferred stock, if applicable). The warrant is divided into two tranches. Tranche A, which represents a warrant to purchase 18,254 shares of Series D-1 preferred stock, vested upon the issuance of the warrant in August 2010. Tranche B, which represents a warrant to purchase 54,760 shares of Series D-1 preferred stock, vested upon the initial advance under the $12.5 million loan and security agreement in September 2010. The warrants are subject to antidilution adjustments upon the occurrence of certain events. The warrants provide TriplePoint with registration rights, and are exercisable until the later of (i) August 5, 2017 or (ii) five years from the effective date of this offering.

RESEARCH AND DEVELOPMENT

Our strategy depends on continued improvement of our technologies for the production of isobutanol, as well as next generation chemicals and advanced biofuels based on our isobutanol technology. Accordingly, we annually devote significant funds to research and development. In fiscal years 2007, 2008 and 2009, we spent $3,699,000, $7,376,000 and $10,508,000, respectively, on research and development activities. The following table shows our research and development costs by function during the three years ended December 31, 2009:

	2007	2008	2009
Biocatalyst development	$ 3,000,000	$ 5,166,000	$ 7,007,000
Process engineering and operation of pilot and demo plants	347,000	1,215,000	2,722,000
Chemistry and applications development	352,000	995,000	779,000
	$ 3,699,000	$ 7,376,000	$ 10,508,000

During 2007, 2008 and 2009, we recorded revenue from government grants and cooperative agreements in the amounts of $275,000, $208,000 and $660,000, respectively, which primarily related to research and development activities performed in our biocatalyst group.

Our research and development activities are currently being performed in our corporate headquarters located in Englewood, Colorado as well as at the demonstration plant within ICM’s facility in St. Joseph, Missouri.

ENVIRONMENTAL COMPLIANCE COSTS

Regulation by governmental authorities in the US and other countries is a significant factor in the development, manufacture and marketing of second-generation biofuels. Our isobutanol and the next generation products isobutanol will be used to produce will require regulatory approval by governmental agencies prior to commercialization. In particular, biofuels are subject to rigorous testing and premarket approval requirements by the EPA’s Office of Transportation and Air Quality, and regulatory authorities in other countries. In the US various federal, and, in some cases, state statutes and regulations also govern or impact the manufacturing, safety, storage and use of biofuels. The process of seeking required approvals and the continuing need for compliance with applicable statutes and regulations require the expenditure of substantial resources. Regulatory approval, if and when obtained for any of these next generation products, may be limited in scope, which may significantly limit the uses for which our isobutanol and these next generation products may be marketed.

When built at a dry-mill facility, our fermentation process creates protein fermentation meal, a potential animal feed component, as a co-product. Before we can sell protein fermentation meal for animal consumption, we require approval from the Center for Veterinary Medicine of the FDA. The FDA's policies may change and additional government regulations may be enacted that could prevent or delay regulatory approval of our co-products. We cannot predict the likelihood, nature or extent of adverse governmental regulations that might arise from future legislative or administrative action, either in the US or abroad. This risk is eliminated at wet corn mills, which we also plan on retrofitting, because instead of extracting protein grains post-fermentation, wet mills separate out valuable proteins before the feedstock comes into contact with the biocatalyst.

Our process contains a genetically engineered organism which, when used in an industrial process, is considered a new chemical under the TSCA. These laws and regulations require us to obtain and comply with the EPA's Microbial Commercial Activity Notice process to operate our isobutanol assets. We do not anticipate a material adverse effect on our business or financial condition as a result of our efforts to comply with these requirements. However, the TSCA new chemical submission policies may change and additional government regulations may be enacted that could prevent or delay regulatory approval of our products. We cannot predict the likelihood, nature or extent of adverse governmental regulations that might arise from future legislative or administrative action, either in the US or abroad.

There are various third-party certification organizations, such as ASTM and Underwriters Laboratories, involved in certifying the transportation, dispensing and use of liquid fuel in the US and internationally. Voluntary standards development organizations may change and additional requirements may be enacted that could prevent or delay marketing approval of our products. The process of seeking required approvals and the continuing need for compliance with applicable statues and regulations require the expenditure of substantial resources. We do not anticipate a material adverse effect on our business or financial conditions as a result of our efforts to comply with these requirements, but we cannot predict the likelihood, nature or extent of adverse third-party requirements that might arise from future action, either in the US or abroad.

We are subject to various federal, state and local environmental laws and regulations, including those relating to the discharge of materials into the air, water and ground, the generation, storage, handling, use, transportation and disposal of hazardous materials and the health and safety of our employees. These laws and regulations require us to obtain environmental permits and comply with numerous environmental restrictions as we construct and operate our isobutanol assets. They may require expensive pollution control equipment or operation changes to limit actual or potential impacts to the environment. A violation of these laws, regulations or permit conditions can result in substantial fines, natural resource damage, criminal sanctions, permit revocations and facility shutdowns.

There is a risk of liability for the investigation and cleanup of environmental contamination at each of the properties that we own or operate and at off-site locations where we arrange for the disposal of hazardous substances. If these substances are or have been disposed of or released at sites that undergo investigation or remediation by regulatory agencies, we may be responsible under the Comprehensive Environmental Response, Compensation and Liability Act or other environmental laws for all or part of the costs of investigation and remediation. We may also be subject to related claims by private parties alleging property damage and personal injury due to exposure to hazardous or other materials at or from the properties. Some of these matters may require us to expend significant amounts for investigation and cleanup or other costs. We are not aware of any material environmental liabilities relating to contamination at or from our facilities or at off-site locations where we have transported or arranged for the disposal of hazardous substances.

In addition, new laws, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments could require us to make significant additional expenditures. Continued government and public emphasis on environmental issues can be expected to result in increased future investments in environmental controls at our facilities. Present and future environmental laws and regulations applicable to our operations, more vigorous enforcement policies and discovery of currently unknown conditions could all require us to make substantial expenditures. For example, our air emissions are subject to the Clean Air Act, the Clean Air Act Amendments of 1990 and similar state and local laws and associated regulations. Under the Clean Air Act, the EPA has promulgated National Emissions Standards for Hazardous Air Pollutants, or NESHAP, that could apply to facilities that we own or operate if the emissions of hazardous air pollutants exceed certain thresholds. If a facility we operate is authorized to emit hazardous air pollutants above the threshold level, then we might still be required to come into compliance with another NESHAP at some future time. New or expanded facilities might be required to comply with both standards upon startup if they exceed the hazardous air pollutant threshold. In addition to costs for achieving and maintaining compliance with these laws, more stringent standards may also limit our operating flexibility.

As a condition to granting the permits necessary for operating our facilities, regulators could make demands that increase our construction and operations costs, which might force us to obtain additional financing. For example, unanticipated water discharge limits could sharply increase construction costs for our projects. Permit conditions could also restrict or limit the extent of our operations. We cannot guarantee that we will be able to obtain or comply with the terms of all necessary permits to complete the retrofit of an ethanol plant. Failure to obtain and comply with all applicable permits and licenses could halt our construction and could subject us to future claims.

FACILITIES

Our corporate headquarters and research and development laboratories are located in Englewood, Colorado, where we occupy approximately 29,865 square feet of office and laboratory space. Our lease for this facility expires in July 2013. We believe that the facility that we currently lease is adequate for our needs for the immediate future and that, should it be needed, additional space can be leased to accommodate any future growth. Our subsidiary, Agri-Energy, owns and operates an ethanol production facility in Luverne, Minnesota that we intend to retrofit for isobutanol production. This production facility is on approximately 55 acres of land and contains approximately 50,000 square feet of building space. The production facility was originally constructed in 1998. The land and buildings are owned by Agri-Energy which has granted to TriplePoint a mortgage lien and security interest in such property to secure its obligations under the $12.5 million loan and security agreement with TriplePoint and its guaranty of Gevo, Inc.'s obligations under the $5 million loan and security agreement with TriplePoint.

EMPLOYEES

As of September 30, 2010, Gevo, Inc. and its subsidiaries employed 91 employees. Gevo, Inc. employed 64 of our total employees, 60 of which were located in Englewood, Colorado. Of the Gevo, Inc. employees, 42 were engaged in research and development activities and 20 were engaged in general, administrative and business development activities. As of September 30, 2010, 20 Gevo, Inc. employees held Ph.D. degrees. As of September 30, 2010, our subsidiary Agri-Energy employed 27 employees, all of which were located in Luverne, Minnesota, and involved in the operations of our ethanol production facility. None of our employees are represented by a labor union, and we consider our employee relations to be good.

LEGAL PROCEEDINGS

We are not currently a party to any material litigation or other material legal proceedings, and we are not aware of any pending or threatened litigation against us that we believe would adversely affect our business, operating results, financial condition or cash flows.

Management

EXECUTIVE OFFICERS, KEY EMPLOYEES AND DIRECTORS

The following table sets forth certain information about our executive officers and directors, as of October 15, 2010.

Name	Age	Position(s)
Patrick R. Gruber, Ph.D.	50	Chief Executive Officer and Director
Christopher Ryan, Ph.D.	49	Executive Vice President, Business Development
David Glassner, Ph.D.	52	Executive Vice President, Technology
Mark Smith	48	Chief Financial Officer
Jack Huttner	56	Executive Vice President, Corporate Development and Public Affairs
Brett Lund, J.D., M.B.A.	35	Executive Vice President, General Counsel and Secretary
Shai Weiss(1)(2)	42	Chairman of the Board of Directors
Ganesh M. Kishore, Ph.D.(1)	57	Director
Véronique Hervouet	48	Director
Stacy J. Smith(3)	47	Director
Ron Commander, Ph.D.(1)	60	Director
Bruce A. Smith(2)(3)	67	Director
Carlos A. Cabrera(2)(3)	59	Director

(1) Member of the compensation committee.

(2) Member of the nominating and corporate governance committee.

(3) Member of the audit committee.

Patrick R. Gruber, Ph.D. has served as a director of the company since 2007 and has served as Chief Executive Officer of the company since 2007. Prior to joining the company, from 2005 to 2007 Dr. Gruber was President and Chief Executive Officer of Outlast Technologies, Inc., a technology and marketing company primarily serving the textile industry, where he was responsible for all aspects of Outlast Technologies' business. Previously, Dr. Gruber co-founded NatureWorks LLC (formerly Cargill Dow, LLC) and served as Vice President, Technology and Operations, and Chief Technology Officer from 1997 to 2005, where he was responsible for all aspects of the business's project, application and process technology development. Dr. Gruber is a member of the Bioenergy Technical Advisory Committee for the Energy Future Coalition. He currently serves on the boards of directors of Segetis, Inc. and Green Harvest Technologies, LLC. From 2007 to 2008, he served on the board of directors of Outlast Technologies, Inc. In 2008, Dr. Gruber was awarded the first ever George Washington Carver Award, recognizing significant contributions by individuals in the field of industrial biotechnology and its application in biological engineering, environmental science, biorefining and biobased products. Dr. Gruber holds a Ph.D. in chemistry from the University of Minnesota, an M.B.A. from the University of Minnesota and a B.S. in chemistry and biology from the University of St. Thomas. We believe Dr. Gruber's qualifications to sit on our board include his experience as a CEO and business leader and his extensive experience developing and commercializing industrial biotechnology products.

Christopher Ryan, Ph.D. has served as Executive Vice President, Business Development, of the company since June 2009. Prior to joining the company, he co-founded NatureWorks LLC in 1997. Dr. Ryan served as Chief Operating Officer for NatureWorks from 2008 to 2009 and Chief Technology Officer for NatureWorks from 2005 to 2008, where he was involved in the development and commercialization of the company's new biobased polymer from lab-scale production in 1992 through the completion of a $300 million world-scale production facility. Prior to 1992, Dr. Ryan served for four years in Corporate R&D for specialty chemical company HB Fuller Company. He has over 20 years of experience in strategic leadership, business development and research and product development in biobased materials. Dr. Ryan holds a Ph.D. in organic chemistry from the University of Minnesota, a B.S. in chemistry from Gustavus Adolphus College and completed the Management of Technology program at the University of Minnesota.

David Glassner, Ph.D. has served as Executive Vice President, Technology, of the company since October 2009, where he leads the company's isobutanol technology and engineering development. From March 2009 to September 2009, he was Vice President, Technology, and from July 2007 through February 2009 he was Vice President, Bioprocessing and Engineering, of the company. Prior to joining the company, he led the development of novel yeast biocatalysts for the production of lactic acid and ethanol, and the development of lactic acid, lactide and polylactide technology at NatureWorks LLC from 2000 to 2007. Prior to NatureWorks, from 1993 to 1999 he was Biofuels Technology Manager at the National Renewable Energy Laboratory where he led the development of cellulosic processing technology and the construction of the biomass to ethanol process development unit. Previously, Dr. Glassner was Director of Bioprocess Development at MBI International, where he led the development of a lactic acid pilot plant and developed patented processes for producing lactic acid, succinic acid, acetone, ethanol and butanol. Dr. Glassner holds Ph.D., M.S. and B.S. degrees in chemical engineering from Michigan State University.

Mark Smith has served as Chief Financial Officer of the company since November 2008, and Chief Financial Officer of the company's subsidiary, Gevo Development, since September 2009. Prior to joining the company, Mr. Smith served as Chief Financial Officer of Replidyne, Inc., from March 2006 to February 2009 where he played a leadership role in completing its initial public offering and executing its strategic sale to Cardiovascular Systems, Inc. Prior to joining Replidyne, Mr. Smith was an officer at Nabi Biopharmaceuticals, from August 1999 to March 2006, serving as Senior Vice President, Finance, and Chief Financial Officer from April 2001 to March 2006. Prior to joining Nabi Biopharmaceuticals, Mr. Smith was an officer at Neuromedical Systems, Inc., where he served as Vice President, Finance and Administration and Chief Financial Officer from March 1998 to July 1999. He previously served in various financial executive capacities at Genzyme Corporation from 1996 to 1998, most recently as Group Controller. From 1991 to 1996 Mr. Smith worked in various financial management capacities at Genetrix, Inc., most recently as Chief Financial Officer prior to its sale to Genzyme in 1996. He previously was an accountant at Price Waterhouse (now PricewaterhouseCoopers) in both Australia and the US. Mr. Smith holds a B.A. in accounting from Canberra College of Advanced Education.

Jack Huttner has served as Executive Vice President, Corporate Development and Public Affairs, of the company since August 2009. He came to the company from DuPont Danisco Cellulosic Ethanol LLC (DDCE), where he served as Vice President, Commercial and Public Affairs from September 2008 to August 2009. Previously, Mr. Huttner served as Vice President, Biorefinery Business Development, at Genencor, the industrial biotechnology division of Danisco A/S, from June 2005 to July 2008. At Genencor, he led a multifunctional team whose strategy resulted in a $140 million joint venture with DuPont (DDCE). Previously, Mr. Huttner was employed at Genencor International, Inc., as Vice President of Corporate Communications and Public Affairs from February 1998 to June 2005, where he had global responsibility for communications and external affairs, and helped shape the company's leadership position in industrial biotechnology for its successful initial public offering. Mr. Huttner was instrumental in the formation of the industrial section of BIO, the Biotechnology Industry Organization, and served as Chairman of the section's governing board for six years, from 1998 to 2004, where he continues to serve. From 2005 to 2007, he served on the Executive Committee of EuropaBio, the European Association for Bioindustries, where he was Chairman of the Industrial Biotechnology Council. From 2001 to 2002, Mr. Huttner served as co-chairman of the Biomass Research and Development Technical Advisory Committee, formed by Congress to oversee the federal government's $300 million bioenergy research and development budget. He continued on the Advisory Committee until his second term expired in 2007. Mr. Huttner is also on the board and executive committee of the Advanced Biofuels Association (ABFA), and he has worked extensively with the Organization for Economic Cooperation and Development (OECD), non-government organizations, farm interests and other parties to develop common positions in support of industrial sustainability and the biobased economy. Mr. Huttner holds a B.A. in philosophy from the University of Buffalo (SUNY).

Brett Lund has served as Executive Vice President, General Counsel and Secretary of the company since 2007. Before joining the company, from 2004 to 2007 he served as Chairman of the legal, intellectual property and licensing group and biotechnology licensing manager for Syngenta Biotechnology, Inc.'s biofuels business. At Syngenta, Mr. Lund led the management of intellectual property, in-licensing, out-licensing, research collaborations and strategic alliances. Prior to Syngenta, he served as Associate General Counsel for Ford Motor Company, Inc.'s Wingcast subsidiary. Mr. Lund was previously a corporate attorney at the law firm of Cooley Godward Kronish LLP, where he represented numerous companies regarding intellectual property licensing, initial public offerings, venture capital financing, mergers and acquisitions, securities, strategic alliances and related transactions. Mr. Lund holds a J.D. and an M.B.A. from Duke University, and a B.A. in political science from the University of California, San Diego. He is a Certified Licensing Professional by the Licensing Executives Society and admitted to practice law in California and North Carolina.

Shai Weiss has served as a director of the company since 2007 and was appointed chairman of the board of directors in September 2010. Mr. Weiss led the formation of Virgin Green Fund I, L.P., where he has been a partner since 2007. Prior to forming Virgin Green Fund, he held several management positions at ntl:Telewest (now Virgin Media, Inc.), including Managing Director of Consumer Products from 2004 to 2006, Integration Director for the merger between ntl, Inc. and Telewest Global, Inc. from 2005 to 2006, Director of Operations for the ntl Group from 2003 to 2004 and Director of Financial Planning for the Consumer division from 2002 to 2003. In his work as Managing Director of Consumer Products, Mr. Weiss was responsible for the development of internet, telephone and television for the consumer division and the Virgin.net broadband internet service provider. As director of operations for the ntl Group, he was responsible for major operational and business development projects, joint ventures and development of relationships with strategic partners. Prior to joining ntl:Telewest, Mr. Weiss organized the European office of the early-stage technology venture fund Jerusalem Venture Partners, L.P. in 2000, and was an associate with Morgan Stanley's hi-tech mergers and acquisitions and corporate finance teams from 1997 to 2000. Mr. Weiss holds an M.B.A. from Columbia University and a B.B.A. from City University of New York, Baruch College in business and finance. We believe Mr. Weiss's qualifications to sit on our board include his extensive experience as a business leader and venture capitalist and his experience in advising growth-focused companies with respect to strategic direction and business transactions.

Ganesh M. Kishore, Ph.D. has served as a director of the company since 2008. Between 2002 and 2007, Dr. Kishore served as a director of Embrex, Inc., serving as a member of the Compensation Committee and Nominations Committee during that time. Since January 2009, he has served as Chief Executive Officer of Malaysian Life Sciences Capital Fund, where he oversees fund management, investment portfolio management and governance of companies in which Malaysian Life Sciences Capital Fund has made investments. Since January 2009, he has also served as President and Chief Executive Officer of K Life Sciences, LLC where he provided advisory services to life science businesses. Between April 2008 and December 2008, Dr. Kishore served as a Managing Director of Burrill & Company, where his responsibilities included fund management, fund raising and governance of companies in which Burrill & Company invested. Prior to joining Burrill & Company, Dr. Kishore served as Chief Biotechnology Officer at E. I. du Pont de Nemours and Company from 2005 to 2007, where he was responsible for overall biotechnology leadership for DuPont's life science businesses. Previously, he was Vice President, Technology, for DuPont's Agriculture and Nutrition Division from 2002 to 2005. In his time at DuPont, Dr. Kishore focused on research and development related to biotechnology. Before joining DuPont, Dr. Kishore held several positions between 1980 and 2000 at Monsanto Company, including Co-President, Nutrition and Consumer Sector, and Assistant Chief Scientist/Chief Biotechnologist. His contributions include the discovery, development and commercialization of agricultural biotechnology, the development of a manufacturing process for Nutrasweet® and aiding in transforming Monsanto into a leading food and nutrition company. Dr. Kishore founded the plant biotechnology and informatics company Metahelix Life Sciences Pvt Ltd. He serves on the boards of numerous nonprofit institutions, including the School of Nutrition and Policy at Tufts University, the St. Louis RCGA and the National Research Advisory Board of Washington University at St. Louis. He is a member of the American Association for the Advancement of Science, the American Society of Biochemistry and Molecular Biology, the American Society of Plant Physiologists and the Institute of Food Technology. Dr. Kishore holds a Ph.D. in biochemistry from the Indian Institute of Science, an M.S. in biochemistry from the University of Mysore and a B.S. in physics and chemistry from the University of Mysore. We believe Dr. Kishore's qualifications to sit on our board include his years of experience as an executive in the field of agricultural biotechnology and his experience in advising and managing startup companies.

Véronique Hervouet has served as a director of the company since 2009. She is also Senior Vice President, Investments, of TOTAL S.A., where she manages TOTAL S.A.'s corporate venture activity. Previously, from January through August 2008 Ms. Hervouet was Senior Bioenergy Advisor at TOTAL S.A., where she provided strategy guidance on bioenergy and shaped the proposal which led to the formation of Total's corporate venturing arm. From 2005 through 2007, she was leading strategic analysis and research activities on advanced bioenergy and synthetic fuels for Total Refining and Marketing. From 2002 through 2005, as Research and Development Coordinator at Total Refining and Marketing, she coordinated a portfolio of research and development projects on biofuels and advanced refining technologies. From 1998 to 2001, Ms. Hervouet managed the aromatics businesses of Elf Atochem, then Atofina (after the merger of Elf, Total and Petrofina), covering spot trading, long-term contracts and logistics operation. Ms. Hervouet currently serves as Chair of the Steering Committee of the European Biofuels Technology Platform and as a member of the Steering Committee of the Bioenergy Program of the French National Research Agency; she served as Vice Chair of the Evaluation Committee of this program in 2008 and 2009. Ms. Hervouet holds an M.S. in materials science and engineering from Cornell University, and a Diplome d'Ingénieur ECL in Engineering from Ecole Centrale de Lyon. We believe Ms. Hervouet's qualifications to sit on our board include her significant experience in the petroleum and chemicals markets, as well as her years of corporate leadership experience in multinational firms.

Stacy J. Smith has served as a director of the company since June 2010. He is also Senior Vice President, Finance, at Intel Corp., a position he has held since 2010, as well as Chief Financial Officer, a position he has held since 2007. Previously, he was Intel's Assistant Chief Financial Officer from 2006 to 2007, and Vice President, Finance and Enterprise Services and Chief Information Officer from 2004 to 2006, where he was responsible for Intel's Information Technology Group. From 2002 to 2004, Mr. Smith was Intel's Vice President, Sales and Marketing Group, and General Manager of Intel Europe, Middle East and Africa, where he was responsible for product sales and marketing across that region. Before then, he served in various finance positions at Intel, where he has been employed since 1988, working in the US, Asia, Europe and Latin America. Mr. Smith holds an M.B.A. in finance from the University of Texas and a B.A. in finance from the University of Texas. Mr. Smith brings global business leadership experience to the board from his current position as Senior Vice President, Finance, and Chief Financial Officer of Intel Corporation. This experience, coupled with Mr. Smith's experience serving for over 19 years in various finance and senior management positions for Intel, supports the board's efforts in overseeing and advising on strategy and financial matters, including financial reporting.

Management

Ron Commander, Ph.D. has served as a director of the company since May 2010. He is employed by Lanxess Butyl Pte. Ltd. as the head of the LANXESS Group's Butyl Rubber Business, a position he has held since June 2004, where he had responsibility for the general management of the LANXESS Group's butyl rubber operations. From 1990 to 2004, he worked for Bayer AG, where he had responsibilities involving research and development, production and technical services for Bayer's Rubber Business Group, as well as in business development at Bayer Polymers Shanghai. Dr. Commander holds a Ph.D. in chemical engineering from Heriot-Watt University and a B.Sc. in chemical engineering from Heriot-Watt University. We believe Dr. Commander's qualifications to sit on our board include his significant background in the butyl rubber industry and his years of chemical engineering and international business experience.

Bruce A. Smith has served as a director of the company since June 2010. Mr. Smith served as Chairman of Tesoro Corp. from 1996 until June 2010, and from 1995 until May 2010 he served as Tesoro's President and Chief Executive Officer. Between 1992 and 1995, Mr. Smith held positions as Tesoro's Chief Operating Officer, Executive Vice President, Exploration and Production, and Chief Financial Officer. Under Mr. Smith's leadership, Tesoro went from a small integrated oil company to a Fortune 100 refining and marketing company with a global supply chain and 650,000 barrels per day of production in the western US. From March 2002 to February 2008, Mr. Smith also served as a director of Noble Energy Corp., a publicly traded oil exploration and production company, where he served on the Audit, Compensation and Corporate Governance and Nominating Committees, including service as chair of the Audit Committee in 2005 and 2006 and chair of the Compensation Committee in 2003 and 2004. Mr. Smith holds an M.B.A. in finance from the University of Kansas and a B.A. in biology from Westminster College. We believe Mr. Smith's qualifications to sit on our board include his extensive senior leadership experience in the refining and marketing industry, his substantial management background and his previous experience serving as a director and chairman of the audit and compensation committees of a publicly traded company.

Carlos A. Cabrera has served as a director of the company since June 2010. Since May 2010, he has served as a director of Ivanhoe Energy, a publicly traded international heavy-oil development and production company. Since December 2009, he has served as President and Chief Executive Officer of the National Institute of Low Carbon and Clean Energy, or NICE, a wholly owned subsidiary of the Shenhua Group, a major Chinese coal company. At NICE, Mr. Cabrera leads efforts to invent, acquire and develop technologies to reduce the environmental and climate impact of producing energy from coal. From January 2009 to July 2009, he served as Chairman of UOP, LLC, a subsidiary of Honeywell International, Inc. From November 2005 to January 2009, Mr. Cabrera served as UOP's President and Chief Executive Officer, where he oversaw all of UOP's operations and helped grow the company's revenue from $850 million when he assumed the role of CEO to $2 billion in 2008. From January to October 2005, Mr. Cabrera served as UOP's Senior Vice President, Process Technology and Equipment, where he led UOP's development in the refining and petrochemicals sectors. Mr. Cabrera's previous roles at UOP include Senior Vice President, Process Technology and Equipment, Senior Vice President, Refining and Petrochemicals, Vice President, Corporate Business Development and Ventures, and Vice President and General Manager, Refining. Mr. Cabrera holds an M.B.A. in business from the University of Chicago and a B.S. in chemical engineering from the University of Kentucky. We believe Mr. Cabrera's qualifications to sit on our board include his broad technical and management experience in the refining, chemicals and fuels industries and his experience structuring joint ventures and leading acquisition activities in these fields.

BOARD COMPOSITION

Our board of directors may establish the authorized number of directors from time to time by resolution. Eight directors are authorized under the terms of our amended and restated certificate of incorporation and we currently have eight directors, of which five are designated by the current holders of our preferred stock, one is designated by the current holders of our common stock, one is designated by the current holders of our common stock and preferred stock and one also serves as our Chief Executive Officer. Mr. Shai Weiss is the chairman of our board of directors.

Under the terms of our amended and restated certificate of incorporation and the voting agreement among us, the holders of our preferred stock and certain other of our stockholders, members of our board of directors are to be designated as follows: each of Khosla and Virgin, has the right to designate one member; Total Energy Ventures International has the right to designate one member; provided, that in the event that Total Energy Ventures International and its affiliates no longer hold at least 250,000 shares of Series D preferred stock (as adjusted for stock splits, stock dividends, reclassifications and the like), such member shall be designated by holders of a majority of the outstanding Series D preferred stock; LANXESS has the right to designate one member; provided, that in the event that LANXESS and its affiliates no longer hold at least 250,000 shares of Series D-1 preferred stock (as adjusted for stock splits, stock dividends, reclassifications and the like), such member shall be designated by holders of a majority of the outstanding Series D-1 preferred stock; one member shall be designated with the consent of the parties holding a majority of the outstanding Series C preferred stock; one member shall be designated with the consent of the parties holding a majority of the outstanding common stock; one member shall be our Chief Executive Officer; and one member shall be designated by a majority of the other board designees. Upon the consummation of this offering, all of these provisions will terminate and there will be no further contractual obligations regarding the election of our directors.

In accordance with our amended and restated certificate of incorporation to take effect following the completion of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. After the completion of this offering, our directors will be divided among the three classes as follows:

- the Class I directors will be Véronique Hervouet, Ron Commander and Ganesh M. Kishore, and their terms will expire at the annual meeting of stockholders to be held in 2011;
- the Class II directors will be Stacy J. Smith, Carlos A. Cabrera and Patrick R. Gruber, and their terms will expire at the annual meeting of stockholders to be held in 2012; and
- the Class III directors will be Shai Weiss and Bruce A. Smith, and their terms will expire at the annual meeting of stockholders to be held in 2013.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change of control at our company.

Our amended and restated certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of the board of directors. In addition, our amended and restated certificate of incorporation and amended and restated bylaws will provide that our directors may be removed only for cause by the affirmative vote of the holders of at least a majority of the votes that all our stockholders would be entitled to cast in an annual election of directors. Any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

DIRECTOR INDEPENDENCE

Under Rule 5605 and Rule 5615(b) of The Nasdaq Stock Market, independent directors must comprise a majority of a listed company's board of directors within one year of listing. In addition, The Nasdaq Stock Market rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Under Rule 5605(a)(2) of The Nasdaq Stock Market, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. To be considered to be independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors undertook a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that, with the exception of Dr. Patrick Gruber, our Chief Executive Officer, none of our directors has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under 5605(a)(2) of The Nasdaq Stock Market. Our board of directors also determined that Messrs. Bruce Smith, Stacy Smith and Carlos Cabrera, who comprise our audit committee, Mr. Shai Weiss and Drs. Ganesh Kishore and Ron Commander, who comprise our compensation committee, and Messrs. Bruce Smith, Carlos Cabrera and Shai Weiss, who comprise our nominating and governance committee, satisfy the independence standards for those committees established by applicable SEC and The Nasdaq Stock Market rules. In making this determination, our board of directors considered the relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

BOARD COMMITTEES

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will have the composition and responsibilities described below upon the closing of this offering.

Audit committee

Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, the audit committee appoints the independent registered public accounting firm; evaluates the independent registered public accounting firm's qualifications, independence and performance; determines the engagement of the independent registered public accounting firm; reviews and approves the scope of the annual audit and the audit fee; discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly consolidated financial statements; approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on our engagement team as required by law; reviews our consolidated financial statements and our management's discussion and analysis of financial condition and results of operations to be included in our annual and quarterly reports to be filed with the SEC; reviews our critical accounting policies and estimates; and annually reviews the audit committee charter and the committee's performance. The current members of our audit committee are Messrs. Bruce Smith, Stacy Smith and Carlos Cabrera, each of whom is a non-employee member of our board of directors. Mr. Bruce Smith serves as the chairman of the committee. Our board of directors has determined that all members of our audit committee meet the requirements for independence and financial literacy under the applicable rules and regulations of the SEC and The Nasdaq Stock Market. Our board of directors has determined that Mr. Bruce Smith is our audit committee financial expert, as that term is defined under the applicable rules of the SEC, and has the requisite financial sophistication as defined under the applicable rules and regulations of The Nasdaq Stock Market. Upon the closing of this offering, the audit committee will operate under a written charter that satisfies the applicable standards of the SEC and The Nasdaq Stock Market.

Compensation committee

Our compensation committee reviews and recommends policies relating to compensation and benefits of our officers and employees. The compensation committee reviews and approves corporate goals and objectives relevant to compensation of our Chief Executive Officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives, and sets the compensation of these officers based on such evaluations. The compensation committee also recommends to our board of directors the issuance of stock options and other awards under our stock plans. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter. The current members of our compensation committee are Mr. Shai Weiss and Drs. Ganesh Kishore and Ron Commander, each of whom is a non-employee member of our board of directors. Mr. Weiss serves as the chairman of the committee. Our board of directors has determined that each of the members of our compensation committee is an independent or outside director under the applicable rules and regulations of the SEC, The Nasdaq Stock Market and the Internal Revenue Code of 1986, as amended, relating to compensation committee independence. Upon the closing of this offering, the compensation committee will operate under a written charter.

Nominating and corporate governance committee

The nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our board of directors concerning governance matters. The current members of our nominating and corporate governance committee are Messrs. Bruce Smith, Carlos Cabrera and Shai Weiss, each of whom is a non-employee member of our board of directors. Mr. Weiss serves as the chairman of the committee. Our board of directors has determined that each of the members of our nominating and corporate governance committee is an independent director under the applicable rules and regulations of the SEC and The Nasdaq Stock Market relating to nominating and corporate governance committee independence. Upon the closing of this offering, the nominating and corporate governance committee will operate under a written charter.

Code of business conduct and ethics

Our board of directors will adopt a code of business conduct and ethics in connection with this offering. The code will apply to all of our employees, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), including directors and consultants. Upon the effectiveness of the registration statement of which this prospectus forms a part, the full text of our code of business conduct and ethics will be posted on our website at www.gevo.com. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Corporate governance guidelines

Our board of directors has adopted corporate governance guidelines to be effective upon the closing of this offering to assist the board in the exercise of its duties and responsibilities and to serve the best interests of our company and our stockholders. Upon the closing of this offering, these guidelines, which provide a framework for the conduct of our board's business, will provide:

- that the board of directors' principal responsibility is to oversee the management of the company;
- criteria for board membership;
- that a majority of the members of the board shall be independent directors;
- limits on a board member's service on boards of directors of other public companies;
- for the appointment of a lead independent director;
- that the independent directors meet regularly in executive session;
- that at least annually, the board and its committees will conduct a self-evaluation; and
- that directors have complete access to all officers and employees.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of our compensation committee are Mr. Shai Weiss and Drs. Ganesh Kishore and Ron Commander. None of the members of our compensation committee is or has been an officer or employee of our company or had any related person transactions involving us. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other committee serving an equivalent function) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

DIRECTOR COMPENSATION

In May 2010, our board of directors adopted standard director compensation policies. Under these policies, each of our non-employee directors who are not representatives of holders of our preferred stock are entitled to an annual cash retainer of $50,000, with an additional annual cash retainer of $10,000 for service as chair of our audit committee. In addition, we reimburse all of our directors for the reasonable expenses incurred in connection with their attendance at board or committee meetings. Each non-employee director who is not a representative of holders of our preferred stock is granted an initial option to purchase shares of our common stock valued at $125,000 and subsequent annual equity grants valued at $125,000, half of which will be paid in shares of restricted stock and half of which will be paid by the issuance of an option to purchase shares of our common stock. Prior to the adoption of this policy, none of our directors received cash compensation or option grants for their service on our board of directors, with the exception of payments made to former director Dr. Frances Arnold pursuant to a consulting agreement.

DIRECTOR COMPENSATION TABLE

The following table sets forth information regarding compensation earned by our non-employee directors during the fiscal year ended December 31, 2009.

Name	All Other Compensation ($)	Total ($)
Frances Arnold, Ph.D.(1)	33,375	33,375
Shai Weiss	—	—
Ganesh M. Kishore, Ph.D.	—	—
Véronique Hervouet	—	—
Stacy J. Smith(2)	—	—
Ron Commander, Ph.D.(3)	—	—
Bruce A. Smith(4)	—	—
Carlos A. Cabrera(5)	—	—

(1) Represents the aggregate amount paid to Dr. Arnold during fiscal year 2009 related to services provided under her consulting agreement. Dr. Arnold resigned as a director effective June 24, 2010.

(2) Mr. Stacy Smith was appointed to our board of directors in June 2010.

(3) Dr. Commander was appointed to our board of directors in May 2010.

(4) Mr. Bruce Smith was appointed to our board of directors in June 2010.

(5) Mr. Cabrera was appointed to our board of directors in June 2010.

EXECUTIVE COMPENSATION

Compensation discussion and analysis

The following discussion and analysis of compensation arrangements of our named executive officers for the fiscal year ended December 31, 2009 should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion.

Named executive officers

In this Compensation Discussion and Analysis, the individuals in the Summary Compensation Table set forth after this Compensation Discussion and Analysis are referred to as the “named executive officers.” Our named executive officers for the fiscal year ended December 31, 2009 are:

- Dr. Patrick R. Gruber, Chief Executive Officer
- Mark Smith, Chief Financial Officer
- Dr. Christopher Ryan, Executive Vice President, Business Development
- Dr. David Glassner, Executive Vice President, Technology
- Jack Huttner, Executive Vice President, Corporate Development and Public Affairs

Overview—compensation objectives

We have designed our compensation and benefits programs and philosophy to retain, attract and incentivize talented, qualified senior executives to effectively manage and promote the success of our company and to motivate them to pursue corporate objectives. Historically, as a private company, the mix of compensation elements was weighted towards equity elements due to cash capital constraints.

However, going forward we have set our compensation programs within an appropriate competitive framework that includes a mix of short-term and long-term components, cash and equity elements and fixed and contingent payments in proportions that we believe will provide appropriate incentives to reward our senior executives and management team. Within this overall philosophy, our objectives are to:

- engage a third-party consulting firm during fiscal year 2011 to work with our compensation committee to establish an appropriate peer group of companies, including our competitors, that we intend to compete with for executive talent and to offer a total compensation program that is benchmarked to be at or above the 75th percentile of such peer group;
- continue to align the financial interests of our executive officers with those of our stockholders by providing significant equity-based awards such as options and restricted stock, while balancing the competing concerns of limiting stockholder dilution and financial accounting compensation expense; and
- continue to use our performance-based approach to managing pay levels to foster a goal-oriented, cooperative and highly motivated management team whose members have a clear understanding of business objectives and shared corporate values.

Compensation for each named executive officer is comprised of a cash-based short-term salary component, reviewed periodically and based on the individual performance of the executive, cash incentive payments based upon the achievement of corporate objectives established by our board of directors on an annual basis, and a long-term equity component providing long-term compensation based on company performance, as reflected in an increase or decrease in the value of the shares underlying such equity awards. We use the above objectives as a guide in establishing the compensation programs, practices and packages offered to our executive officers and in assessing the proper allocation between long- and short-term incentive compensation and cash and non-cash compensation. However, there is no pre-established policy or target for the allocation between long- and short-term incentive compensation and cash and non-cash compensation.

Historical role of our board of directors

From our formation until the appointment of directors to the compensation committee in September 2007, non-employee members of our board of directors reviewed and approved executive compensation and benefits policies, including the 2006 omnibus securities and incentive plan, or 2006 Plan. Our non-employee directors relied upon their own experiences as directors and officers at other technology companies and public companies that we expected to compete with as well as other subjective information collected from private, venture capital-backed companies in establishing appropriate levels of compensation for our executive officers.

Establishment of, and ongoing review by, our compensation committee

In September 2007, our board of directors established a compensation committee. The current members of our compensation committee are Mr. Shai Weiss and Drs. Ganesh Kishore and Ron Commander. Each of these individuals qualifies as (i) an “independent director” under the requirements of The Nasdaq Stock Market, (ii) a “non-employee director” under Rule 16b-3 of the Exchange Act, and (iii) an “outside director” under Section 162(m) of the Code. The compensation committee evaluates, approves, administers and interprets our executives’ compensation and benefit policies, including our annual executive incentive plan, 2006 Plan and 2010 stock incentive plan, which will become effective upon the closing of this offering, consistent with our compensation program and philosophy.

As a private company, our compensation committee has historically considered compensation data informally collected by the compensation committee members from various other private, venture capital-backed, development-stage companies, and from research of pay practices at similar companies. The committee has also relied on its members' business judgment and collective experience with respect to compensation practices at other companies in the technology industry. Our compensation committee determines subjectively what it believes to be the appropriate level and mix of the various compensation components.

Role of executive officers in compensation decisions

For executive officers other than our Chief Executive Officer, the compensation committee has historically sought and considered input from our Chief Executive Officer regarding such executive officers' responsibilities, performance and compensation. Specifically, our Chief Executive Officer recommends base salary increases, equity award levels and the performance goals that are used throughout our compensation plans, and advises the committee regarding the compensation program's ability to attract, retain and motivate executive talent. Our compensation committee has and exercises the ability to materially increase or decrease the compensation amounts recommended by our Chief Executive Officer. Our Chief Executive Officer is also involved in our executive compensation process by providing input on the performance targets for our compensation plan, including the relative weight to be assigned to each performance target, and presenting data regarding the impact of the executive compensation programs on our financial performance and statements. Our compensation committee routinely meets in executive session, and our Chief Executive Officer is not permitted to attend during sessions of the compensation committee and sessions of the board of directors where decisions are made regarding his compensation. Once our compensation committee has established our peer group, it is our intention to rely on market parameters for the initial determination of various elements of our executives' compensation and to set such initial compensation so that it is at or above the 75th percentile of such peer group, with the compensation committee making adjustments down or up from such market-based determination based, in part, on input from our Chief Executive Officer.

Executive compensation program

Components of our compensation program

Our executive compensation program consists of five components: base salary; annual incentive bonuses; equity-based incentives; benefits; and severance/change of control protection. These components allow us to reward performance throughout the fiscal year and to provide an incentive for executives to appropriately balance their focus on short-term and long-term strategic goals. The compensation committee believes that this set of components is effective and will continue to be effective in achieving the objectives of our compensation program and philosophy. We use short-term compensation, including base salary and annual incentive bonuses, to motivate and reward our key executives on a day-to-day basis in accordance with our general compensation philosophy, which focuses on rewarding performance. Our compensation committee has established a program to set and refine strategic objectives, and to measure performance against those objectives. The compensation committee meets at least annually to evaluate and refine this program. We are in the process of implementing an annual review process to measure and provide feedback on individual performance as it relates to the goals we wish to achieve for the company as a whole and each employee individually. The review will assess various combinations of the following factors:

- overall financial performance;
- overall and functional unit expense controls;

- achievement of objectives established during the prior review, including specified cost metrics;
- assessment of professional effectiveness, consisting of a portfolio of competencies that include leadership, commitment, creativity and team accomplishment; and
- experience, knowledge, skills and attitude, focusing on capabilities, capacity and willingness to learn.

Our compensation program seeks to balance each named executive officer's focus between company goals and individual performance. Since the creation of the compensation committee, base salaries, incentive bonuses and equity awards are set based on a combination of corporate objectives and individual performance determined on a subjective, case-by-case basis, and generally have been based on a subjective evaluation by the compensation committee and the Chief Executive Officer, when appropriate, of each individual's contributions. Historically, bonus achievements and certain equity grants were awarded based on a combination of corporate objectives and individual performance. We expect to continue this practice with respect to our executives' bonus opportunities so that we can foster a culture of individual high performance with a focus on, and awareness of, the impact on overall company success. The compensation committee applies the same compensation philosophy and standards for each named executive officer, including our Chief Executive Officer. However, compensation levels inevitably vary among the named executive officers because the compensation committee considers individual and corporate factors, as well as the personal knowledge of our compensation committee members with respect to the compensation of similarly situated individuals at companies with which we compete for talent and at companies in the technology industry for whom our committee members also serve on the compensation committee, in order to determine the appropriate level of compensation for each named executive officer. Consequently, if there are differences in the amount or type of compensation paid among the named executive officers, including the Chief Executive Officer, such differences are due primarily to a similar disparity among positions within other companies generally known to our compensation committee members, as well as other factors such as a named executive officer's tenure and individual performance.

We use equity-based incentives to align the interests of our senior executives with those of our stockholders and to promote a longer term performance perspective and positive progress toward achieving our long-term strategy. Total equity ownership for our named executive officers is reviewed at least annually and the data from this review is used as part of the evaluation in determining the appropriate amount of additional grants of equity-based awards.

Finally, we use benefits and change of control and severance arrangements as a means of retaining our employees and reducing the degree to which the possible loss of employment might affect our executive's willingness to take risk and/or pursue strategic relationships and transactions that, while potentially beneficial to our stockholders, might result in the termination of the executive's employment.

Our executives' total compensation may vary significantly year to year based on company, functional area and individual performance. Further, the value of equity awards made to our senior executives will vary in value based on our stock price performance.

Weighting of elements in our compensation program

The allocation among each compensation element is based on a subjective determination by the compensation committee of the importance of each element in meeting our overall objectives. In general, we seek to put a significant amount of each executive's total potential compensation "at risk" based on corporate and individual performance. We believe that, as is common in the technology sector, stock option and other equity-based awards are a significant compensation-related motivator in attracting and retaining employees and that salary and bonus levels are, in many instances, secondary considerations to many employees, particularly at the executive and managerial levels.

Base salary

We provide a base salary to our named executive officers and other employees to compensate them for services rendered on a day-to-day basis during the fiscal year. Base salary will typically be used to recognize the experience, skills, knowledge and responsibilities required of each named executive officer, and should reflect the overall sustained performance and contributions to us over time. For newly hired executive officers, the compensation committee considers the base salary of the individual at his or her prior employment and any unique personal circumstances that motivated the executive to leave that prior position and join us. Once base pay levels are initially determined, increases in base pay are generally made as appropriate to recognize specific performance achievements.

In 2010, in consideration of the achievements of the company in securing additional private equity financing and the company's planned initial public offering, the compensation committee approved executive base salary increases which were deemed to be competitive and consistent with the performance of the executive team and the growth of our company. These salary increases are reflected in the employment agreements that we entered into with each of Drs. Gruber, Ryan and Glassner and Mr. Smith in June 2010, and Mr. Huttner in August 2010, which will become effective upon the closing of this offering. None of our executives is currently party to an employment agreement that provides for automatic or scheduled increases in base salary. However, on a periodic basis, base salaries for our executives, together with other components of compensation, are evaluated.

The following table sets forth information regarding base salaries for fiscal year 2009 and the new base salaries that will become effective upon the consummation of this offering for our named executive officers:

Name of executive officer	2009 base salary rate	New base salary rate (effective upon the closing of this offering)
Patrick R. Gruber, Ph.D.	$350,000	$ 500,000
Mark Smith	275,000	325,000
Christopher Ryan, Ph.D.	285,000	325,000
David Glassner, Ph.D.	230,000	300,000
Jack Huttner	235,000	300,000

Annual incentive bonuses

Our compensation philosophy with respect to annual incentive bonuses is consistent with our overall compensation program philosophy. The annual incentive bonus is directed at tying individual compensation to both corporate and individual performance while maintaining market-competitive compensation. Performance, as measured against individual and corporate goals, directly affects the level of bonus payment.

In June 2009, our compensation committee adopted the 2009 incentive bonus plan, under which the annual incentive bonus targets set forth below were used along with corporate and individual performance targets set by our compensation committee and our Chief Executive Officer (except that individual performance targets for our Chief Executive Officer are set exclusively by members of our compensation committee).

For 2009, our compensation committee retained the same target bonus percentages as in 2008 for Dr. Gruber, Dr. Glassner, and Mr. Smith. Each of Dr. Ryan and Mr. Huttner joined our company during fiscal year 2009. In setting Dr. Ryan's and Mr. Huttner's target bonus percentages, our compensation committee considered the target bonus percentages of executives having a similar level of responsibility within our company. The table below sets forth the annual incentive bonus target for each of our named executive officers who were eligible to receive a bonus in 2009:

Name of executive officer	2009 bonus target (as % of 2009 base salary)
Patrick R. Gruber, Ph.D.	21.4%
Mark Smith	30.0
Christopher Ryan, Ph.D.(1)	30.0
David Glassner, Ph.D.	30.0
Jack Huttner(2)	30.0

(1) Since Dr. Ryan joined us in June 2009, his actual annual incentive bonus for 2009 was prorated based on the number of days he worked for us during the year.

(2) Since Mr. Huttner joined us in August 2009, his actual annual incentive bonus for 2009 was prorated based on the number of days he worked for us during the year.

For 2009, our compensation committee, with input from our Chief Executive Officer, established five categories of corporate performance targets: (i) targets related to the company's biocatalyst development, including targets related to isobutanol concentration and isobutanol yield, represented 30% of the total company performance factor, (ii) targets related to the company's production capabilities, including use of the company's second-generation biocatalyst in production at the company's demo plant and advancements in the production of renewable hydrocarbon products, represented 30% of the total company performance factor, (iii) commercialization targets related to the company's efforts to acquire access to existing ethanol plants for retrofit and negotiation of future supply agreements represented 25% of the total company performance factor, (iv) targets related to maintenance of the company's intellectual property represented 5% of the total company performance factor, and (v) targets based on the company's financial performance represented 10% of the total company performance factor.

Under the 2009 incentive bonus plan, no bonus is payable if the company fails to achieve at least 25% of one of the corporate performance targets. The maximum company performance factor achievement level is 100%, which would mean that the company achieved at least 100% of each of its corporate performance targets. If the company were to achieve at least 100% of each of its corporate performance targets, each named executive officer would be entitled to receive his full target bonus percentage.

Our compensation committee retains discretion to approve payments in excess of the target amounts to named executive officers, as appropriate, based on their achievement of individual goals established for each executive by the Chief Executive Officer (or, in the case of individual goals for the Chief Executive Officer, the compensation committee). These individual goals are established based on the Chief Executive Officer's (or in the case of individual goals for the Chief Executive Officer, the compensation committee's) evaluation of each executive's position within the company, the corporate targets over which that executive has control or influence and the market practices of other technology companies. Examples of individual goals include achieving departmental budgets, meeting testing objectives, achieving technical milestones, meeting business development goals and achieving or maintaining a professional standard. The determination of whether and to what extent a specific executive officer has achieved his individual goals and the amount of additional bonus, if any, to be paid is made by the Chief

Executive Officer (or the compensation committee in the case of the Chief Executive Officer). Any such determinations made by the Chief Executive Officer are subject to review and approval by the compensation committee.

The following formula can be used to calculate the incentive bonus payment to be made to a named executive officer:

Bonus Amount = (Base Salary) x (Target Percentage) x (Company Performance Factor) + (Discretionary Individual Performance Bonus, if any)

In January 2010, our compensation committee determined that the company's second-generation biocatalyst had achieved 100% of its bonus target for isobutanol concentration and an incremental 57% of its bonus target for isobutanol yield. These combined achievement levels yielded a performance factor related to biocatalyst development of 25.7%, out of a possible 30%. Due to the company's success in demonstrating the production of isobutanol at the demonstration facility in St. Joseph, Missouri using its first-generation biocatalyst, the compensation committee determined that the company's bonus targets related to production capability had been achieved at levels yielding a performance factor of 17.5%, out of a possible 30%. Based on the company's progress in negotiating future supply agreements with potential commercialization partners and securing access to existing ethanol facilities for retrofit, the compensation committee determined that the company's bonus targets related to commercialization had been achieved at levels yielding a performance factor of 5%, out of a possible 25%. Additionally, the compensation committee determined that the company successfully achieved its bonus targets related to maintenance of the company's intellectual property, yielding a performance factor of 5%, out of a possible 5%, and all of its bonus targets related to financial performance, yielding a performance factor of 10%, out of a possible 10%. When combined, the company performance factor was 63.2%, out of a possible 100%. Our compensation committee further determined that only our Chief Executive Officer, Dr. Gruber, was entitled to receive an individual performance bonus.

Name of executive officer	Bonus target (base salary x target %) ($)	2009 Individual performance factor (%)	Individual bonus ($)	Bonus payment ($)
Patrick R. Gruber, Ph.D.	75,000	63.2	27,600	75,000
Mark Smith	82,500	63.2	—	52,140
Christopher Ryan, Ph.D.(1)	85,500	63.2	—	29,461
David Glassner, Ph.D.	69,000	63.2	—	43,608
Jack Huttner(2)	70,500	63.2	—	14,893

(1) Since Dr. Ryan joined us in June 2009, his actual annual incentive bonus for 2009 was prorated based on the number of days he worked for us during the year.

(2) Since Mr. Huttner joined us in August 2009, his actual annual incentive bonus for 2009 was prorated based on the number of days he worked for us during the year.

In June 2010, we entered into employment agreements with each of Drs. Gruber, Ryan and Glassner and Mr. Smith which will become effective upon the closing of this offering. In August 2010, we entered into an employment agreement with Mr. Huttner, which will become effective upon the closing of this offering. These agreements will supersede and terminate the employment and offer letter agreements that we had previously entered into with these named executive officers. Under the terms of the new employment agreements, each executive is entitled to receive an annual incentive bonus based on the achievement of certain business goals set by our board of directors on an annual basis. Under the terms of the new employment agreements, the annual incentive bonus targets for our named executive officers are as follows:

Name of executive officer	Incentive bonus target (as a % of base salary)
Patrick R. Gruber, Ph.D.	50.0%
Mark Smith	40.0
Christopher Ryan, Ph.D.	40.0
David Glassner, Ph.D.	30.0
Jack Huttner	30.0

In addition to the annual incentive bonus, the new employment agreements provide that additional bonus amounts may be paid, at the discretion of our board of directors, to reflect each executive's contributions to the accomplishment of our long-range business goals, the success of the corporate strategies in which the executive participates and the unique services that the executive provides in connection with increasing stockholder value.

We believe that our annual incentive bonus plans help to attract and motivate our executives, and to align the compensation payable to our executives with our corporate objectives, thereby maximizing stockholder value. By evaluating our bonus program for executives each fiscal year, we believe we provide sufficient and attainable incentives for our executives that align with both our financial and nonfinancial goals.

Equity incentive compensation

We believe that our long-term performance is best facilitated through a culture of executive ownership that encourages long-term investment by our executive officers in our equity, thereby better aligning the executives' interests with the interests of our stockholders. To encourage this ownership culture, we typically make an initial equity award of stock options to new employees and periodic grants at other times, as approved by our board of directors. As a private company, our compensation committee has historically recommended, and our board of directors has historically approved, all equity grants to our employees including our executive officers. These grants have an exercise price that is at least equal to the fair market value of our common stock on the date of grant, as determined by our board of directors. Grants of options in 2009 were typically subject to a four-year vesting schedule with 1/4th of the grant vesting upon the first anniversary of the vesting commencement date and the remainder of the shares vesting at a rate of 1/48th of the total shares subject to the option each month after the vesting commencement date, subject to the continued service of the executive officer. Vesting commencement dates generally correlate to the date of hire, date of promotion or date of grant. In keeping with our market-competitive philosophy, our compensation committee established the foregoing vesting schedules for 2009 because it determined such vesting represents market practice in our industry based on their experience.

The size of the initial stock option award is determined based on the executive's position with us and takes into account the executive's base salary and other compensation. The initial stock option awards are intended to provide the executive with an incentive to build value in the organization over an extended period of time while remaining consistent with our overall compensation philosophy.

In connection with their commencement of employment with our company in 2009, each of Dr. Ryan and Mr. Huttner was granted an initial stock option to purchase 175,000 and 140,000 shares of our common stock, respectively, for an exercise price of $2.70, which our board of directors determined was the per share fair market value of our common stock as of the date of grant. The size of these initial grants was determined through arm's length negotiations between us and each of Dr. Ryan and Mr. Huttner in connection with the commencement of their employment with us. The vesting commencement date associated with each of these awards correlates to their respective date of hire. Each of these awards vests and becomes exercisable according to the following schedule: 1/4 of the shares vest on the one-year anniversary of the vesting commencement date and the remainder of the shares vest at a rate of 1/48th of the total shares subject to the option each month thereafter, subject to their continued service.

Our compensation committee considers a number of factors in determining the amount of periodic equity incentive awards, if any, granted to our executives, including:

- internal equity among executives;
- the number of shares subject to outstanding options, both vested and unvested, held by our executives;
- the vesting schedule of the unvested stock options held by our executives;
- whether each executive's equity holdings provide adequate incentive and retention value;
- individual performance;
- tenure with the company; and
- the nature of each executive's role at our company.

In November 2009, our named executive officers received the following stock option grants, each with an exercise price of $2.70 per share: Dr. Gruber (242,790), Mr. Smith (15,000) and Dr. Glassner (67,000). In June 2010, our named executive officers received the following stock option grants, each with an exercise price of $10.07 per share: Dr. Gruber (105,000), Dr. Glassner (24,000), Dr. Ryan (44,000) and Mr. Smith (19,500). The size of each grant was based on the compensation committee's consideration of the factors listed above, as well as compensation data informally collected by the compensation committee members from various other private, venture capital-backed, development-stage companies, and from research of pay practices at similar companies. Similar to our initial stock option grants, these grants are intended to continue to provide the executive with an incentive to build value in the organization over an extended period of time while remaining consistent with our overall compensation philosophy.

In June 2010, we entered into employment agreements with each of Drs. Gruber, Ryan and Glassner and Mr. Smith which will become effective upon the closing of this offering. In August 2010, we entered into an employment agreement with Mr. Huttner, which will become effective upon the closing of this offering. These agreements will supersede and terminate the employment and offer letter agreements that we had previously entered into with these named executive officers. Under the terms of the new employment agreements, each executive is entitled to receive an annual equity incentive award consisting of restricted stock and/or stock options. The new employment agreements with our named executive officers provide for annual equity incentive awards with the following fair market values on the date of grant:

Name of executive officer	Annual equity incentive award
Patrick R. Gruber, Ph.D.	$ 600,000
Mark Smith	200,000
Christopher Ryan, Ph.D.	200,000
David Glassner, Ph.D.	75,000
Jack Huttner.	65,000

As a privately owned company, there has been no market for our common stock. Accordingly, in 2009 and 2010, we had no program, plan or practice pertaining to the timing of stock option grants to executive officers coinciding with the release of material nonpublic information. The compensation committee intends to adopt a formal policy regarding the timing of grants in connection with this offering.

Benefits

We provide the following benefits to our named executive officers on the same basis provided to all of our employees:

- health, dental and vision insurance;
- life insurance, short- and long-term disability, accidental death and dismemberment;
- a 401(k) plan; and
- a medical and dependent care flexible spending account.

We believe these benefits are consistent with companies with which we compete for employees.

Severance/termination-based compensation

Our compensation committee provides our executives with termination protection when it determines that such protection is necessary to attract or retain an executive. In June 2010, we entered into employment agreements with each of Drs. Gruber, Ryan and Glassner and Mr. Smith which will become effective upon the closing of this offering. In August 2010, we entered into an employment agreement with Mr. Huttner which will become effective upon the closing of this offering. These agreements will supersede and terminate the employment and offer letter agreements that we had previously entered into with these named executive officers. Under the terms of the new employment agreements, each executive officer will be entitled to receive severance payments and benefits in the event that he is terminated without cause or resigns for good reason. The new employment agreements also provide payments to these named executive officers in the event of a change of control and provide for certain benefits in the event that an executive is terminated upon or within 90 days following a change of control.

The severance payments and benefits that are payable under these agreements are further described below in the sections entitled “Employment Arrangements” and “Potential Payments upon Termination or Change of Control.”

Tax considerations

Section 162(m) of the Code, generally disallows a tax deduction for compensation in excess of $1.0 million paid to certain named executive officers. Qualifying performance-based compensation is not subject to the deduction limitation if specified requirements are met. We generally intend to structure the performance-based portion of our executive compensation, when feasible, to comply with exemptions in Section 162(m) so that the compensation remains tax deductible to us. However, our board of directors may, in its judgment, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

2009 SUMMARY COMPENSATION TABLE

The following table summarizes the compensation earned by our Chief Executive Officer, Chief Financial Officer and each of our three other most highly compensated executive officers during the year ended December 31, 2009. We refer to these officers in this prospectus as our named executive officers.

Name and principal position	Year	Salary ($)(1)	Option awards ($)(2)	Non-equity incentive plan compensation ($)(3)	All other compensation ($)	Total ($)
Patrick R. Gruber, Ph.D. *Chief Executive Officer, Director*	2009	363,462	427,820	75,000	57,025(6)	923,307
Mark L. Smith *Chief Financial Officer*	2009	285,577	26,904	52,140	10,577(7)	375,198
Christopher Ryan, Ph.D.(4) *Executive Vice President, Business Development*	2009	153,462	318,028	29,461	286,210(8)	787,161
David A. Glassner, Ph.D. *Executive Vice President, Technology*	2009	238,846	118,188	43,608	11,962(9)	412,604
Jack Huttner(5) *Executive Vice President, Corporate Development and Public Affairs*	2009	76,827	255,486	14,893	—	347,206

(1) For information regarding the annual salary rate of the named executive officers, see "Employment Arrangements" below. We pay salary to our employees on a bi-weekly basis and, in calendar year 2009, we made 27 such bi-weekly payments, so certain of the named executive officers received aggregate salary payments in calendar year 2009 that exceeded their annual salary rate.

(2) The amounts in the "Option Awards" column reflect the aggregate grant date fair value of awards granted during each respective year for each named executive officer, in accordance with FASB ASC Topic 718, assuming no forfeitures. The assumptions, other than forfeitures, used by us with respect to the valuation of option awards are set forth in Note 1 to our financial statements included elsewhere in this prospectus.

(3) The base bonuses earned on the basis of performance relative to target bonus metrics in calendar year 2009 have been reported in this column as non-equity incentive plan compensation. See "Executive Compensation—Compensation Discussion and Analysis" above for a discussion of how the bonus program worked in operation. See also "Grants of Plan-Based Awards in Fiscal Year 2009" under the column "Estimated Possible Payouts Under Non-Equity Incentive Plan Awards" for the amounts named executive officers were eligible to earn at target in fiscal 2009. Our board of directors retained discretion to approve payments in excess of the target amounts. The dollar amounts reported in this column were paid out as cash payments in January 2010.

(4) Dr. Ryan joined us in June 2009. The salary reflected for Dr. Ryan represents actual salary earned from employment with us in 2009, which was based on an annual base salary of $285,000.

(5) Mr. Huttner joined us in August 2009. The salary reflected for Mr. Huttner represents actual salary earned from employment with us in 2009, which was based on an annual base salary of $235,000.

(6) Represents $12,250 for company match on 401(k) plan, $25,154 for payments to maintain a corporate apartment, $11,344 for gross-up tax assistance provided and $8,277 for other personal benefits.

(7) Represents $10,577 for company match on 401(k) plan.

(footnotes continued on following page)

(8) Represents $3,837 for company match on 401(k) plan, $12,214 for gross-up tax assistance provided and $270,159 in relocation assistance. $52,954 of the relocation assistance represents costs paid for Dr. Ryan's moving expenses and relocation costs. The remaining $217,205 of relocation assistance is for amounts paid to a relocation company in connection with the sale of Dr. Ryan's house. The relocation company purchased Dr. Ryan's house in 2009 and sold it in 2010. We initially paid the relocation company $312,498 as an estimate of the difference between the purchase price they paid and the sales price they would receive, plus sales, carrying and other costs for the house. When the relocation company sold the house in 2010, the actual difference between the purchase price and sales price, plus sales, carrying and other costs for the house was only $217,205, and the relocation company refunded our overpayment of $95,293.

(9) Represents $11,962 for company match on 401(k) plan.

GRANTS OF PLAN-BASED AWARDS IN 2009 TABLE

All options granted to our named executive officers are non-statutory stock options. The exercise price per share of each option granted to our named executive officers was determined to be equal to at least the fair market value of our common stock by our board of directors on the date of the grant. All options were granted under our 2006 omnibus securities and incentive plan, as amended, as described below in the section entitled "Employee Benefit and Stock Plans—2006 omnibus securities and incentive plan, as amended."

The following table shows information regarding grants of equity awards during the year ended December 31, 2009 to each of our named executive officers.

		Estimated possible payouts under non-equity incentive plan awards($)(1)			All other option awards; number of securities underlying options (#)	Exercise or base price of option awards ($/share)	Grant date fair value of option awards ($)(2)
Name	Grant date	Threshold	Target	Maximum			
Patrick R. Gruber, Ph.D.	—	938	75,000	75,000			
	11/16/2009				242,790	2.70	427,820
Mark Smith	—	1,031	82,500	82,500			
	11/16/2009				15,000	2.70	26,904
Christopher Ryan, Ph.D.	—	534	46,615	46,615			
	11/16/2009				175,000	2.70	318,028
David Glassner, Ph.D.	—	250	69,000	69,000			
	11/16/2009				67,000	2.70	118,188
Jack Huttner	—	367	23,564	23,564			
	11/16/2009				140,000	2.70	255,486

(1) Represents awards granted under our 2009 cash incentive bonus program, which were based on achievement of certain milestones in fiscal year 2009. These columns show the awards that were possible at the threshold, target and maximum levels of performance, prorated for named executive officers that joined us during fiscal year 2009. The column titled "Non-Equity Incentive Plan Compensation" in the Summary Compensation Table shows the actual awards earned in fiscal year 2009 by our named executive officers under the 2009 cash incentive bonus program. These amounts were paid in January 2010.

(2) The amounts set forth in the "Grant Date Fair Value of Option Awards" column reflect the aggregate grant date fair value of awards determined in accordance with FASB ASC Topic 718, assuming no forfeitures. The assumptions, other than forfeitures, used in determining such amounts are described in Note 1 to our consolidated financial statements included elsewhere in this prospectus.

OUTSTANDING EQUITY AWARDS AT 2009 FISCAL YEAR-END

The following table shows grants of stock options outstanding on December 31, 2009, the last day of our fiscal year, to each of our named executive officers.

	Option awards					
Name	Grant date	Vesting commencement date(1)	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price ($)	Option expiration date
Patrick R. Gruber, Ph.D.	5/2/2007	5/2/2007(2)	182,478	170,705	0.46	5/2/2017
	7/1/2008	7/1/2008(3)	114,735	209,224	1.16	7/1/2018
	11/16/2009	5/2/2007(3)	156,802	85,988	2.70	11/16/2019
Mark Smith	12/04/2008	11/5/2008	33,854	91,146	1.16	12/04/2018
	11/16/2009	11/5/2008	4,063	10,937	2.70	11/16/2019
Christopher Ryan, Ph.D.	11/16/2009	6/15/2009	0	175,000	2.70	11/16/2019
David Glassner, Ph.D.	9/18/2007	7/23/2007	53,346	34,950	0.49	9/18/2017
	8/11/2008	7/23/2007	12,083	7,917	1.16	8/11/2018
	11/16/2009	7/23/2007	40,479	26,521	2.70	11/16/2019
Jack Huttner	11/16/2009	8/31/2009	0	140,000	2.70	11/16/2019

(1) Unless otherwise noted, each option vests as to 1/4th of the total number of shares subject to the option on the first anniversary of the vesting commencement date, and 1/48th of the total number of shares subject to the option shall vest monthly thereafter until all shares are vested. Vesting is accelerated in certain situations. See the section entitled “Employment Arrangements” below.

(2) Each option vests as to 1/5th of the total number of shares subject to the option on the first anniversary of the vesting commencement date, and 1/60th of the total number of shares subject to the option shall vest monthly thereafter until all shares are vested. Vesting is accelerated in certain situations. See the section entitled “Employment Arrangements” below.

(3) 1/48th of the total number of shares subject to the option shall vest monthly after the vesting commencement date until all shares are vested. Vesting is accelerated in certain situations. See the section entitled “Employment Arrangements” below.

OPTION EXERCISES IN 2009 TABLE

None of our named executive officers exercised stock options during 2009.

PENSION BENEFITS

We do not maintain any defined benefit pension plans.

NONQUALIFIED DEFERRED COMPENSATION

We do not maintain any nonqualified deferred compensation plans.

EMPLOYMENT ARRANGEMENTS

We had previously entered into an employment agreement with Dr. Gruber and offer letter agreements with each of our other named executive officers. In connection with this offering, we have entered into new employment agreements with each of our named executive officers to take effect upon the consummation of this offering.

Patrick Gruber, Ph.D.

On July 1, 2008, we entered into an employment agreement with Dr. Patrick Gruber, our Chief Executive Officer and a member of our board of directors, which provided for an annual base salary of $350,000, and an incentive bonus of up to $75,000 per year based on his achievement of certain milestones determined by our board of directors on an annual basis. Pursuant to that employment agreement, Dr. Gruber was granted options to purchase 323,959 shares of our common stock under the 2006 Plan.

On June 4, 2010, we entered into a new employment agreement with Dr. Gruber, which will become effective upon the closing of this offering. This agreement will supersede and terminate Dr. Gruber’s previous employment agreement upon the closing of this offering. Under the new employment agreement, Dr. Gruber’s base salary is $500,000 per year, subject to annual review and adjustment by our board of directors. Dr. Gruber is eligible to receive an annual bonus of up to 50% of his base salary based on the achievement of certain business goals set by our board of directors on an annual basis, and may receive additional bonus amounts at the discretion of our board of directors. Pursuant to the terms of the new employment agreement, Dr. Gruber is eligible to receive an annual incentive award with a fair market value equal to $600,000 on the date of grant, consisting of restricted stock and/or stock options, and may receive additional stock awards at the discretion of our board of directors, not to exceed $850,000 for the first year. Dr. Gruber is also entitled to participate in or receive benefits under all of our existing and future incentive programs and will continue to be eligible to participate in all employee benefit plans, including retirement plans, health care plans and fringe benefit plans, that are afforded generally to our executive officers.

If Dr. Gruber’s employment is terminated as a result of his disability or death, he or his estate will be entitled to receive his full base salary through the date of termination as well as an additional lump-sum payment equal to his annual base salary at the rate in effect at the time of such termination. If Dr. Gruber’s employment is terminated without cause (other than by death or disability), or if he terminates his employment with us for good reason, he will be entitled to receive his full base salary through the date of termination, a bonus equal to the average of the annual bonuses paid to him in each of the three years preceding the termination, prorated to the date of termination, and a lump-sum payment equal to two years of his base salary then in effect plus 200% of his eligible bonus for the preceding year. Additionally, Dr. Gruber and his family will receive continued coverage under any company sponsored group health plan in which he was enrolled at the time of his termination for a period of 12 months following his termination date and, immediately prior to such termination date, all of his outstanding unvested stock options and other equity awards shall immediately vest. Cause is defined as Dr. Gruber’s conviction of a felony, willful misconduct or dishonesty materially injurious to the company or a material failure to consistently discharge his duties under the employment agreement, unless resulting from his disability, provided that no act or failure to act will be considered willful if it is done, or omitted, in good faith and with the reasonable belief that such action or inaction was in the best interests of the company. Good reason is defined as a material diminishment of Dr. Gruber’s base salary, authority, duties or responsibilities, a relocation without his consent that increases his one-way commute to work by at least fifty miles or a material breach by us of the employment agreement.

The new employment agreement also provides certain payments and benefits to Dr. Gruber in circumstances involving a change of control, as described below in the section entitled “Potential Payments upon Termination and Change of Control.”

Mark Smith

On October 2, 2008, we entered into an offer letter agreement with Mark Smith, our Chief Financial Officer, which provided for an annual base salary of $275,000 and a grant of options to purchase 125,000 shares of our common stock under the 2006 Plan.

On June 4, 2010, we entered into a new employment agreement with Mr. Smith, which will become effective upon the closing of this offering. This agreement will supersede and terminate Mr. Smith’s previous offer letter agreement upon the closing of this offering. Under the new employment agreement, Mr. Smith’s base salary is $325,000 per year, subject to annual review and adjustment by our board of directors. Mr. Smith is eligible to receive an annual bonus of up to 40% of his base salary based on the achievement of certain business goals set by our board of directors on an annual basis and may receive additional bonus amounts at the discretion of our board of directors. Pursuant to the terms of the new employment agreement, Mr. Smith is eligible to receive an annual incentive award with a fair market value equal to $200,000 on the date of grant, consisting of restricted stock and/or stock options, and may receive additional stock awards at the discretion of our board of directors, not to exceed $395,000 for the first year. Mr. Smith is also entitled to participate in or receive benefits under all of our existing and future incentive programs and will continue to be eligible to participate in all employee benefit plans, including retirement plans, health care plans and fringe benefit plans, that are afforded generally to our executive officers.

If Mr. Smith’s employment is terminated as a result of his disability or death, he or his estate will be entitled to receive his full base salary through the date of termination as well as an additional lump-sum payment equal to his annual base salary at the rate in effect at the time of such termination. If Mr. Smith’s employment is terminated without cause (other than by death or disability), or if he terminates his employment with us for good reason, he will be entitled to receive his full base salary through the date of termination, a bonus equal to the average of the annual bonuses paid to him in each of the three years preceding the termination, prorated to the date of termination, and a lump-sum payment, equal to one year of his base salary then in effect plus 100% of his eligible bonus for the preceding year. Additionally, Mr. Smith and his family will receive continued coverage under any company sponsored group health plan in which he was enrolled at the time of his termination for a period of six months following his termination date and, immediately prior to such termination date, all of his outstanding unvested stock options and other equity awards shall immediately vest. The definitions of cause and good reason are consistent with the definitions set forth in our new employment agreement with Dr. Gruber, as described above.

The new employment agreement also provides certain payments and benefits to Mr. Smith in circumstances involving a change of control, as described below in the section entitled “Potential Payments upon Termination and Change of Control.”

Christopher Ryan, Ph.D.

On May 22, 2009, we entered into an offer letter agreement with Dr. Christopher Ryan, our Executive Vice President of Business Development, which provided for an annual base salary of $285,000 and a grant of options to purchase 168,000 shares of our common stock under the 2006 Plan. Dr. Ryan was actually granted options to purchase 175,000 shares of our common stock under the 2006 Plan, the additional options were issued due to subjective factors and to account for dilution based on the timing of the grant.

On June 4, 2010, we entered into a new employment agreement with Dr. Ryan, which will become effective upon the closing of this offering. This agreement will supersede and terminate Dr. Ryan's previous offer letter agreement upon the closing of this offering. Under the new employment agreement, Dr. Ryan's base salary is $325,000 per year, subject to annual review and adjustment by our board of directors. Dr. Ryan is eligible to receive an annual bonus of up to 40% of his base salary based on the achievement of certain business goals set by our board of directors on an annual basis and may receive additional bonus amounts at the discretion of our board of directors. Pursuant to the terms of the new employment agreement, Dr. Ryan is eligible to receive an annual incentive award with a fair market value equal to $200,000 on the date of grant, consisting of restricted stock and/or stock options, and may receive additional stock awards at the discretion of our board of directors, not to exceed $395,000 for the first year. Dr. Ryan is also entitled to participate in or receive benefits under all of our existing and future incentive programs and will continue to be eligible to participate in all employee benefit plans, including retirement plans, health care plans and fringe benefit plans, that are afforded generally to our executive officers.

If Dr. Ryan's employment is terminated as a result of his disability or death, he or his estate will be entitled to receive his full base salary through the date of termination as well as an additional lump-sum payment equal to his annual base salary at the rate in effect at the time of such termination. If Dr. Ryan's employment is terminated without cause (other than by death or disability), or if he terminates his employment with us for good reason, he will be entitled to receive his full base salary through the date of termination, a bonus equal to the average of the annual bonuses paid to him in each of the three years preceding the termination, prorated to the date of termination, and a lump-sum payment, equal to one year of his base salary then in effect plus 100% of his eligible bonus for the preceding year. Additionally, Dr. Ryan and his family will receive continued coverage under any company sponsored group health plan in which he was enrolled at the time of his termination for a period of six months following his termination date and, immediately prior to such termination date, all of his outstanding unvested stock options and other equity awards shall immediately vest. The definitions of cause and good reason are consistent with the definitions set forth in our new employment agreement with Dr. Gruber, as described above.

The new employment agreement also provides certain payments and benefits to Dr. Ryan in circumstances involving a change of control, as described below in the section entitled "Potential Payments upon Termination and Change of Control."

David Glassner, Ph.D.

Upon joining the company, Dr. David Glassner, our Executive Vice President of Technology, received an annual base salary of $215,000 and a grant of options to purchase 88,296 shares of our common stock under the 2006 Plan. Dr. Glassner's annual base salary was increased to $230,000 in December 2008.

On June 4, 2010, we entered into a new employment agreement with Dr. Glassner, which will become effective upon the closing of this offering. Under the new employment agreement, Dr. Glassner's base salary is $300,000 per year, subject to annual review and adjustment by our board of directors. Dr. Glassner is eligible to receive an annual bonus of up to 30% of his base salary based on the achievement of certain business goals set by our board of directors on an annual basis and may receive additional bonus amounts at the discretion of our board of directors. Pursuant to the terms of the new employment agreement, Dr. Glassner is eligible to receive an annual incentive award with a fair market value equal to $75,000 on the date of grant, consisting of restricted stock and/or stock options, and may receive additional stock awards at the discretion of our board of directors, not to exceed $270,000 for the first year. Dr. Glassner is also entitled to participate in or receive benefits under all of our existing and future incentive programs and will continue to be eligible to participate in all employee benefit plans, including retirement plans, health care plans and fringe benefit plans, that are afforded generally to our executive officers.

If Dr. Glassner's employment is terminated as a result of his disability or death, he or his estate will be entitled to receive his full base salary through the date of termination as well as an additional lump-sum payment equal to his annual base salary at the rate in effect at the time of such termination. If Dr. Glassner's employment is terminated without cause (other than by death or disability), or if he terminates his employment with us for good reason, he will be entitled to receive his full base salary through the date of termination, a bonus equal to the average of the annual bonuses paid to him in each of the three years preceding the termination, prorated to the date of termination, and a lump-sum payment, equal to one year of his base salary then in effect plus 100% of his eligible bonus for the preceding year. Additionally, Dr. Glassner and his family will receive continued coverage under any company sponsored group health plan in which he was enrolled at the time of his termination for a period of six months following his termination date and, immediately prior to such termination date, all of his outstanding unvested stock options and other equity awards shall immediately vest. The definitions of cause and good reason are consistent with the definitions set forth in our new employment agreement with Dr. Gruber, as described above.

The new employment agreement also provides certain payments and benefits to Dr. Glassner in circumstances involving a change of control, as described below in the section entitled "Potential Payments upon Termination and Change of Control."

Jack Huttner

On June 25, 2009, we entered into an offer letter agreement with Jack Huttner, our Executive Vice President of Corporate Development and Public Affairs, which provided for an annual base salary of $235,000. Pursuant to the offer letter agreement, Mr. Huttner was entitled to receive options to purchase 100,000 shares of our common stock under the 2006 Plan. Mr. Huttner was actually granted options to purchase 140,000 shares of our common stock under the 2006 Plan, the additional options were issued due to subjective factors and to account for dilution based on the timing of the grant.

On August 10, 2010, we entered into a new employment agreement with Mr. Huttner, which will become effective upon the closing of this offering. Under the new employment agreement, Mr. Huttner's base salary is $300,000 per year, subject to annual review and adjustment by our board of directors. Mr. Huttner is eligible to receive an annual bonus of up to 30% of his base salary based on the achievement of certain business goals set by our board of directors on an annual basis and may receive additional bonus amounts at the discretion of our board of directors. Pursuant to the terms of the new employment agreement, Mr. Huttner is eligible to receive an annual incentive award with a fair market value equal to $65,000 on the date of grant, consisting of restricted stock and/or stock options, and may receive additional stock awards at the discretion of our board of directors, not to exceed $260,000 for the first year. Mr. Huttner is also entitled to participate in or receive benefits under all of our existing and future incentive programs and will continue to be eligible to participate in all employee benefit plans, including retirement plans, health care plans and fringe benefit plans, that are afforded generally to our executive officers.

If Mr. Huttner's employment is terminated as a result of his disability or death, he or his estate will be entitled to receive his full base salary through the date of termination as well as an additional lump-sum payment equal to his annual base salary at the rate in effect at the time of such termination. If Mr. Huttner's employment is terminated without cause (other than by death or disability), or if he terminates his employment with us for good reason, he will be entitled to receive his full base salary through the date of termination, a bonus equal to the average of the annual bonuses paid to him in each of the three years preceding the termination, prorated to the date of termination, and a lump-sum payment, equal to one year of his base salary then in effect plus 100% of his eligible bonus for the preceding year. Additionally, Mr. Huttner and his family will receive continued coverage under any company sponsored group health plan in which he was enrolled at the time of his termination for a period of six months following his termination date and, immediately prior to such termination date, all of his outstanding unvested stock options and other equity awards shall immediately vest. The definitions of cause and good reason are consistent with the definitions set forth in our new employment agreement with Dr. Gruber, as described above.

The new employment agreement also provides certain payments and benefits to Mr. Huttner in circumstances involving a change of control, as described below in the section entitled “Potential Payments upon Termination and Change of Control.”

POTENTIAL PAYMENTS UPON TERMINATION AND CHANGE OF CONTROL

In June 2010, we entered into new employment agreements with each of Drs. Gruber, Ryan and Glassner and Mr. Smith which will become effective upon the closing of this offering. In August 2010, we entered into a new employment agreement with Mr. Huttner, which will become effective upon the closing of this offering. These agreements will supersede and terminate the employment and offer letter agreements that we had previously entered into with these named executives. Under the new employment agreements, in the event of a change of control, each of these executives (if still employed by the company) is entitled to receive a lump-sum payment equal to two times the sum of his annual base salary in effect immediately prior to such change of control plus 100% of his eligible bonus for the year preceding the change of control. If upon or within ninety days after a change of control, any such executive is terminated without cause, or terminates his employment with us for good reason, he will keep the change of control payment described above and he and his family will be entitled to receive continued coverage under any company sponsored group health plan in which he was enrolled at the time of his termination for a period of six months following his termination date (or twelve months in the case of Dr. Gruber), but he will not be entitled to any other termination benefits. On the date any such executive becomes entitled to receive a change of control payment, all of his outstanding unvested stock options and other equity awards shall immediately vest. Change of control is defined as the acquisition by any person or group of all or substantially all of our assets through sale, lease, transfer, conveyance or other disposition, or the acquisition by any person or group of beneficial ownership of more than 40% of our outstanding voting stock.

The following table summarizes the potential payments and benefits payable to each of Drs. Gruber, Ryan and Glassner and Messrs. Smith and Huttner upon (i) a termination of employment without cause or resignation for good reason and (ii) a change of control (no termination required), as well as the additional benefits available upon termination without cause or resignation for good reason upon or within 90 days after a change of control, in each case assuming that the new employment agreements with Drs. Gruber, Ryan and Glassner and Messrs. Smith and Huttner were in effect on December 31, 2009 and assuming that such termination and change of control, where applicable, occurred on December 31, 2009.

	Termination without cause or resignation for good reason				Change of control (no termination required)				Termination without cause or resignation for good reason upon or within 90 days after a change of control(1)
Name	Base salary ($)	Bonus ($)	Value of accelerated equity awards ($)(2)	Benefits ($)	Base salary ($)	Bonus ($)	Value of accelerated equity awards ($)(2)		Benefits ($)
Patrick R. Gruber, Ph.D.	1,000,000	500,000	704,584	21,674	1,000,000	500,000	704,584		21,674
Mark Smith	325,000	130,000	140,365	10,837	650,000	260,000	140,365		10,837
Christopher Ryan, Ph.D.	325,000	130,000	—	10,837	650,000	260,000	—		10,837
David Glassner, Ph.D.	300,000	90,000	89,432	10,837	600,000	180,000	89,432		10,837
Jack Huttner	300,000	90,000	—	10,837	600,000	180,000	—		10,837

(1) In the event that Drs. Gruber, Ryan or Glassner or Messrs. Smith or Huttner is terminated without cause or resigns for good reason upon or within 90 days after a change of control, he shall receive the following benefits in addition to the payments and accelerated vesting triggered by such change of control, but he will not be entitled to any other termination benefits.

(2) Amounts calculated based on the aggregate amount by which the fair market value of the common stock subject to unvested equity awards exceeded the aggregate exercise price of such awards as of December 31, 2009.

CONFIDENTIAL INFORMATION, SECRECY AND INVENTION AGREEMENTS

Each of our named executive officers has entered into a standard form agreement with respect to confidential information, secrecy and inventions. Among other things, this agreement obligates each named executive officer to refrain from disclosing any of our proprietary information received during the course of employment and, with some exceptions, to assign to us any inventions conceived or developed during the course of employment.

EMPLOYEE BENEFIT AND STOCK PLANS

2010 Stock incentive plan

Background

Following our initial public offering, equity awards will occur only under our Gevo, Inc. 2010 stock incentive plan, hereinafter the 2010 Plan, which received stockholder approval on   , 2010, and which will therefore become effective when our initial public offering closes. Our stockholders approved the 2010 Plan primarily in order to enable us to satisfy Nasdaq listing requirements, and to make awards that qualify as performance-based compensation that is exempt from the deduction limitation set forth under Section 162(m) of the Code. Section 162(m) generally limits the corporate income tax deduction to $1,000,000 annually for the nonperformance-based compensation paid to each of the Chief Executive Officer and the three other highest paid executive officers of the company (other than the CFO).

No awards under the 2010 Plan will occur before we complete our initial public offering. Although the amount and nature of future awards have not yet been determined, the 2010 Plan authorizes discretionary awards in the form of stock options, stock appreciation rights, or SARs, restricted shares or units, unrestricted shares, deferred share units, performance awards and dividend equivalent rights. Our board of directors believes that the 2010 Plan will be an important factor in attracting, retaining and motivating employees, consultants and directors of the company and its affiliates, collectively referred to herein as eligible persons. Our board of directors believes that we need the flexibility, acting primarily through our compensation committee, both to have an ongoing reserve of common stock available for future equity-based awards, and to make future awards in a variety of forms.

Share reserve

Pursuant to the 2010 Plan, we may issue up to shares of our common stock (with such total number of shares being adjusted for future stock splits, stock dividends, recapitalizations and other similar transactions). The number of shares initially reserved for issuance pursuant to awards under the 2010 Plan will be increased by the number of shares of common stock that are subject to awards under the 2006 Plan as of the effective date that subsequently expire, or are forfeited, cancelled, settled, or become unexercisable without the issuance of shares. Likewise, the shares of our common stock that are subject to an award under the 2010 Plan that expires, or is forfeited, cancelled, settled or becomes unexercisable without the issuance of shares, will again be available for subsequent awards. In addition, future awards under the 2010 Plan may occur with respect to shares of our common stock that we refrain from otherwise delivering pursuant to an award as payment of either the exercise price of an award or applicable withholding and employment taxes. We do not expect to receive cash consideration for the granting of awards under the 2010 Plan. However, if a stock option were to be exercised, we would receive the exercise price for the shares being purchased, unless the exercise occurs pursuant to a cashless alternative that we approve.

Administration

Administration of the 2010 Plan will be carried out by our compensation committee, or by our board of directors if no such committee is appointed; provided that our board may act in lieu of the compensation committee at any time. Either our compensation committee or our board of directors may delegate its authority under the 2010 Plan to one or more officers but it may not delegate its authority with respect to making awards to individuals subject to Section 16 of the Exchange Act. As used in this summary, the term administrator means the compensation committee, or the board of directors or its delegate if acting in lieu of the committee. With respect to decisions involving an award intended to satisfy the requirements of section 162(m) of the Internal Revenue Code, the administrator is to consist solely of two or more directors who are “outside directors” for purposes of that Code section, and with respect to awards to individuals subject to Section 16 of the Exchange Act, the administrator is to consist solely of two or more directors who are “non-employee directors” within the meaning of Rule 16b-3 of the Exchange Act. The 2010 Plan provides that we and our affiliates will indemnify members of the administrative committee and their delegates against any claims, liabilities or costs arising from the good faith performance of their duties under the 2010 Plan. The 2010 Plan will release these individuals from liability for good faith actions associated with the 2010 Plan’s administration.

Subject to the terms of the 2010 Plan, the administrator has express authority to determine the eligible persons who will receive awards, the number of shares of our common stock to be covered by each award, and the terms and conditions of awards. The administrator has broad discretion to prescribe, amend and rescind rules relating to the 2010 Plan and its administration, to interpret and construe the 2010 Plan and the terms of all award agreements, and to take all actions necessary or advisable to administer the 2010 Plan. Within the limits of the 2010 Plan, the administrator may accelerate the vesting of any awards, allow the exercise of unvested awards, and may modify, replace, cancel or renew any awards. In addition, the administrator may buy-out, or replace, any award, including a stock option or SAR having an exercise price that is above the current fair market value of the underlying shares, with shareholder approval being generally required if options or SARs are granted or modified as part of a re-pricing.

Types of awards

The administrator may grant options that are intended to qualify as incentive stock options, which we refer to as ISOs, only to employees, and may grant all other awards to any eligible persons. Stock options granted under the 2010 Plan will provide award recipients, or participants, with the right to purchase shares of our common stock at a predetermined exercise price. The administrator may grant stock options that are intended to qualify as ISOs or that are not intended to so qualify, which we refer to as Non-ISOs. The 2010 Plan also provides that ISO treatment may not be available for stock options that become first exercisable in any calendar year to the extent the value of the shares that are the subject of the stock option exceed $100,000, based upon the fair market value of the shares of our common stock on the option grant date.

A SAR generally permits a participant who receives it to receive, upon exercise, cash and/or shares of our common stock equal in value to the excess of the fair market value, on the date of exercise, of the shares of our common stock with respect to which the SAR is being exercised, over the exercise price of the SAR for such shares. The administrator may grant SARs in tandem with options, or independently of them. SARs that are independent of options may limit the value payable on its exercise to a percentage.

The exercise price of ISOs, Non-ISOs and SARs may not be less than 100% of the fair market value, on the grant date, of the shares of our common stock subject to the award, although the exercise price of ISOs may not be less than 110% of such fair market value for participants who own more than 10% of our shares of common stock on the grant date. To the extent vested and exercisable in accordance with the agreement granting them, a stock option or SAR may be exercised in whole or in part, and from time to time during its term, subject to earlier termination relating to a holder's termination of employment or service. With respect to stock options, unless otherwise provided in an award agreement, payment of the exercise price may be made in any of the following forms, or combination of them: cash or check in US dollars, certain shares of our common stock or a cashless exercise under a program the administrator approves.

The term over which participants may exercise stock options and SARs may not exceed 10 years from the date of grant; five years in the case of ISOs granted to employees who, at the time of grant, own more than 10% of our outstanding shares of common stock. During the term of the 2010 Plan, no participant may receive stock options and SARs that relate to more than 20% of the maximum number of shares of our common stock that are authorized for awards under the 2010 Plan.

Under the 2010 Plan, the administrator may grant restricted stock that is forfeitable until certain vesting requirements are met, may grant RSUs which represent the right to receive shares of our common stock after certain vesting requirements are met (or cash under certain circumstances), and may grant unrestricted shares as to which the participant's interest is immediately vested. For restricted awards, the 2010 Plan provides the administrator with discretion to determine the terms and conditions under which a participant's interests in such awards become vested. The 2010 Plan also authorizes awards of deferred share units in order to permit certain directors, officers, consultants or select members of management to defer their receipt of compensation that would otherwise be payable in cash or shares of our common stock, including shares that would otherwise be issued upon the vesting of restricted stock and RSUs. Deferred share units represent a future right to receive shares of our common stock.

Under the 2010 Plan, the administrator may grant performance-based awards in the form of performance units that the administrator may, or may not, designate as "performance compensation awards" that are intended to be exempt from Internal Revenue Code Section 162(m) limitations. In either case, performance units will vest and/or become payable based upon the achievement, within the specified period of time, of performance objectives applicable to the individual, us, or any affiliate. Performance units will be payable in shares of common stock, cash or some combination of the two, subject to an individual participant limit, per performance period, of $2,000,000 (determined at the time of award) and 20% of the maximum number of shares of our common stock that are authorized for awards under the 2010 Plan. The administrator will decide the length of performance periods, but the periods may not be less than one fiscal year.

With respect to performance compensation awards, the 2010 Plan requires that the administrator specify in writing the performance period to which the award relates, and an objective formula by which to measure whether and the extent to which the award is earned on the basis of the level of performance achieved with respect to one or more performance measures. Once established for a performance period, the performance measures and performance formula applicable to the award may not be amended or modified in a manner that would cause the compensation payable under the award to fail to constitute performance-based compensation under Internal Revenue Code Section 162(m). Under the 2010 Plan, the possible performance measures for performance compensation awards will be limited for one or more of the following, applied in total or on a per share basis: basic, diluted or adjusted earnings per share; sales or revenue; EBITDA, or earnings before interest, taxes and other adjustments; basic or adjusted net income; returns on equity, assets, capital, revenue or similar measure; economic value added; working capital; total stockholder return; product development; product market share; research; licensing; litigation; human resources; information services; mergers, acquisitions and sales of assets or business units.

Each performance measure will be, to the extent applicable, determined in accordance with generally accepted accounting principles as consistently applied by us, or such other standard applied by the administrator and, if so determined by the administrator, and in the case of a performance compensation award, to the extent permitted under Internal Revenue Code Section 162(m), adjusted to omit the effects of extraordinary items, gain or loss on the disposal of a business segment, unusual or infrequently occurring events and transactions and cumulative effects of changes in accounting principles. Performance measures may vary from performance period to performance period, and from participant to participant, and may be established on a stand-alone basis, in tandem or in the alternative. As a condition to the issuance of shares of our common stock pursuant to awards, the 2010 Plan requires satisfaction of any applicable federal, state, local or foreign withholding tax obligations that may arise in connection with the award or the issuance of shares of our common stock.

Finally, the 2010 Plan authorizes the awarding of dividend equivalent rights to any eligible person. These rights may be independent of other awards, or attached to awards (other than stock options and SARs), and in all cases represent the participant's right to receive cash payments or additional awards related to any dividends that we declare and pay to our stockholders during the term of the dividend equivalent right. Unless an award agreement provides otherwise, the distributions attributable to dividend equivalent rights that are attached to other awards shall occur when shares of our common stock are issued to settle the underlying award.

Awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of other than by will or the laws of descent and distribution, except to the extent the administrator permits lifetime transfers to charitable institutions, certain family members, or related trusts, or as otherwise approved by the administrator.

Adjustments of awards

The administrator will equitably adjust the number of shares covered by each outstanding award, and the number of shares that have been authorized for issuance under the 2010 Plan but as to which no awards have yet been granted, or that have been returned to the 2010 Plan upon cancellation, forfeiture, or expiration of an award, as well as the price per share covered by each such outstanding award, to reflect any increase or decrease in the number of issued shares resulting from a stock split, reverse stock split, stock dividend, combination, recapitalization or reclassification of the shares of our common stock, or any other increase or decrease in the number of issued shares effected without receipt of consideration by us. In the event of any such transaction or event, the administrator may provide in substitution for any or all outstanding options under the 2010 Plan such alternative consideration, including securities of any surviving entity, as it may in good faith determine to be equitable under the circumstances and may require in connection therewith the surrender of all options so replaced. In any case, such substitution of securities will not require the consent of any person who is granted options pursuant to the 2010 Plan.

Change in control

In addition, in the event or in anticipation of a change in control, as defined in the 2010 Plan, the administrator may at any time in its sole and absolute discretion and authority, without obtaining the approval or consent of our stockholders or any participant with respect to his or her outstanding awards, except to the extent an award provides otherwise, take one or more of the following actions: (i) arrange for or otherwise provide that each outstanding award will be assumed or substituted with a substantially equivalent award by a successor corporation or a parent or subsidiary of such successor corporation; (ii) accelerate the vesting of awards for any period, and may provide for termination of unexercised options and SARs at the end of that period, so that awards shall vest (and, to the extent applicable, become exercisable) as to the shares of our common stock that otherwise would have been unvested and provide that our repurchase rights with respect to shares of our common stock issued upon exercise of an award shall lapse as to the shares of our common stock subject to such repurchase right; or (iii) arrange or otherwise provide for payment of cash or other consideration to participants in exchange for the satisfaction and cancellation of outstanding awards

Unless an award agreement provides otherwise, in the event a participant holding an award assumed or substituted by the successor corporation in a change in control is involuntarily terminated, as defined in the 2010 Plan, by the successor corporation in connection with, or within 12 months following consummation of, the change in control, then any assumed or substituted award held by the terminated participant at the time of termination shall accelerate and become fully vested, and exercisable in full in the case of options and SARs, and any repurchase right applicable to any shares of our common stock shall lapse in full. The acceleration of vesting and lapse of repurchase rights provided for in the previous sentence shall occur immediately prior to the effective date of the participant's termination. Finally, if we dissolve or liquidate, all awards will immediately terminate, subject to the ability of our board of directors to exercise any discretion that the board of directors may exercise in the case of a change in control.

Term

The term of the 2010 Plan is 10 years from the date on which our initial public offering closes. Our board of directors may from time to time, amend, alter, suspend, discontinue, or terminate the 2010 Plan; provided that no amendment, suspension or termination of the 2010 Plan shall materially and adversely affect awards already granted unless it relates to an adjustment pursuant to certain transactions that change our capitalization or it is otherwise mutually agreed between the participant and the administrator. An amendment will not become effective without the approval of our stockholders if it either allows for a "re-pricing" within the meaning of federal securities laws, or increases the number of shares of common stock that may be issued under the 2010 Plan (other than changes to reflect certain corporate transactions and changes in capitalization as described above). Notwithstanding the foregoing, the administrator may amend the 2010 Plan to eliminate provisions which are no longer necessary as a result of changes in tax or securities laws or regulations, or in the interpretation thereof.

2006 Omnibus securities and incentive plan, as amended

Background

Our 2006 omnibus securities and incentive plan, which we refer to as the 2006 Plan, was adopted by our board of directors, and approved by our stockholders, in January 2006. The 2006 Plan was last amended on June 2, 2010. The 2006 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any parent or subsidiary corporations' employees, and for the grant of nonstatutory stock options, restricted and unrestricted stock awards, stock appreciation rights, performance stock awards and other stock awards to our employees, directors and consultants and any parent or subsidiary corporations' employees, directors and consultants. We will not grant any additional awards under our 2006 Plan following this offering; instead, we will grant awards in the future under our 2010 equity incentive award plan. However, our 2006 Plan will continue to govern the terms and conditions of outstanding awards granted thereunder.

Share reserve

As of September 30, 2010, we had reserved an aggregate of 3,254,853 shares of our common stock for issuance pursuant to the 2006 Plan. As of September 30, 2010, 137,121 shares of our common stock had been issued pursuant to restricted stock purchase agreements, 51,536 shares of our common stock had been issued upon the exercise of options granted, options to purchase an aggregate of 2,894,265 shares of our common stock were outstanding at a weighted average exercise price per share of $2.83, and 171,931 shares were available for future grant under the 2006 Plan.

Administration

Our board of directors, or a committee thereof appointed by our board of directors, has the authority to administer the 2006 Plan and the awards granted under it. Under the 2006 Plan, the administrator has the power to determine the terms of the awards, including the employees, directors and consultants who will receive awards, the exercise price, the number of shares subject to each award, the vesting schedule and exercisability of awards and the form of consideration payable upon exercise. Our board of directors may alter, amend or terminate the 2006 Plan at any time. However, no alteration or amendment can be made which would materially and adversely affect the rights of a holder of an outstanding award without the consent of such holder.

Stock options

In general, the duration of a stock option granted under the 2006 Plan cannot exceed 10 years, and the exercise price of a stock option cannot be less than 100% of the fair market value of our common stock on the date of grant. However, no stock option may be granted to any person who, at the time of the grant, owns or is deemed to own stock representing more than 10% of our total combined voting power or the total combined voting power of any of our affiliates unless (i) the option exercise price is at least 110% of the fair market value of our common stock on the date of grant and (ii) the term of the stock option does not exceed five years from the date of grant.

Incentive stock options may be granted only to our employees and any parent or subsidiary corporations' employees. The aggregate fair market value, determined at the time of grant, of shares of our common stock with respect to which incentive stock options are exercisable for the first time by an optionholder during any calendar year under all of our stock plans may not exceed $100,000.

If an employee's or director's service relationship with us terminates other than by disability or death, or if a consultant's service relationship with us terminates other than by death, the optionee may exercise the vested portion of any option in such period of time as specified in the optionee's option agreement, but in no event will such period be less than 60 days following the termination of service. If an employee's or director's service relationship with us terminates by disability or death, or if a consultant's service relationship with us terminates by death, the optionee, or such optionee's designated beneficiary, as applicable, may exercise the vested portion of any option in such period of time as specified in the optionee's option agreement, but in no event will such period be less than six months following the termination of service. Shares of common stock representing any unvested portion of the option on the date of termination shall immediately cease to be issuable and shall become available for issuance under the 2006 Plan. If, after termination, the optionee does not exercise the option within the time period specified, the option shall terminate and the shares of common stock covered by such option will become available for issuance under the 2006 Plan.

Restricted stock awards

Restricted stock awards may be granted alone, in addition to or in tandem with other awards granted under the 2006 Plan and/or cash awards made outside of the 2006 Plan. Restricted stock awards entitle the holder thereof to purchase shares of our common stock that vest in accordance with the terms and conditions established by the administrator. The administrator will determine the number of shares subject to a restricted stock award granted to any employee, director or consultant. The administrator may impose such conditions to vesting as it determines to be appropriate. Unless the administrator determines otherwise, we have a repurchase option exercisable upon termination of the purchaser's service with us. Shares subject to restricted stock awards that do not vest are subject to our right of repurchase or forfeiture.

Transferability

Unless the administrator provides otherwise, the 2006 Plan generally does not allow for the transfer of awards under the 2006 Plan other than by will, the laws of descent and distribution or, in certain circumstances, by gift or domestic relations order to family members.

Corporate transactions

If there is a transaction or event which changes our stock that does not involve our receipt of consideration, the administrator of the 2006 Plan shall, as appropriate, adjust the class and the maximum number of shares subject to the 2006 Plan and/or the class, number of securities and exercise price of shares subject to outstanding awards. In the event of any other transaction or event which changes our stock, including, without limitation, a recapitalization, reorganization, merger, or consolidation, the administrator may, in its discretion, make such adjustments to the 2006 Plan, any outstanding awards under the 2006 Plan and any award agreements evidencing such awards as it shall deem appropriate, including, without limitation, adjustments to the number and exercise price of shares or other consideration subject to outstanding awards.

2010 Employee stock purchase plan

Background

We have adopted and will implement a 2010 employee stock purchase plan designed to enable eligible employees to periodically purchase shares of our common stock at a discount. Purchases will initially be accomplished through participation in discrete monthly offering periods, at purchase prices that are 5% below the closing price for our shares on the last date of the applicable purchase period. Our 2010 employee stock purchase plan is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended, has already received shareholder approval, and will become effective upon consummation of our initial public offering.

Share reserve

We expect that we will initially reserve   shares of our common stock for issuance under our 2010 employee stock purchase plan.

Administration

Our Compensation Committee will administer our 2010 employee stock purchase plan. Employees who are five percent stockholders, or would become five percent stockholders as a result of their participation in our 2010 employee stock purchase plan, are ineligible to participate in our 2010 employee stock purchase plan. Also ineligible are those employees who have, within the one-year period before a purchase period, sold shares that were purchased through our 2010 employee stock purchase plan. We may impose additional restrictions on eligibility as well. Under our 2010 employee stock purchase plan, eligible employees will be able to acquire shares of our common stock by accumulating funds through payroll deductions. Our eligible employees will be able to select a rate of payroll deduction between one percent and 25% of their cash compensation. We will also have the right to amend or terminate our 2010 employee stock purchase plan, except that, subject to certain exceptions, no such action may adversely affect any outstanding rights to purchase stock under the plan. Our 2010 employee stock purchase plan will terminate on the tenth anniversary of our initial public offering, unless it is terminated earlier by our board of directors.

Purchase rights

When an offering period commences, our employees who meet the eligibility requirements for participation in that offering period will be automatically granted a non-transferable option to purchase shares in that offering period. Although we expect offerings to occur on a regular monthly basis during the term of our 2010 employee stock purchase plan, each offering period may run for no more than 24 months and consist of no more than five purchase periods. An employee’s participation will automatically end upon termination of employment for any reason.

No participant will have the right to purchase our shares at a rate which, when aggregated with purchase rights under all our employee stock purchase plans that are also outstanding in the same calendar year(s), have a fair market value of more than $25,000, determined as of the first day of the applicable offering period, for each calendar year in which such right is outstanding. The purchase price for shares of our common stock purchased under our 2010 employee stock purchase plan will initially be 95% of the fair market value of our common stock on the last trading day of each purchase period in the applicable offering period, although our 2010 employee stock purchase plan authorizes the purchase price to be 85% of the lesser of the fair market value of our common stock on (i) the first trading day of the applicable offering period and (ii) the last trading day of each purchase period in the applicable offering period.

Change in control

In the event of a corporate transaction (as defined in our 2010 employee stock purchase plan), the offering period for such purchase rights will be shortened and end on a new purchase date immediately prior to the consummation of the corporate transaction, and no new offering period will commence.

401(k) plan

Effective January 2006, we implemented a 401(k) plan covering certain employees. Currently, all of our non-intern employees over the age of 21 are eligible to participate in the 401(k) plan after completion of three months of service, subject to quarterly entry dates. Under the 401(k) plan, eligible employees may elect to reduce their current compensation by up to the prescribed annual limit and contribute these amounts to the 401(k) plan. We have agreed to make matching or other contributions to the 401(k) plan on behalf of eligible employees. In 2009, we matched 100% of each eligible employee's contributions, up to 5% of each eligible employee's compensation. The 401(k) plan is intended to qualify under Section 401 of the Code so that contributions by employees to the 401(k) plan, and income earned on the 401(k) plan contributions, are not taxable to employees until withdrawn from the 401(k) plan. The trustees under the 401(k) plan, at the direction of each participant, invest the 401(k) plan funds in selected investment options.

LIMITATION ON LIABILITY AND INDEMNIFICATION MATTERS

Our amended and restated certificate of incorporation and amended and restated bylaws, each to be effective upon the completion of this offering, will provide that we will indemnify our directors, officers, employees and agents to the fullest extent permitted by the Delaware General Corporation Law, which prohibits our amended and restated certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated certificate of incorporation does not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of nonmonetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Under our amended and restated bylaws, we will also be empowered to enter into indemnification agreements with our directors, officers, employees and other agents and to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we have entered into indemnification agreements with certain of our directors and officers, and will enter into new indemnification agreements with each of our current directors, officers and certain employees before the completion of this offering. These agreements provide for the indemnification of our directors, officers and certain employees for all reasonable expenses and liabilities incurred in connection with any action or proceeding brought against them by reason of the fact that they are or were our agents. We believe that these provisions in our amended and restated certificate of incorporation and amended and restated bylaws and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. Furthermore, we have obtained director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us. This description of the indemnification provisions of our amended and restated certificate of incorporation, our amended and restated bylaws and our indemnification agreements is qualified in its entirety by reference to these documents, each of which is attached as an exhibit to this registration statement.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

RULE 10B5-1 SALES PLANS

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend or terminate the plan in some circumstances. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

Certain relationships and related party transactions

We describe below transactions, since our inception, to which we were a party or will be a party, in which:

- The amounts involved exceeded or will exceed $120,000; and
- A director, executive officer, holder of more than 5% of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

PREFERRED STOCK ISSUANCES

Issuance of Series D-1 preferred stock

Between March and May 2010, we sold an aggregate of 1,902,087 shares of Series D-1 preferred stock at a price of $17.12 per share for gross proceeds of approximately $32.56 million. The table below sets forth the number of shares of Series D-1 preferred stock sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Number of shares of Series D-1 preferred stock	Aggregate purchase price
Khosla Ventures III, LP.	438,113	$ 7,500,494.56
Virgin Green Fund I, L.P.(1)	233,645	4,000,002.40
Total Energy Ventures International(2)	292,057	5,000,015.84
Burrill Life Sciences Capital Fund III, L.P.	140,026	2,397,245.12
Malaysian Life Sciences Capital Fund Ltd.(3)	126,515	2,165,936.80
LANXESS Corporation(4)	584,113	10,000,014.56

(1) Shai Weiss is the chairman of our board of directors and is a partner of Virgin Green Fund.

(2) Véronique Hervouet is one of our directors and is Senior Vice President, Investments for TOTAL S.A.'s corporate venture activity, the investments of which are held by Total Energy Ventures International, an affiliate of TOTAL S.A.

(3) Ganesh M. Kishore, Ph.D. is one of our directors and is Chief Executive Officer of Malaysian Life Sciences Capital Fund.

(4) Ron Commander, Ph.D. is one of our directors and is employed by Lanxess Butyl Pte. Ltd., an affiliate of LANXESS Corporation, as the head of the LANXESS Group's Butyl Rubber Business.

Issuance of Series D preferred stock

Between April and August 2009, we sold an aggregate of 4,616,483 shares of Series D preferred stock at a price of $7.04 per share for gross proceeds of approximately $32.5 million. The table below sets forth the number of shares of Series D preferred stock sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Number of shares of Series D preferred stock	Aggregate purchase price
Total Energy Ventures International(1)	1,704,546	$ 12,000,003.84
Khosla Ventures III, LP	1,065,342	7,500,007.68
Virgin Green Fund I, L.P.(2)	639,206	4,500,010.24
Burrill Life Sciences Capital Fund III, L.P.	568,183	4,000,008.32
Malaysian Life Sciences Capital Fund Ltd.(3)	497,160	3,500,006.40

(footnotes on following page)

(1) Véronique Hervouet is one of our directors and is Senior Vice President, Investments for TOTAL S.A.'s corporate venture activity, the investments of which are held by Total Energy Ventures International, an affiliate of TOTAL S.A.
(2) Shai Weiss is the chairman of our board of directors and is a partner of Virgin Green Fund.
(3) Ganesh M. Kishore, Ph.D. is one of our directors and is Chief Executive Officer of Malaysian Life Sciences Capital Fund.

Issuance of Series C preferred stock

In March 2008, we sold an aggregate of 3,102,190 shares of Series C preferred stock at a price of $5.48 per share for gross proceeds of approximately $17.0 million, including cancellation of indebtedness. The table below sets forth the number of shares of Series C preferred stock sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Number of shares of Series C preferred stock	Aggregate purchase price
Khosla Ventures I, LP	930,657	$ 5,100,000.36
Burrill Life Sciences Capital Fund III, L.P.	912,409	5,000,001.32
Malaysian Life Sciences Capital Fund Ltd.(1)	802,920	4,400,001.60
Virgin Green Fund I, L.P.(2)	456,204	2,499,997.92

(1) Ganesh M. Kishore, Ph.D. is one of our directors and is Chief Executive Officer of Malaysian Life Sciences Capital Fund.
(2) Shai Weiss is the chairman of our board of directors and is a partner of Virgin Green Fund.

2008 bridge financing

In January 2008, we sold convertible promissory notes, or the 2008 Notes, to certain of our existing investors in the aggregate principal amount of $3.0 million. The 2008 Notes accrued interest at a rate of 8% per annum and had a maturity date of December 31, 2008. In March 2008, in connection with our Series C preferred stock financing described above, the full principal amount of and accrued but unpaid interest on the 2008 Notes was automatically converted into an aggregate of 555,346 shares of our Series C preferred stock at a conversion price equal to the issue price of our Series C preferred stock.

In connection with the 2008 Notes, we issued warrants to purchase an aggregate of 136,862 shares of our Series C preferred stock at an exercise price of $5.48 per share to the purchasers of the 2008 Notes. The warrants may be exercised at any time prior to their respective termination dates, which are the earlier of (i) the tenth anniversaries of their issue dates and (ii) five years after the closing of this offering.

The table below sets forth the principal amount of the 2008 Notes and the shares of Series C preferred stock issuable upon the exercise of the related warrants sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Shares of Series C preferred stock issuable upon the exercise of warrants	Aggregate principal amount of 2008 Notes
Khosla Ventures I, LP(1)	108,076	$ 2,369,020
Virgin Green Fund I, L.P.(2)	28,786	630,980

(1) In September 2010, Khosla Ventures I, LP exercised their warrant to purchase 108,076 shares of Series C Preferred at a price of $5.48 per share.
(2) Shai Weiss is the chairman of our board of directors and is a partner of Virgin Green Fund.

Certain relationships and related party transactions

Issuance of Series B preferred stock

In July 2007, we sold an aggregate of 1,027,397 shares of Series B preferred stock at a price of $2.92 per share for gross proceeds of approximately $3.0 million. The table below sets forth the number of shares of Series B preferred stock sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Number of shares of Series B preferred stock	Aggregate purchase price
Virgin Green Fund I, L.P.(1)	1,027,397	$ 2,999,999.24

(1) Shai Weiss is the chairman of our board of directors and is a partner of Virgin Green Fund.

Issuance of Series A-4 preferred stock

In April 2007, we sold an aggregate of 858,369 shares of Series A-4 preferred stock at a price of $2.33 per share for gross proceeds of approximately $2.0 million. The table below sets forth the number of shares of Series A-4 preferred stock sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Number of shares of Series A-4 preferred stock	Aggregate purchase price
Khosla Ventures I, LP	858,369	$ 1,999,999.77

Issuance of Series A-3 preferred stock

In October 2006, we sold an aggregate of 915,000 shares of Series A-3 preferred stock at a price of $1.75 per share for gross proceeds of approximately $1.6 million. The table below sets forth the number of shares of Series A-3 preferred stock sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Number of shares of Series A-3 preferred stock	Aggregate purchase price
Khosla Ventures I, LP	915,000	$ 1,601,250.00

Issuance of Series A-2 preferred stock

In February 2006, we sold an aggregate of 1,084,000 shares of Series A-2 preferred stock at a price of $0.8333 per share for gross proceeds of approximately $0.9 million. The table below sets forth the number of shares of Series A-2 preferred stock sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Number of shares of Series A-2 preferred stock	Aggregate purchase price
Khosla Ventures I, LP	1,084,000	$ 903,297.20

Issuance of Series A-1 preferred stock

In August 2005, we sold an aggregate of 1,000,000 shares of Series A-1 preferred stock at a price of $0.50 per share for gross proceeds of approximately $0.5 million. The table below sets forth the number of shares of Series A-1 preferred stock sold to our directors, executive officers and 5% stockholders and their affiliates.

Investor	Number of shares of Series A-1 preferred stock	Aggregate purchase price
Khosla Ventures I, LP	1,000,000	$ 500,000.00

REGISTRATION RIGHTS AGREEMENT

We have entered into an investors' rights agreement with the purchasers of our outstanding preferred stock and certain holders of common stock and warrants to purchase our common stock and preferred stock, including entities with which certain of our directors are affiliated. As of September 30, 2010, the holders of 15,128,775 shares of our common stock, including shares of common stock issuable upon the conversion of our preferred stock in connection with this offering, based on the one-to-one conversion rates in effect as of September 30, 2010, and shares of common stock issuable upon exercise of outstanding warrants, are entitled to rights with respect to the registration of their shares under the Securities Act. For a more detailed description of these registration rights, see "Description of Capital Stock—Registration Rights." See Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering.

CONVERSION, AMENDMENT AND WAIVER AGREEMENT

We have entered into a conversion, amendment and waiver agreement with holders of our preferred stock and certain holders of our common stock and warrants to purchase shares of our preferred stock, which will take effect immediately prior to and contingent upon the closing of this offering. Under the terms of this agreement, holders of our preferred stock have agreed to waive their registration rights and to convert all outstanding shares of preferred stock into common stock in connection with this offering.

LETTER OF INTENT WITH TOTAL PETROCHEMICALS USA, INC.

In February 2010, we entered into a letter of intent for isobutanol supply with TOTAL PETROCHEMICALS, an affiliate of Total Energy Ventures International, one of our stockholders. For a description of this agreement, see "Business—Production and Distribution."

FRANCES ARNOLD

In June 2005, we entered into a consulting agreement with Dr. Frances H. Arnold, a founder and former director of our company. Dr. Arnold is also a common stockholder and option holder of our company. Under this agreement, as amended, Dr. Arnold provides updates, advice and assistance related to certain technical matters and interacts with our investors and clients. Dr. Arnold is entitled to receive $2,000 per day in her capacity as a consultant.

CALTECH LICENSE AGREEMENT

In July 2005, we entered into a license agreement with Caltech. Caltech is a stockholder of the company and Dr. Frances Arnold, a professor at Caltech, is one of our former directors. Dr. Arnold is also a common stockholder and option holder of our company. For a description of this agreement, see "Business—Partnerships and Collaborations."

OTHER TRANSACTIONS

We have entered into employment and offer letter agreements with certain of our executive officers that, among other things, provide for certain severance and change of control benefits. For a description of these agreements, see "Management—Employment Arrangements."

We have granted stock options to our executive officers and certain of our directors. For a description of these options, see "Management—Grants of Plan-Based Awards in 2009 Table."

We have entered into indemnification agreements with certain of our directors and officers, and will enter into new indemnification agreements with each of our current directors, officers, and certain employees before the completion of this offering. See "Management—Limitation on Liability and Indemnification Matters."

Certain relationships and related party transactions

POLICIES AND PROCEDURES FOR RELATED PARTY TRANSACTIONS

Our board of directors intends to adopt a written related person transaction policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, the amount involved exceeds $120,000, and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person.

Principal stockholders

The following table sets forth information about the beneficial ownership of our common stock as of September 30, 2010, by:

Ø each person, or group of affiliated persons, known to us to be the beneficial owner of more than 5% of our common stock;

Ø each named executive officer and each director; and

Ø all of our executive officers and directors as a group.

Unless otherwise noted below, the address of each beneficial owner listed on the table is c/o Gevo, Inc., 345 Inverness Drive South, Building C, Suite 310, Englewood, CO 80112. We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the tables below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of September 30, 2010. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Principal stockholders

We have based our calculation of the percentage of beneficial ownership prior to the offering on 15,774,259 shares of common stock outstanding on September 30, 2010 (which assumes the conversion of all of our outstanding shares of preferred stock into 14,613,602 shares of common stock in connection with the completion of this offering, based on the one-to-one conversion rate in effect as of September 30, 2010 (see Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering)). We have based our calculation of the percentage of beneficial ownership after the offering on shares of our common stock outstanding immediately after the completion of this offering (including the sale of shares in this offering).

	Number of shares beneficially owned		Percentage of shares beneficially owned	
Name and address of beneficial owner	Prior to the offering	After the offering	Prior to the offering	After the offering
5% Stockholders:				
Entities affiliated with Khosla Ventures(1)	6,399,557		40.6%	
Virgin Green Fund I, L.P.(2)	2,385,238		15.1%	
Total Energy Ventures International(3)	1,996,603		12.7%	
Burrill Life Sciences Capital Fund III, L.P.(4)	1,620,618		10.3%	
Malaysian Life Sciences Capital Fund Ltd.(5)	1,426,595		9.0%	
Named executive officers and directors:				
Patrick R. Gruber, Ph.D.(6)	740,520		4.5%	
Mark Smith(7)	79,750		*	
Christopher Ryan, Ph.D.(8)	77,562		*	
David Glassner, Ph.D.(9)	166,080		1.0%	
Jack Huttner(10)	40,833		*	
Shai Weiss(2)	2,385,238		15.1%	
Ganesh M. Kishore, Ph.D.(5)	1,426,595		9.0%	
Ron Commander, Ph.D.(11)	584,113		3.7%	
Véronique Hervouet(12)	—		—	
Carlos A. Cabrera(13)	12,413		*	
Bruce A. Smith(13)	12,413		*	
Stacy J. Smith(13)	12,413		*	
All executive officers and directors as a group (thirteen persons)	5,654,232		33.2%	

* Represents beneficial ownership of less than 1% of the outstanding shares of our common stock.

(1) Includes 4,896,102 shares held by Khosla Ventures I, LP, and 1,503,455 shares held by Khosla Ventures III, LP. The address for these entities is 3000 Sand Hill Road, Building 3, Suite 170, Menlo Park, CA 94025.

(2) Includes 28,786 shares that may be acquired pursuant to the exercise of a warrant held prior to this offering by Virgin Green Fund I, L.P. (“Virgin Green Fund”). Shai Weiss is a partner of Virgin Green Fund and may be held to have voting and dispositive power over shares held by the fund. Mr. Weiss disclaims beneficial ownership of shares held by Virgin Green Fund, except to the extent of his pecuniary interest therein. The address for Virgin Green Fund and Mr. Weiss is c/o VGF Advisers (US) LLC, 27 South Park Street, Suite 200, San Francisco, CA 94107.

(3) The address for Total Energy Ventures International is 2, place Jean Millier—La Défense 6, 92078 Paris la Défense Cedex France.

(4) The address for Burrill Life Sciences Capital Fund III, L.P. is One Embarcadero Center, Suite 2700, San Francisco, CA 94111.

(footnotes continued on following page)

(5) Ganesh M. Kishore, Ph.D. is the Chief Executive Officer of Malaysian Life Sciences Capital Fund ("Malaysian Life Sciences"), and may be held to have voting and dispositive power over shares held by the fund. Dr. Kishore disclaims beneficial ownership of shares held by Malaysian Life Sciences, except to the extent of his pecuniary interest therein. The address for Malaysian Life Sciences is No. 36-01, level Menara Dion, 27, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

(6) Represents 740,520 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2010.

(7) Represents 79,750 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2010.

(8) Represents 77,562 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2010.

(9) Represents 166,080 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2010.

(10) Represents 40,833 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2010.

(11) Includes 584,113 shares beneficially owned by LANXESS Corporation. Ron Commander, Ph.D. is employed by Lanxess Butyl Pte. Ltd. as the head of the LANXESS Group's Butyl Rubber Business. Lanxess Butyl Pte. Ltd. is an affiliate of LANXESS Corporation, and Dr. Commander may be held to have voting and dispositive power over shares held by LANXESS Corporation. Dr. Commander disclaims beneficial ownership of shares held by LANXESS Corporation, except to the extent of his pecuniary interest therein. The address for Dr. Commander is 111 RIDC Park West Drive, Pittsburgh, PA 15275-1112.

(12) Excludes 1,996,603 shares beneficially owned by Total Energy Ventures International. The voting and disposition of these shares is determined by an investment committee of TOTAL S.A., of which Ms. Hervouet is not a member. Ms. Hervouet also has no pecuniary interest in such shares. The address for TOTAL S.A., Total Energy Ventures International and Ms. Hervouet is 2, place Jean Millier—La Défense 6, 92078 Paris la Défense Cedex France.

(13) Represents 12,413 shares issuable pursuant to stock options exercisable within 60 days of September 30, 2010.

Description of capital stock

GENERAL

Upon the completion of this offering, we will have authorized under our amended and restated certificate of incorporation shares of common stock, $0.01 par value per share, and shares of preferred stock, $0.01 par value per share. The following information assumes the filing of our amended and restated certificate of incorporation and the conversion of all of our outstanding convertible preferred stock into shares of common stock based on the one-to-one conversion rate in effect as of September 30, 2010. See Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering.

As of September 30, 2010, there were outstanding:

- 15,774,259 shares of our common stock held by approximately 30 stockholders; and
- 2,894,265 shares of our common stock issuable upon exercise of outstanding stock options.

The following description of our capital stock and provisions of our amended and restated certificate of incorporation and amended and restated bylaws to be in effect upon the completion of this offering are summaries. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of the common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering. Currently, there is no established public trading market for our common stock.

COMMON STOCK

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Voting rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights and preferences

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

PREFERRED STOCK

Upon the completion of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control of our company or other corporate action. Upon completion of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

WARRANTS

The following table sets forth information about outstanding warrants to purchase shares of our stock as of September 30, 2010. Upon completion of this offering, the warrants to purchase shares of our preferred stock will convert into warrants to purchase our common stock. See Note 10 of our consolidated financial statements for a description of the conversion ratio applicable to each series of our preferred stock.

Class of stock	Maximum number of shares	Exercise price per share ($)	Expiration date
Common	858,000	2.70	9/21/16(1)
Series A-3 preferred stock	15,000	1.75	12/18/13(2)
Series A-4 preferred stock	15,021	2.33	4/30/14(2)
Series C preferred stock	28,786	5.48	1/18/18(3)
Series C preferred stock	24,919	5.48	4/5/15(2)
Series C preferred stock	59,307	5.48	8/12/15(2)
Series D preferred stock	55,000	7.04	7/20/16(2)
Series D-1 preferred stock	50,380	17.12	8/5/17(4)

(1) Warrant expires upon the earlier to occur of (i) an act of fraud by Michael A. Slaney or David N. Black and (ii) the specified expiration date.

(2) Warrant expires upon the earlier to occur of (i) the close of business on the specified expiration date or (ii) three years after the completion of this offering.

(3) Warrant expires upon the earlier to occur of (i) the specified expiration date or (ii) five years after the completion of this offering.

(4) Warrant expires upon the later of (i) the specified expiration date or (ii) five years after the completion of this offering. Warrant is exercisable into Series D-1 preferred stock or shares of our preferred stock sold in the next round of equity financing, if such shares are sold at a price per share less than $17.12, as adjusted. An additional 54,760 warrants to purchase shares of our Series D-1 preferred stock vested upon the closing of the Agri-Energy acquisition in September 2010.

REGISTRATION RIGHTS

We are party to an investors’ rights agreement which provides that holders of 15,128,775 shares of our common stock, including shares of common stock issuable upon the conversion of our preferred stock in connection with this offering, based on the one-to-one conversion rates in effect as of September 30, 2010, and shares of common stock issuable upon the exercise of outstanding warrants, have the right in specified circumstances to require us to register their shares under the Securities Act for resale to the public. These shares are referred to as registrable securities.

Set forth below is a summary of the registration rights held by holders of registrable securities pursuant to this agreement. See Note 10 of our consolidated financial statements for conversion ratio adjustments that may be applicable upon future events, such as the completion of this offering.

Demand registration

Beginning on the earlier of 180 days after the completion of this offering and March 26, 2013, the holders of at least 30% of the outstanding registrable securities can, on not more than two occasions, request that we file a registration statement under the Securities Act in order to register all or any part of the registrable securities held by such holders, subject to certain conditions and limitations. The aggregate registrable securities requested to be registered pursuant to such request must represent at least 30% of the registrable securities then outstanding and must have an anticipated aggregate public offering price, net of underwriting discounts and commissions, of at least five million dollars.

If our board of directors believes in good faith that it would be seriously detrimental to us and our stockholders to proceed with a registration at the time the demand is made, we may delay the registration once in any 12-month period for a period not to exceed 90 days. Also, if the holders of registrable securities requesting registration request that the shares be offered for distribution through an underwriting, we may reduce the number of registrable securities to be registered upon the advice of the underwriters for the offering. If shares of our stock requested to be included in a registration must be excluded pursuant to the underwriters’ advice, we will generally register a pro rata portion of the shares requested to be registered.

Piggyback registration

Subject to certain limitations, holders of registration rights pursuant to the investors’ rights agreement have unlimited rights to request that their registrable securities be included in any registration of our common stock that we initiate. However, these holders have no registration rights with respect to registrations relating solely to employee benefit plans or registrations on certain registration statement forms.

The holders of registration rights have waived their rights to include any of their registrable securities in this offering.

Form S-3 registration

After we have qualified for registration on Form S-3, which will not occur until at least 12 months after we have become a publicly-reporting company, any holder of registrable securities then outstanding may request in writing that we effect registration of its shares on Form S-3, provided that the offering proceeds of the shares proposed to be registered on behalf of our stockholders, net of underwriting discounts and commissions, in each registration is at least $3,000,000.

If our board of directors believes in good faith that it would be seriously detrimental to us and our stockholders to proceed with an S-3 registration at the time the demand is made, we may delay the registration once in any 12-month period for a period not to exceed 90 days. In addition, we are not required to make any registration on Form S-3 under the registration rights agreement if we have effected another registration pursuant to the Form S-3 registration rights on behalf of the holders of registrable securities within 12 months prior to the request.

Transferability

The registration rights are generally transferable to any transferee who acquires at least 250,000 shares of registrable securities from the transferor.

Expenses

Generally, we are required to bear all registration and selling expenses incurred in connection with the demand, piggyback and Form S-3 registrations described above, other than underwriting discounts and commissions. We are also required to bear the reasonable fees and expenses, not to exceed $30,000, of one counsel for the selling stockholders in each registration.

ANTI-TAKEOVER PROVISIONS

Certificate of incorporation and bylaws to be in effect upon the completion of this offering

Our amended and restated certificate of incorporation to be in effect upon the completion of this offering will provide for our board of directors to be divided into three classes, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors. Our amended and restated certificate of incorporation and amended and restated bylaws to be effective upon the completion of this offering will provide that all stockholder actions must be effected at a duly called meeting of the stockholders and not by a consent in writing, and that only our board of directors may call a special meeting of the stockholders.

Our amended and restated certificate of incorporation will require a 66 $^2/_3$% stockholder vote for the adoption, amendment or repeal of any provision of our amended and restated bylaws and for the amendment or repeal of certain provisions of our amended and restated certificate of incorporation relating to the classification of our board of directors, the requirement that stockholder actions be effected at a duly called meeting, and the designated parties entitled to call a special meeting of the stockholders. The combination of the classification of our board of directors, the lack of cumulative voting and the 66 $^2/_3$% stockholder voting requirements will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions may have the effect of deterring hostile takeovers or delaying changes in our control or management. These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions may also have the effect of preventing changes in our management.

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested holder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 $^2/_3$% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines business combination to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loss, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an “interested stockholder” as an entity or person who, together with the person’s affiliates and associates, beneficially owns, or is an affiliate or associate of the corporation and within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

LIMITATIONS OF LIABILITY AND INDEMNIFICATION MATTERS

For an in depth discussion of liability and indemnification, please see “Management—Limitation on Liability and Indemnification Matters.”

THE NASDAQ GLOBAL MARKET LISTING

We have applied to have our common stock approved for listing on The Nasdaq Global Market under the symbol “GEVO.”

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company.

Shares eligible for future sale

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Based on the number of shares of common stock outstanding as of September 30, 2010, upon completion of this offering, shares of common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of options or warrants. All of the shares sold by us in this offering will be freely tradable unless purchased by our affiliates. The remaining shares of common stock outstanding after this offering will be restricted as a result of securities laws or lock-up agreements as described below. Following the expiration of the lock-up period, all shares will be eligible for resale in compliance with Rule 144 or Rule 701 to the extent such shares have been released from any repurchase option that we may hold. "Restricted securities" as defined under Rule 144 were issued and sold by us in reliance on exemptions from the registration requirements of the Securities Act. These shares may be sold in the public market only if registered or pursuant to an exemption from registration, such as Rule 144 or Rule 701 under the Securities Act.

RULE 144

In general, under Rule 144 of the Securities Act, as in effect on the date of this prospectus, a person (or persons whose shares are aggregated) who has beneficially owned restricted stock for at least six months, will be entitled to sell in any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, shares immediately after this offering (or shares if the underwriters' option to purchase additional shares is exercised in full); or
- the average weekly trading volume of our common stock on The Nasdaq Global Market during the four calendar weeks immediately preceding the date on which the notice of sale is filed with the SEC.

Sales pursuant to Rule 144 are subject to requirements relating to manner of sale, notice and availability of current public information about us. A person (or persons whose shares are aggregated) who is not deemed to be an affiliate of ours for 90 days preceding a sale, and who has beneficially owned restricted stock for at least one year is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144. Rule 144 will not be available to any stockholders until we have been subject to the reporting requirements of the Exchange Act for 90 days.

RULE 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under "Underwriting" included elsewhere in this prospectus and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

LOCK-UP AGREEMENTS

We, along with our directors, executive officers and all of our other holders of common and preferred stock and the holders of currently outstanding common and preferred stock warrants have agreed with the underwriters that for a period of 180 days following the date of this prospectus, we or they will not offer, sell, contract to sell, pledge, or otherwise dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock, or enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, subject to specified exceptions. UBS Securities LLC and Goldman, Sachs & Co. may, in their sole discretion, at any time without prior notice, release all or any portion of the shares from the restrictions in any such agreement.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 15 calendar days plus three business days of the 180-day restricted period we issue an earnings release or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period,

in which case the restrictions described in the preceding paragraph will continue to apply until the date that is 15 calendar days plus three business after the date on which the issuance of the release or the material news or material event occurred, unless such extension is waived, in writing, by UBS Securities LLC and Goldman, Sachs & Co. on behalf of the underwriters.

The restrictions set forth above do not apply to certain issuances by us and certain transfers by our stockholders, which are described in “Underwriting—No Sales of Similar Securities.”

REGISTRATION RIGHTS

We are party to an investors’ rights agreement which provides that holders of our preferred stock and certain holders of our common stock and warrants to purchase our preferred stock have the right to demand that we file a registration statement covering their shares or request that their shares be covered by a registration statement that we are otherwise filing. For a more detailed description of these registration rights, see “Description of Capital Stock—Registration Rights.” Except for shares purchased by affiliates, registration of their shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration, subject to the expiration of the lock-up period and to the extent such shares have been released from any repurchase option that we may hold.

STOCK PLANS

As soon as practicable after the completion of this offering, we intend to file a Form S-8 registration statement under the Securities Act to register shares of our common stock subject to options outstanding or reserved for issuance under our 2006 omnibus securities and incentive plan and our 2010 stock incentive plan. This registration statement will become effective immediately upon filing, and shares covered by this registration statement will thereupon be eligible for sale in the public markets, subject to Rule 144 limitations applicable to affiliates and any lock-up agreements. For a more complete discussion of our stock plans, see “Management—Employee Benefit and Stock Plans.”

Certain material United States federal income tax consequences to non-US holders

The following is a summary of certain material US federal income and estate tax consequences to non-US holders (as defined below) of the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all of the potential US federal income tax consequences relating thereto, nor does it address any gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other US federal tax laws. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service, or IRS, all as in effect as of the date of this offering. These authorities may change, possibly retroactively, or may be subject to different interpretation, resulting in US federal income and estate tax consequences different from those discussed below. No ruling has been or will be sought from the IRS with respect to the matters discussed below, and there can be no assurance that the IRS will not take a contrary position regarding the tax consequences of the acquisition, ownership or disposition of our common stock, or that any such contrary position would not be sustained by a court.

This discussion is limited to non-US holders who purchase our common stock issued pursuant to this offering and who hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the US tax consequences that may be relevant to a particular holder in light of such holder’s particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the US federal income tax laws, including, without limitation:

- US expatriates or former long-term residents of the US;
- partnerships and their partners;
- real estate investment trusts;
- regulated investment companies;
- “controlled foreign corporations;”
- “passive foreign investment companies;”
- banks, insurance companies, or other financial institutions;
- brokers, dealers, or traders in securities, commodities or currencies;
- tax-exempt organizations;
- retirement plans;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a straddle, hedge, conversion transaction, constructive sale, or other integrated transaction; or
- persons who have acquired our common stock as compensation or otherwise in connection with the performance of services.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER UNITED STATES FEDERAL TAX LAWS.

DEFINITION OF NON-US HOLDER

For purposes of this discussion, a non-US holder is any beneficial owner of our common stock that is not a “US person” or a partnership (or other entity treated as a partnership) for US federal income tax purposes. A US person is any of the following:

- an individual citizen or resident of the US;
- a corporation (or other entity treated as a corporation for US federal tax purposes) created or organized under the laws of the US, any state thereof or the District of Columbia;
- an estate the income of which is subject to US federal income tax regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a US court and all substantial decisions of which are controlled by one or more US persons or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a US person.

If a partnership or other entity or arrangement treated as a partnership for US federal income tax purposes holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our common stock, we urge you to consult your tax advisor.

DISTRIBUTIONS ON OUR COMMON STOCK

If we make cash or other property distributions on our common stock, such distributions will generally constitute dividends for US federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under US federal income tax principles. Amounts not treated as dividends for US federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder’s adjusted tax basis in the common stock, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a non-US holder’s tax basis in its shares will be treated as gain realized on the sale or other disposition of the common stock and will be treated as described under “Gain on Disposition of Our Common Stock” below.

Dividends paid to a non-US holder of our common stock generally will be subject to US federal withholding tax at a rate of 30% of the gross amount of the dividends, or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-US holder must furnish to us or our paying agent a valid IRS Form W-8BEN (or applicable successor form) certifying such holder’s qualification for the reduced rate. This certification must be provided to us or our paying agent prior to the payment of dividends and must be updated periodically.

If a non-US holder holds our common stock in connection with the conduct of a trade or business in the US, and dividends paid on the common stock are effectively connected with such holder’s US trade or business, the non-US holder will be exempt from US federal withholding tax. To claim the exemption, the non-US holder must generally furnish to us or our paying agent a properly executed IRS Form W-8ECI (or applicable successor form) and must update such form periodically.

Any dividends paid on our common stock that are effectively connected with a non-US holder’s US trade or business generally will be subject to US federal income tax on a net income basis at the regular graduated US federal income tax rates in much the same manner as if such holder were a resident of the US, unless an applicable income tax treaty provides otherwise. A non-US holder that is a foreign corporation also may be subject to a branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of a portion of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-US holders are urged to consult any applicable income tax treaties that may provide for different rules.

A non-US holder who claims the benefit of an applicable income tax treaty generally will be required to satisfy applicable certification and other requirements prior to the distribution date. Non-US holders that do not timely provide us or our paying agent with the required certification, but which qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-US holders should consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

GAIN ON DISPOSITION OF OUR COMMON STOCK

A non-US holder generally will not be subject to US federal income tax on any gain realized upon the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-US holder's conduct of a trade or business in the US and, in the case of a non-US holder, otherwise eligible for the benefits of an applicable income tax treaty, attributable to a permanent establishment maintained by the non-US holder in the US;
- the non-US holder is an individual present in the US for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a "US real property interest" by reason of our status as a US real property holding corporation, or USRPHC, for US federal income tax purposes at any time within the shorter of (i) the five-year period ending on the date of the disposition or (ii) the non-US holder's holding period for our common stock. We will be a USRPHC if the fair market value of our US real property interests equals or exceeds 50 percent of the fair market value of our (A) US real property interests, (B) foreign real property interests, and (C) other assets which are used or held for use in a trade or business.

We believe we are not currently and do not anticipate becoming a USRPHC for US federal income tax purposes. Even if we become a USRPHC, however, so long as our common stock is regularly traded on an established securities market, such common stock will be treated as US real property interests in the hands of a non-US holder only if the non-US holder actually or constructively holds more than 5% of our common stock.

Unless an applicable income tax treaty provides otherwise, gain described in the first bullet point above will be subject to US federal income tax on a net income basis at the regular graduated US federal income tax rates in much the same manner as if such holder were a resident of the US. Further, non-US holders that are foreign corporations also may be subject to a branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of a portion of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Gain described solely in the second bullet point above will be subject to US federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by US source capital losses (even though the individual is not considered a resident of the US).

Non-US holders are urged to consult any applicable income tax treaties that may provide for different rules.

FEDERAL ESTATE TAX

As of the date of this offering, as a result of prior amendments to the Code, there is no US federal estate tax for 2010, but such estate tax is scheduled to be fully reinstated, as in effect prior to 2010, in 2011. Under the US federal estate tax as in effect prior to 2010, common stock owned or treated as owned by an individual who is not a citizen or resident of the US (as specially defined for US federal estate tax purposes) at the time of death will be included in the individual's gross estate for US federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise, and therefore may be subject to US federal estate tax.

INFORMATION REPORTING AND BACKUP WITHHOLDING

We must report annually to the IRS and to each non-US holder the amount of distributions on our common stock paid to such holder and the amount of tax withheld, if any, with respect to those distributions. These information reporting requirements apply even if no withholding was required because the distributions were effectively connected with the holder's conduct of a US trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement to the tax authorities in the country in which the non-US holder resides or is established.

Backup withholding may apply to distribution payments to a non-US holder of our common stock and information reporting and backup withholding may apply to the payments of the proceeds of a sale of our common stock within the US or through certain US-related financial intermediaries, unless the non-US holder furnishes to us or our paying agent the required certification as to its non-US status, such as by providing a valid IRS Form W-8BEN or IRS Form W-8ECI, or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we have or our paying agent has actual knowledge, or reason to know, that the holder is a US person that is not an exempt recipient.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-US holder's US federal income tax liability, provided the required information is timely furnished to the IRS. Non-US holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules to them.

RECENT LEGISLATIVE DEVELOPMENTS

Recently enacted legislation will require, after December 31, 2012, withholding at a rate of 30% on dividends in respect of, and gross proceeds from the sale of, our common stock held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to accounts or interests in the institution held by certain US persons and by certain non-US entities that are wholly or partially owned by US persons. Accordingly, the entity through which our common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and gross proceeds from the sale of, our common stock held by an investor that is a non-financial non-US entity will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we will in turn provide to the Secretary of the Treasury. The recently enacted legislation requires the Secretary of the Treasury to coordinate the withholding rules of the new legislation and the withholding rules of other provisions of the Code (such as the withholding rules discussed above under “Distributions on Our Common Stock” and “Information Reporting and Backup Withholding”). Furthermore, although there can be no assurances in this regard, it is possible that if a beneficial owner of a payment is entitled to treaty benefits and the recently enacted legislation results in withholding that overly-taxes the beneficial owner, the beneficial owner may be eligible for a credit or refund, provided the beneficial owner complies with procedures to be established by the Secretary of the Treasury. Non-US holders are encouraged to consult with their tax advisors regarding the possible implications of the legislation on their investment in our common stock.

Underwriting

We are offering the shares of our common stock described in this prospectus through the underwriters named below. UBS Securities LLC and Goldman, Sachs & Co. are acting as joint book-running managers of this offering and as the representatives of the underwriters. We have entered into an underwriting agreement with the representatives. Subject to the terms and condition of the underwriting agreement, each of the underwriters has severally agreed to purchase the number of shares of common stock listed next to its name in the following table.

Underwriters	Number of shares
UBS Securities LLC	
Goldman, Sachs & Co.	
Piper Jaffray & Co.	
Total	

The underwriting agreement provides that the underwriters must buy all of the shares if they buy any of them. However, the underwriters are not required to pay for the shares covered by the underwriters' over-allotment option described below.

Our common stock is offered subject to a number of conditions, including:

- receipt and acceptance of our common stock by the underwriters; and
- the underwriters' right to reject orders in whole or in part.

We have been advised by the representatives that the underwriters intend to make a market in our common stock but that they are not obligated to do so and may discontinue making a market at any time without notice.

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses electronically.

OVER-ALLOTMENT OPTION

We have granted the underwriters an option to buy up to an aggregate of additional shares of our common stock. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with this offering. The underwriters have 30 days from the date of this prospectus to exercise this option. If the underwriters exercise this option, they will each purchase additional shares approximately in proportion to the amounts specified in the table above.

COMMISSIONS AND DISCOUNTS

Shares sold by the underwriters to the public will initially be offered at the initial offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. Sales of shares made outside of the US may be made by affiliates of the underwriters. If all the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms. Upon execution of the underwriting agreement, the underwriters will be obligated to purchase the shares at the prices and upon the terms stated therein and, as a result, will thereafter bear any risk associated with changing the offering price to the public or other selling terms. The representatives of the underwriters have informed us that they do not expect to sell more than an aggregate of five percent of the total number of shares of common stock offered by them to accounts over which such representatives exercise discretionary authority.

The following table shows the per share and total underwriting discounts and commissions we will pay to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase up to additional shares.

	No exercise	Full exercise
Per share	$	$
Total	$	$

We estimate that the total expenses of this offering payable by us, not including the underwriting discounts and commissions, will be approximately $ million.

NO SALES OF SIMILAR SECURITIES

We, our executive officers and directors, the holders of all of our outstanding shares of common and preferred stock and the holders of all of our currently outstanding common and preferred stock warrants have entered into lock-up agreements with the underwriters. Under these agreements, we and each of these persons may not, without the prior written approval of UBS Securities LLC and Goldman, Sachs & Co. offer, sell, contract to sell, pledge, or otherwise dispose of, directly or indirectly, or hedge our common stock or securities convertible into or exchangeable or exercisable for our common stock, except in the circumstances described below. These restrictions will be in effect for a period of 180 days after the date of this prospectus, which period is subject to extension in the circumstances described in the paragraph below. At any time and without public notice, UBS Securities LLC and Goldman, Sachs & Co. may, in their sole discretion, release some or all the securities from these lock-up agreements.

Notwithstanding the above, if (i) during the period beginning on the date that is 15 calendar days plus three business days before the last day of the 180-day period described in the paragraph above, or the initial lock-up period, and ends on the last day of the initial lock-up period, we issue an earnings release or material news or a material event relating to us occurs; or (ii) prior to the expiration of the initial lock-up period, we announce that we will release earnings results during the 16 day period beginning on the last day of the initial lock-up period, then the restrictions imposed by these lock-up agreements will continue to apply until the expiration of the date that is 15 calendar days plus three business days after the date on which the issuance of the earnings release or the material news or material event occurs.

The restrictions set forth above shall not apply to our issuance of shares of our common stock described below:

- the issuance by us of shares of common stock upon the exercise of options or warrants disclosed as outstanding in this prospectus;
- the issuance to employees or directors of restricted stock grants or stock options not exercisable during the lock-up period pursuant to equity incentive plans described in this prospectus;
- the filing of registration statements on Form S-8 relating to shares of our common stock which may be issued pursuant to our existing equity incentive plans; and

- the registration under the Securities Act and issuance by us of shares of our common stock in connection with any acquisitions or strategic investments as long as (i) the number of shares issued does not exceed 10% of the number of shares of our common stock outstanding immediately after this offering (after giving effect to the conversion of all of our currently outstanding shares of convertible preferred stock), and (ii) each of the recipients of these shares execute a lock-up agreement for the remainder of the lock-up period.

The restrictions set forth above shall not apply to the following types of transfers of shares of our common stock, or securities convertible into or exchangeable or exercisable for our common stock, by any of our directors, executive officers or the holders of our shares or warrants in the following circumstances:

- a bona fide gift; provided, that the recipient thereof executes a lock-up agreement for the remainder of the lock-up period;
- a disposition to any trust for the direct or indirect benefit of the holder and/or the holder's immediate family; provided, that (i) such disposition does not involve a disposition for value and (ii) such trust executes a lock-up agreement for the remainder of the lock-up period;
- in the case of a corporation, limited liability company or partnership, a transfer to a wholly-owned subsidiary thereof, or to the direct or indirect stockholders, members or partners or other affiliates thereof; provided, that (i) such transfer does not involve a disposition for value, (ii) the transferee executes a lock-up agreement for the remainder of the lock-up period, and (iii) no filing pursuant to Section 16 of the Exchange Act is required as a result of such transfer;
- a transfer which occurs by operation of law; provided, that (i) no filing pursuant to Section 16 of the Exchange Act is required as a result of such transfer and (ii) such transferee executes a lock-up agreement for the remainder of the lock-up period; and
- the disposition of shares of common stock acquired in open market transactions after the offering; provided, that such disposition is not required to be reported pursuant to Section 16 of the Exchange Act.

INDEMNIFICATION

We have agreed to indemnify the several underwriters against certain liabilities, including certain liabilities under the Securities Act. If we are unable to provide this indemnification, we have agreed to contribute to payments the underwriters may be required to make in respect of those liabilities.

NASDAQ GLOBAL MARKET QUOTATION

We have applied to have our common stock approved for listing on The Nasdaq Global Market under the symbol "GEVO."

PRICE STABILIZATION, SHORT POSITIONS

In connection with this offering, the underwriters may engage in activities that stabilize, maintain or otherwise affect the price of our common stock, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;

- imposition of penalty bids; and
- syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common stock while this offering is in progress. These transactions may also include making short sales of our common stock, which involve the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering and purchasing shares of common stock on the open market to cover short positions created by short sales. Short sales may be “covered short sales,” which are short positions in an amount not greater than the underwriters’ over-allotment option referred to above, or may be “naked short sales,” which are short positions in excess of that amount.

The underwriters may close out any covered short position by either exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option.

Naked short sales are in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchased in this offering.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

As a result of these activities, the price of our common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. The underwriters may carry out these transactions on The Nasdaq Global Market, in the over-the-counter market or otherwise.

DETERMINATION OF OFFERING PRICE

Prior to this offering, there was no public market for our common stock. The initial public offering price will be determined by negotiation by us and the representatives of the underwriters. The principal factors to be considered in determining the initial public offering price include:

- the information set forth in this prospectus and otherwise available to representatives;
- our history and prospects and the history and prospects for the industry in which we compete;
- our past and present financial performance and an assessment of our management;
- our prospects for future earnings and the present state of our development;
- the general condition of the securities market at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

AFFILIATIONS

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and their affiliates may from time to time in the future engage with us and perform services for us in the ordinary course of their business for which they will receive customary fees and expenses. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of us or our subsidiaries. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of these securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in these securities and instruments.

DIRECTED SHARE PROGRAM

At our request, the underwriters have reserved up to 5% of the common stock being offered by this prospectus for sale at the initial public offering price to our directors, officers, employees and other individuals associated with us and members of their families. The sales will be made by UBS Financial Services Inc., a selected dealer affiliated with UBS Securities LLC, through a directed share program. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. Participants in the directed share program who purchase more than $500,000 of shares shall be subject to a 180-day lock-up with respect to any shares sold to them pursuant to that program. This lock-up will have similar restrictions and an identical extension provision to the lock-up agreements described below. Any shares sold in the directed share program to our directors, executive officers or existing security holders shall be subject to the lock-up agreements described above. See “No Sales of Similar Securities.”

NOTICE TO INVESTORS

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area, or EEA, which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), an offer to the public of our securities which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State, except that, with effect from, and including, the Relevant Implementation Date, an offer to the public in that Relevant Member State of our securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorized or regulated to operate in the financial markets, or, if not so authorized or regulated, whose corporate purpose is solely to invest in our securities;
- to any legal entity which has two or more of: (i) an average of at least 250 employees during the last (or, in Sweden, the last two) financial year(s); (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last (or, in Sweden, the last two) annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representative for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive provided that no such offer of our securities shall result in a requirement for the publication by us or any underwriter or agent of a prospectus pursuant to Article 3 of the Prospectus Directive.

As used above, the expression “offered to the public” in relation to any of our securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our securities to be offered so as to enable an investor to decide to purchase or subscribe for our securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The EEA selling restriction is in addition to any other selling restrictions set out in this prospectus.

Notice to prospective investors in the United Kingdom

This prospectus is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons falling within (i)-(iii) together being referred to as “relevant persons”). The shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

Notice to prospective investors in Switzerland

The prospectus does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations (“CO”) and the shares will not be listed on the SIX Swiss Exchange. Therefore, the prospectus may not comply with the disclosure standards of the CO and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange. Accordingly, the shares may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors, which do not subscribe to the shares with a view to distribution.

Notice to prospective investors in Australia

This prospectus is not a formal disclosure document and has not been, nor will be, lodged with the Australian Securities and Investments Commission. It does not purport to contain all information that an investor or their professional advisers would expect to find in a prospectus or other disclosure document (as defined in the Corporations Act 2001 (Australia)) for the purposes of Part 6D.2 of the Corporations Act 2001 (Australia) or in a product disclosure statement for the purposes of Part 7.9 of the Corporations Act 2001 (Australia), in either case, in relation to the securities.

The securities are not being offered in Australia to “retail clients” as defined in sections 761G and 761GA of the Corporations Act 2001 (Australia). This offering is being made in Australia solely to “wholesale clients” for the purposes of section 761G of the Corporations Act 2001 (Australia) and, as such, no prospectus, product disclosure statement or other disclosure document in relation to the securities has been, or will be, prepared.

This prospectus does not constitute an offer in Australia other than to wholesale clients. By submitting an application for our securities, you represent and warrant to us that you are a wholesale client for the purposes of section 761G of the Corporations Act 2001 (Australia). If any recipient of this prospectus is not a wholesale client, no offer of, or invitation to apply for, our securities shall be deemed to be made to such recipient and no applications for our securities will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient. In addition, by applying for our securities you undertake to us that, for a period of 12 months from the date of issue of the securities, you will not transfer any interest in the securities to any person in Australia other than to a wholesale client.

Notice to prospective investors in Hong Kong

Our securities may not be offered or sold in Hong Kong, by means of this prospectus or any document other than (i) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (ii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong). No advertisement, invitation or document relating to our securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere) which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to prospective investors in Japan

Our securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “Financial Instruments and Exchange Law”) and our securities will not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan, or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to prospective investors in Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore and in Singapore, the offer and sale of our securities is made pursuant to exemptions provided in sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our securities may not be circulated or distributed, nor may our securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (ii) to a relevant person as defined in section 275(2) of the SFA pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with the conditions (if any) set forth in the SFA. Moreover, this document is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Prospective investors in Singapore should consider carefully whether an investment in our securities is suitable for them.

Where our securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- by a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- for a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

shares of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA, except:

- to an institutional investor, for corporations under Section 274 of the SFA, or to a relevant person defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions, specified in Section 275 of the SFA;
- where no consideration is given for the transfer; or
- where the transfer is by operation of law.

In addition, investors in Singapore should note that the securities acquired by them are subject to resale and transfer restrictions specified under Section 276 of the SFA, and they, therefore, should seek their own legal advice before effecting any resale or transfer of their securities.

Legal matters

The validity of our common stock offered by this prospectus will be passed upon for us by Paul, Hastings, Janofsky & Walker LLP, San Diego, California. Certain legal matters in connection with this offering will be passed upon for the underwriters by Skadden, Arps, Slate, Meagher & Flom LLP.

Experts

The consolidated financial statements of Gevo, Inc. and subsidiaries as of December 31, 2008 and 2009, and for each of the three years in the period ended December 31, 2009, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein (which report expresses an unqualified opinion on the consolidated financial statements and includes explanatory paragraphs referring to the company's status as a development stage enterprise and the company's change in the method of accounting for preferred stock warrants). Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The combined financial statements of Agri-Energy as of and for the years ended December 31, 2008 and 2009, included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the preparation of the combined financial statements from the separate records maintained by CORN-er Stone Farmers' Cooperative) appearing herein, and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The information contained in this prospectus relating to the estimated timing, cost and results of our GIFT™ retrofit process was derived from the reports of ICM, and has been included herein upon the authority of ICM as an expert.

The information contained in this prospectus relating to the testing of isobutanol's contribution to stress crack corrosion in pipeline materials was derived from the report of DNV Columbus, Inc., and has been included herein upon the authority of DNV Columbus, Inc. as an expert.

Where you can find additional information

We have filed with the SEC, a registration statement on Form S-1 under the Securities Act, with respect to the shares of our common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. Some items are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of this contract, agreement or other document. A copy of the registration statement, and the exhibits and schedules thereto, may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials may be obtained by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC's website is http://www.sec.gov.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, in accordance therewith, will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection and copying at the public reference room and web site of the SEC referred to above. We maintain a website at www.gevo.com. You may access our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our website address does not constitute incorporation by reference of the information contained on our website.

Gevo, Inc. and Subsidiaries (A Development Stage Company)

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Gevo, Inc. and Subsidiaries
Englewood, Colorado

We have audited the accompanying consolidated balance sheets of Gevo, Inc. and its subsidiaries (the "Company") (a development stage company) as of December 31, 2008 and 2009, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2008 and 2009, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

The Company is a development stage enterprise engaged in conducting research and development, establishing its facilities, recruiting personnel, business development, business and financial planning, and raising capital. As discussed in Note 1 to the consolidated financial statements, successful completion of the Company's research and development program, and ultimately, the attainment of profitable operations are dependent upon future events, including completion of its development activities resulting in commercial products and/or technology, obtaining adequate financing to complete its development activities, obtaining adequate financing to acquire access to and complete the retrofit of ethanol plants to isobutanol production, market acceptance and demand for its products and services and attracting and retaining qualified personnel.

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for preferred stock warrants as of January 1, 2009.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado
August 12, 2010, except for Note 19, as to which the date is November 4, 2010

Gevo, Inc. and Subsidiaries (A Development Stage Company)

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2008 AND 2009 AND SEPTEMBER 30, 2010 (UNAUDITED)

	December 31, 2008	December 31, 2009	September 30, 2010	Pro Forma as of September 30, 2010 (Note 1)
			(unaudited)	(unaudited)
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 9,635,000	$ 21,240,000	$ 22,516,000	
Accounts receivable	—	99,000	2,316,000	
Inventories	—	—	3,048,000	
Current portion of restricted certificate of deposit	40,000	40,000	40,000	
Prepaid expenses and other current assets	35,000	163,000	1,339,000	
Margin deposit	—	—	905,000	
Total current assets	9,710,000	21,542,000	30,164,000	
PROPERTY, PLANT AND EQUIPMENT—Net	3,132,000	4,632,000	23,930,000	
RESTRICTED CERTIFICATE OF DEPOSIT—Less current portion	159,000	119,000	79,000	
DEFERRED OFFERING COSTS	—	—	2,580,000	
DEBT ISSUE COSTS	—	—	1,007,000	
DEPOSITS AND OTHER ASSETS	93,000	90,000	90,000	
TOTAL	$ 13,094,000	$ 26,383,000	$ 57,850,000	
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	$ 1,644,000	$ 2,521,000	$ 7,879,000	
Current portion of secured long-term debt—Net of $228,000, $0 and $115,000 discount at December 31, 2008, 2009 and September 30, 2010 (unaudited), respectively	1,769,000	—	1,286,000	
Derivative liability	—	—	535,000	
Fair value of warrant liabilities	—	982,000	3,003,000	—
Total current liabilities(*)	3,413,000	3,503,000	12,703,000	
SECURED LONG-TERM DEBT—Net of $485,000, $688,000 and $1,603,000 discount, less current portion, at December 31, 2008, 2009 and September 30, 2010 (unaudited), respectively	6,409,000	7,701,000	19,034,000	
OTHER LIABILITIES	114,000	96,000	1,071,000	
Total liabilities	9,936,000	11,300,000	32,808,000	
COMMITMENTS AND CONTINGENCIES (Note 17)				
STOCKHOLDERS' EQUITY				
Gevo, Inc. stockholders' equity:				
Convertible preferred stock, $0.01 par value per share; 8,240,518, 13,922,337 and 15,246,000 shares authorized at December 31, 2008, 2009 and September 30, 2010 (unaudited), respectively; 7,986,956, 12,603,439, and 14,613,602 shares issued and outstanding at December 31, 2008, 2009 and September 30, 2010 (unaudited), respectively; aggregate liquidation preference of $25,005,000, $57,504,000, and $90,660,000 at December 31, 2008, 2009 and September 30, 2010 (unaudited), respectively; no shares authorized, issued or outstanding pro forma (unaudited)	80,000	126,000	146,000	—
Common stock, $0.01 par value per share; 20,000,000, 25,000,000 and 30,000,000 shares authorized at December 31, 2008, 2009 and September 30, 2010 (unaudited), respectively; 1,164,072, 1,151,376 and 1,160,657 shares issued and outstanding at December 31, 2008, 2009 and September 30, 2010 (unaudited), respectively; 30,000,000 shares authorized, 15,774,259 shares issued and outstanding pro forma (unaudited)	12,000	12,000	12,000	158,000
Additional paid-in capital	26,203,000	57,382,000	102,878,000	105,881,000
Deficit accumulated during development stage	(23,137,000)	(42,437,000)	(77,994,000)	(77,994,000)
Total stockholders' equity	3,158,000	15,083,000	25,042,000	28,045,000
TOTAL	$ 13,094,000	$ 26,383,000	$ 57,850,000	

* Liabilities of the Company's consolidated subsidiaries for which creditors do not have recourse to the general credit of Gevo. Inc. were $0, $0 and $2,050,000 at December 31, 2008, 2009 and September 30, 2010 (unaudited), respectively, and are recorded within current liabilities.

See notes to consolidated financial statements

Gevo, Inc. and Subsidiaries (A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2007, 2008 AND 2009 AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2010 (UNAUDITED)

	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010	From June 9, 2005 (Date of Inception) Through September 30, 2010
				(unaudited)	(unaudited)	(unaudited)
REVENUES:						
Grant revenue	$ 275,000	$ 208,000	$ 660,000	$ 551,000	$ 1,175,000	$ 2,418,000
Licensing revenue	—	—	—	—	138,000	138,000
Ethanol sales and related products	—	—	—	—	975,000	975,000
Total revenues	275,000	208,000	660,000	551,000	2,288,000	3,531,000
COST OF GOODS SOLD	—	—	—	—	(856,000)	(856,000)
GROSS MARGIN	275,000	208,000	660,000	551,000	1,432,000	2,675,000
OPERATING EXPENSES:						
Research and development	(3,699,000)	(7,376,000)	(10,508,000)	(6,730,000)	(11,432,000)	(34,078,000)
Selling, general and administrative	(2,601,000)	(6,065,000)	(8,699,000)	(5,685,000)	(19,114,000)	(36,906,000)
Lease termination costs	(894,000)	—	—	—	—	(894,000)
Loss on abandonment or disposal of assets	(243,000)	(78,000)	(22,000)	(10,000)	—	(343,000)
Total operating expenses	(7,437,000)	(13,519,000)	(19,229,000)	(12,425,000)	(30,546,000)	(72,221,000)
LOSS FROM OPERATIONS	(7,162,000)	(13,311,000)	(18,569,000)	(11,874,000)	(29,114,000)	(69,546,000)
OTHER (EXPENSE) INCOME:						
Interest expense	(140,000)	(1,385,000)	(1,103,000)	(798,000)	(1,448,000)	(4,076,000)
Interest and other income	76,000	154,000	277,000	247,000	96,000	624,000
Loss from change in fair value of warrant liabilities	—	—	(490,000)	(400,000)	(3,302,000)	(3,792,000)
Other expense—net	(64,000)	(1,231,000)	(1,316,000)	(951,000)	(4,654,000)	(7,244,000)
NET LOSS	(7,226,000)	(14,542,000)	(19,885,000)	(12,825,000)	(33,768,000)	(76,790,000)
Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock	—	—	—	—	(1,789,000)	(1,789,000)
NET LOSS ATTRIBUTABLE TO GEVO, INC. COMMON STOCKHOLDERS	$ (7,226,000)	$ (14,542,000)	$ (19,885,000)	$ (12,825,000)	$ (35,557,000)	$ (78,579,000)
Net loss per share attributable to Gevo, Inc. common stockholders—basic and diluted	$ (7.40)	$ (13.83)	$ (18.07)	$ (11.70)	$ (31.12)	
Weighted average number of common shares outstanding—basic and diluted	976,909	1,051,848	1,100,294	1,096,095	1,142,498	
Pro forma net loss per share attributable to Gevo, Inc. common stockholders—basic and diluted (unaudited)			$ (1.62)		$ (2.04)	
Pro forma weighted average common shares outstanding—basic and diluted (unaudited)			11,966,689		14,944,313	

See notes to consolidated financial statements

Gevo, Inc. and Subsidiaries (A Development Stage Company)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
BALANCE—June 9, 2005 (date of inception)	—	$ —	—	$ —	$ —	$ —	$ —
Issuance of common stock			950,000	10,000	(10,000)		—
Issuance of Series A-1 preferred stock	1,000,000	10,000			490,000		500,000
Stock issuance costs					(56,000)		(56,000)
Net loss for the year ended December 31, 2005						(259,000)	(259,000)
BALANCE—December 31, 2005	1,000,000	10,000	950,000	10,000	424,000	(259,000)	185,000
Issuance of Series A-2 preferred stock	1,084,000	11,000			892,000		903,000
Issuance of Series A-3 preferred stock	915,000	9,000			1,592,000		1,601,000
Issuance of warrants with secured long-term debt					10,000		10,000
Stock issuance costs					(20,000)		(20,000)
Stock-based compensation					2,000		2,000
Net loss for the year ended December 31, 2006						(1,110,000)	(1,110,000)
BALANCE—December 31, 2006	2,999,000	30,000	950,000	10,000	2,900,000	(1,369,000)	1,571,000
Issuance of Series A-4 preferred stock	858,369	9,000			1,991,000		2,000,000
Issuance of Series B preferred stock	1,027,397	10,000			2,990,000		3,000,000
Issuance of common stock			22,000		10,000		10,000
Issuance of restricted common stock			187,500	2,000	(2,000)		—
Issuance of warrants with secured long-term debt					33,000		33,000
Stock issuance costs					(82,000)		(82,000)
Stock-based compensation					55,000		55,000
Net loss for the year ended December 31, 2007						(7,226,000)	(7,226,000)
BALANCE—December 31, 2007	4,884,766	49,000	1,159,500	12,000	7,895,000	(8,595,000)	(639,000)
Issuance of Series C preferred stock converted from promissory notes and accrued interest	555,346	6,000			3,037,000		3,043,000
Issuance of Series C preferred stock	2,546,844	25,000			13,932,000		13,957,000
Issuance of warrants with secured long-term debt					326,000		326,000
Issuance of warrants with convertible promissory notes					505,000		505,000
Beneficial conversion feature—convertible promissory notes					505,000		505,000
Stock issuance costs					(210,000)		(210,000)
Stock-based compensation					207,000		207,000
Issuance of restricted common stock			50,000	1,000	(1,000)		—
Forfeiture of restricted common stock			(64,583)	(1,000)	1,000		—
Exercise of stock options to common stock			19,155		6,000		6,000
Net loss for the year ended December 31, 2008						(14,542,000)	(14,542,000)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY — (Continued)

	Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
BALANCE—December 31, 2008	7,986,956	80,000	1,164,072	12,000	26,203,000	(23,137,000)	3,158,000
Cumulative effect of reclassification of preferred stock warrants from equity to liabilities on January 1, 2009					(874,000)	585,000	(289,000)
Issuance of Series D preferred stock	4,616,483	46,000			32,454,000		32,500,000
Stock issuance costs					(1,346,000)		(1,346,000)
Stock-based compensation					945,000		945,000
Forfeiture of restricted common stock			(13,530)				—
Exercise of stock options to common stock			834				—
Net loss for the year ended December 31, 2009						(19,885,000)	(19,885,000)
BALANCE—December 31, 2009	12,603,439	126,000	1,151,376	12,000	57,382,000	(42,437,000)	15,083,000
Issuance of Series D-1 preferred stock (unaudited)	1,902,087	19,000			26,801,000		26,820,000
Beneficial conversion feature—Series D-1 (unaudited)					5,744,000		5,744,000
Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock (unaudited)					1,789,000	(1,789,000)	—
Stock issuance costs (unaudited)					(153,000)		(153,000)
Stock-based compensation (unaudited)					9,250,000		9,250,000
Forfeiture of restricted common stock (unaudited)			(22,266)				—
Exercise of stock options to common stock (unaudited)			31,547		16,000		16,000
Issuance of Series C preferred stock upon exercise of warrant (unaudited)	108,076	1,000			2,049,000		2,050,000
Net loss for the nine months ended September 30, 2010 (unaudited)						(33,768,000)	(33,768,000)
BALANCE—September 30, 2010 (unaudited)	14,613,602	$146,000	1,160,657	$ 12,000	$102,878,000	$ (77,994,000)	$ 25,042,000

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2007, 2008 AND 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2010 (UNAUDITED)

	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Cumulative Amounts From June 9, 2005 (Date of Inception) Through September 30, 2010
				(unaudited)	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net loss	$ (7,226,000)	$ (14,542,000)	$ (19,885,000)	$ (12,825,000)	$ (33,768,000)	$ (76,790,000)
Adjustments to reconcile net loss to net cash used in operating activities:						
Depreciation and amortization	240,000	678,000	1,511,000	830,000	2,173,000	4,677,000
Stock-based compensation	55,000	207,000	945,000	258,000	9,250,000	10,459,000
Stock expense for shares issued pursuant to license agreements	10,000	—	—	—	—	10,000
Noncash interest expense and amortization of debt discounts and debt issue costs to noncash interest expense	54,000	1,102,000	235,000	174,000	573,000	1,964,000
Loss from change in fair value of warrant liabilities	—	—	490,000	400,000	3,302,000	3,792,000
Gain from change in derivative	—	—	—	—	(70,000)	(70,000)
Loss on abandonment or disposal of fixed assets	243,000	78,000	22,000	10,000	—	343,000
Changes in operating assets and liabilities (net of effects of acquisition):						
Accounts receivable	(33,000)	33,000	(99,000)	(94,000)	(219,000)	(318,000)
Prepaid expenses and other current assets	(253,000)	247,000	(128,000)	(189,000)	146,000	(18,000)
Inventories	—	—	—	—	522,000	522,000
Margin deposit	—	—	—	—	(13,000)	(13,000)
Deposits and other assets	(205,000)	147,000	4,000	4,000	1,000	(88,000)
Accounts payable, accrued expenses, and long-term liabilities	1,246,000	309,000	806,000	356,000	2,233,000	4,799,000
Net cash used in operating activities	(5,869,000)	(11,741,000)	(16,099,000)	(11,076,000)	(15,870,000)	(50,731,000)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Acquisitions of property, plant and equipment	(1,341,000)	(2,360,000)	(2,982,000)	(1,386,000)	(472,000)	(7,906,000)
Acquisition of Agri-Energy, net of cash acquired	—	—	—	—	(24,378,000)	(24,378,000)
Proceeds from the sale of property and equipment	—	5,000	—	—	—	5,000
Restricted certificate of deposit	(218,000)	40,000	40,000	40,000	40,000	(119,000)
Net cash used in investing activities	(1,559,000)	(2,315,000)	(2,942,000)	(1,346,000)	(24,810,000)	(32,398,000)

Gevo, Inc. and Subsidiaries (A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Cumulative Amounts From June 9, 2005 (Date of Inception) Through September 30, 2010
				(unaudited)	(unaudited)	(unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from issuance of common stock	—	6,000	—	—	16,000	22,000
Proceeds from issuance of convertible preferred stock	5,000,000	13,957,000	32,500,000	32,500,000	31,564,000	86,025,000
Proceeds from issuance of convertible promissory notes with warrant	—	3,000,000	—	—	—	3,000,000
Proceeds from issuance of secured long-term debt	1,568,000	7,396,000	114,000	114,000	17,500,000	26,578,000
Proceeds from issuance of warrants	—	—	—	—	—	1,000
Proceeds from exercise of warrants	—	—	—	—	592,000	592,000
Payment of principal and final payment on secured long-term debt	—	(521,000)	(622,000)	(622,000)	(5,250,000)	(6,393,000)
Deferred offering costs	—	—	—	—	(1,351,000)	(1,351,000)
Debt issue costs	—	—	—	—	(962,000)	(962,000)
Payment of stock issuance costs	(82,000)	(210,000)	(1,346,000)	(1,346,000)	(153,000)	(1,867,000)
Net cash provided by financing activities	6,486,000	23,628,000	30,646,000	30,646,000	41,956,000	105,645,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(942,000)	9,572,000	11,605,000	18,224,000	1,276,000	22,516,000
CASH AND CASH EQUIVALENTS:						
Beginning of period	1,005,000	63,000	9,635,000	9,635,000	21,240,000	—
Ending of period	$ 63,000	$ 9,635,000	$ 21,240,000	$ 27,859,000	$ 22,516,000	$ 22,516,000
SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS—Investing and financing:						
Warrants issued with secured long-term debt (grant date fair value)	$ 33,000	$ 326,000	$ 203,000	$ 203,000	$ 177,000	$ 749,000
Warrants issued with convertible promissory notes	$ —	$ 505,000	$ —	$ —	$ —	$ 505,000
Promissory notes and accrued interest converted to Series C preferred stock	$ —	$ 3,043,000	$ —	$ —	$ —	$ 3,043,000
Issuance of common stock pursuant to license agreements	$ 10,000	$ —	$ —	$ —	$ —	$ 10,000

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Cumulative Amounts From June 9, 2005 (Date of Inception) Through September 30, 2010
				(unaudited)	(unaudited)	(unaudited)
Issuance of Series C preferred stock upon exercise of warrant (amount reclassified from liability to equity)	$ —	$ —	$ —	$ —	$ 1,458,000	$ 1,458,000
Issuance of Series D-1 preferred stock to ICM in exchange for a credit against future services	$ —	$ —	$ —	$ —	$ 1,000,000	$ 1,000,000
Accrued Agri-Energy acquisition payment	$ —	$ —	$ —	$ —	$ 642,000	$ 642,000
Deemed dividend—amortization of beneficial conversion feature on Series D-1 convertible preferred stock	$ —	$ —	$ —	$ —	$ 1,789,000	$ 1,789,000
Capital asset additions in accounts payable and accrued expenses	$ —	$ —	$ 52,000	$ 1,135,000	$ 313,000	$ 313,000
Accrued debt issue costs	$ —	$ —	$ —	$ —	$ 71,000	$ 71,000
Accrued deferred offering costs	$ —	$ —	$ —	$ —	$ 1,229,000	$ 1,229,000
SUPPLEMENTAL CASH FLOW DISCLOSURE—Cash paid for interest	$ 86,000	$ 283,000	$ 868,000	$ 625,000	$ 771,000	$ 2,008,000

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(As of December 31, 2008 and 2009 and for the years ended December 31, 2007, 2008 and 2009. Information as of September 30, 2010 and for the nine months ended September 30, 2009 and 2010 is unaudited. Information subsequent to September 30, 2010 is unaudited.)

1. Nature of Business and Significant Accounting Policies

Nature of Business—Gevo, Inc. and its subsidiaries (the "Company") is a renewable chemicals and advanced biofuels company focused on the development and commercialization of alternatives to petroleum-based products based on isobutanol produced from renewable feedstocks. Gevo, Inc. was incorporated in Delaware on June 9, 2005, as Methanotech, Inc. and filed an amendment to its certificate of incorporation changing its name to Gevo, Inc. on March 29, 2006. Gevo, Inc. formed Gevo Development, LLC ("Gevo Development"), a Delaware limited liability company, on September 18, 2009, to finance and develop biorefineries through direct acquisition or joint venture (Note 6). As of September 30, 2010, Gevo Development is a wholly owned subsidiary of Gevo, Inc. Gevo Development purchased all of the membership interests of Agri-Energy, LLC and certain assets of Agri-Energy Limited Partnership, collectively referred to as Agri-Energy, on September 22, 2010 (Note 2). Agri-Energy is currently engaged in the business of producing and selling ethanol and related products through an ethanol plant located in Luverne, Minnesota. Agri-Energy is a wholly owned subsidiary of Gevo Development, LLC.

At September 30, 2010, the Company was considered to be in the development stage as its primary activities, since incorporation, were conducting research and development, establishing its facilities, recruiting personnel, business development, business and financial planning and raising capital. Successful completion of the Company's research and development program, and ultimately, the attainment of profitable operations are dependent upon future events, including completion of its development activities resulting in commercial products and/or technology, obtaining adequate financing to complete its development activities, obtaining adequate financing to acquire access to and complete the retrofit of ethanol plants to isobutanol production, market acceptance and demand for its products and services, and attracting and retaining qualified personnel.

Following the Company's acquisition of Agri-Energy on September 22, 2010, the Company records revenue from the sale of ethanol and related products. Since the production of ethanol is not the Company's intended business, the Company will continue to report as a development stage company until it begins to generate revenue from the sale of isobutanol or other products that are or become the Company's intended business.

Financial Condition—The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. For the year ended December 31, 2009, the Company incurred a consolidated net loss of $19,885,000 and had an accumulated deficit of $42,437,000**.** For the nine months ended September 30, 2010, the Company incurred a consolidated net loss of $33,768,000 and had an accumulated deficit of $77,994,000. The Company expects to incur future net losses as it continues to fund the development and commercialization of its product candidates.

The Company has funded its activities since inception primarily through private placements of preferred stock and the issuance of convertible and nonconvertible debt. The Company expects to obtain funding through additional equity offerings and issuance of debt until it achieves positive cash flow from operations. The Company's cash and cash equivalents at September 30, 2010 totaled $22,516,000.

Management expects that the anticipated net proceeds from this offering and cash on hand will provide the Company with adequate funding for at least the next 12 months. There are no assurances that the Company will be able to raise adequate funds, or achieve or sustain profitability or positive cash flow from operations. The accompanying consolidated financial statements do not include any adjustments that may result from the Company's inability to raise sufficient funds or achieve profitability.

A summary of the Company's significant accounting policies is as follows:

Unaudited Interim Financial Information—The interim consolidated financial statements and related disclosures as of September 30, 2010, for the nine months ended September 30, 2009 and 2010, and for the cumulative period from June 9, 2005 (date of inception) to September 30, 2010 are unaudited and have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (SEC). The unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments of a normal recurring nature considered necessary to present fairly the Company's financial position as of September 30, 2010, the results of its operations and its cash flows for the nine months ended September 30, 2009 and 2010, and for the cumulative period from June 9, 2005 (date of inception) to September 30, 2010. The financial data and other information disclosed in these notes to the consolidated financial statements as of September 30, 2010, for the nine months ended September 30, 2009 and 2010, and for the period from June 9, 2005 (date of inception) to September 30, 2010 are unaudited. The results of operations for the nine months ended September 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

Unaudited Pro Forma Information—The unaudited pro forma balance sheet as of September 30, 2010 reflects the automatic conversion of all outstanding shares of convertible preferred stock as of that date into 14,613,602 shares of common stock and the reclassification of the preferred stock warrant liability of $3,003,000 to additional paid-in capital, each of which will occur upon the closing of the Company's proposed initial public offering. The convertible preferred stock converts to common stock on an assumed one for one basis for all series of preferred stock. See Note 10 for conversion ratio adjustments that may be applicable upon future events, including adjustments applicable to the Series D-1 preferred stock based on the offering price of the Company's common stock in a qualified initial public offering or subsequent financing. Pro forma net loss per share reflects the assumed conversion of all outstanding shares of convertible preferred stock as noted above. Also, the numerator in the pro forma basic and diluted net loss per share calculation has been adjusted to remove losses resulting from remeasurement of the convertible preferred stock warrant liability, as these measurements would no longer be required when the convertible preferred stock warrants become warrants to purchase shares of the Company's common stock, and to remove the deemed dividend associated with the amortization of the beneficial conversion feature on Gevo, Inc.'s Series D-1 preferred stock.

Principles of Consolidation—The consolidated financial statements include the accounts of Gevo, Inc., Gevo Development and Agri-Energy. Gevo, Inc. controlled 90% of the voting rights of Gevo Development from its formation in September 2009 until September 2010 when Gevo Development became a wholly owned subsidiary of Gevo, Inc. Upon closing of the Agri-Energy acquisition, Agri-

Energy became a wholly owned subsidiary of Gevo Development. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Risks and Uncertainties—The Company's operations are subject to certain risks and uncertainties, including those associated with the ability to meet obligations, continuing losses, negative cash flow from operations, fluctuations in operating results, fluctuations in prices of corn, distiller's dried grains with solubles (DDGS), natural gas liquids and ethanol, funding expansion, strategic alliances, managing growth and expansion, acquiring access to or ownership of production assets, financing arrangement terms that may restrict operations, government regulations and regulatory requirements, development by the Company's competitors of new technological innovations, protection of proprietary technology, the economy, technology trends, completion of its development activities resulting in commercial products and/or technology, and evolving industry standards.

Cash and Cash Equivalents—The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposits that at times exceed federally insured limits.

Restricted Certificate of Deposit—The Company maintained a certificate of deposit in the amount of $119,000, as of September 30, 2010, that is pledged as collateral on a letter of credit related to its facility lease in Englewood, Colorado and classified as restricted certificate of deposit in the balance sheets. The letter of credit will be reduced by approximately $40,000 each July until it is terminated in July 2013. The Company is required to maintain a certificate of deposit that is pledged as collateral against the letter of credit through the end of the lease term in July 2013. The certificate of deposit will be reduced as the letter of credit amount is reduced.

Deferred Offering Costs—Deferred financing costs include costs directly attributable to the Company's offering of its equity securities. In accordance with FASB ASC 340-10, *Other Assets and Deferred Costs*, these costs are deferred and capitalized as other assets and will be charged against the proceeds of the offering once completed. If the offering is not successful, the deferred offering costs will be recorded as an expense in the statement of operations in the period that determination is made.

Debt Issue Costs—Debt issue costs are costs incurred in connection with the Company obtaining financing that have been capitalized and are being amortized over the expected maturity period of the related debt, using the effective interest method.

Accounts Receivable—The Company records receivables for products shipped but for which payment has not yet been received. As of December 31, 2008, December 31, 2009 and September 30, 2010 (unaudited), no allowance for doubtful accounts has been recorded, based upon the expected full collection of the accounts receivable. Substantially all ethanol sold through the Company's Agri-Energy subsidiary from the date of the acquisition through September 30, 2010 was sold to C&N Ethanol Marketing (C&N). Accounts receivables from C&N made up 93% of our total accounts receivable balance at September 30, 2010.

Inventories—Corn, ethanol, DDGS, enzymes and other inputs are stated at the lower of cost or market. Cost is determined by the first-in, first-out method. The cost of ethanol inventory consists of the cost of raw materials and an applicable share of the cost of labor and manufacturing overhead.

Revenue Recognition—Prior to the Company's acquisition of Agri-Energy on September 22, 2010, substantially all of its revenue related to government research grants and cooperative agreements. Revenue under these research grants and cooperative agreements is recognized in the period during which the related costs are incurred, provided that the conditions under the awards have been met and only perfunctory obligations are outstanding. The Company expects the revenue from research grants and cooperative agreements will continue through at least the next twelve months.

After consummation of the Agri-Energy acquisition, the Company began recording revenue from the sale of ethanol and related products. Revenue from the sale of ethanol and related products is recorded when title transfers to customers, price is fixed and determinable and collectability is reasonably assured. Ethanol and related products are generally shipped free on board shipping point. Collectability of revenue is reasonably assured based on historical evidence of collectability between the Company and its customers.

In accordance with the Company's agreements for the marketing and sale of ethanol and related products, commissions due to marketers are deducted from the gross sales price at the time payment is remitted to the Company. Ethanol and related products sales are recorded net of commissions of $15,000 for the period from September 23, 2010 to September 30, 2010 (unaudited).

Investment in Commodities Contracts, Derivative Instruments and Hedging Activities—The Company enters into short-term cash, option and futures contracts as a means of securing corn and natural gas and managing exposure to changes in commodity prices. The Company also enters into fixed price corn and natural gas supply contracts. These transactions are considered to be derivatives and are recorded on the balance sheet as assets and liabilities based on the derivative's fair value. Changes in the fair value of the derivative contracts are recognized currently in income unless specific hedge accounting criteria are met. The Company has not designated any of its derivatives as hedges for financial reporting purposes.

Property, Plant and Equipment—Property, plant and equipment are recorded at cost less accumulated depreciation. Provisions for depreciation and amortization are computed using the straight-line method over the assets' estimated useful lives, except for the Company's demonstration plant equipment and capitalized costs, which are depreciated over the remaining contractual term of the development agreement, as amended, with ICM, Inc. (ICM) which ends December 31, 2011 (Note 5). Leasehold improvements are amortized over the term of the lease agreement or the service lives of the improvements, whichever is shorter. Assets under construction are depreciated when they are placed into service. Maintenance and repairs are charged to expense as incurred and expenditures for major improvements are capitalized. When assets are retired or otherwise disposed of, the property accounts are relieved of costs and accumulated depreciation and any resulting gain or loss is credited or charged to operations. Periodically, the plant or a portion of the plant's equipment will be shut down to perform certain maintenance projects that are expected to improve the operating efficiency of the plant. These costs are expensed or capitalized based upon the nature of the costs.

Impairment of Long-Lived Assets—The Company periodically evaluates the recoverability of its long-lived assets in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, *Property, Plant, and Equipment* (previously FASB Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), and, if appropriate, reduces the carrying value whenever events or changes in business conditions indicate the carrying amount of the assets may not be fully recoverable. Recognition of impairment of long-lived assets is made in the event the carrying value of such assets exceeds the fair value. The carrying amount may not be recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the assets. The Company considered various factors when determining if these assets should be evaluated for impairment. The Company has not yet generated positive cash flows from operations on a sustained basis, and such cash flows may not materialize for a significant period in the future, if ever. Additionally, the Company may make changes to its business plan that will result in changes to the expected cash flows from long-lived assets. As a result, it is possible that future evaluations of long-lived assets may result in impairment. No impairment charges have been recorded during the period from June 9, 2005 (date of inception) through September 30, 2010. The Company has recorded lease termination costs and losses on abandonment or disposal of assets as described in Notes 3 and 17.

Patents—All costs related to filing and pursuing patent applications are expensed as incurred as recoverability of such expenditures is uncertain and the underlying technologies are under development. Patent-related legal expenses incurred and recorded as selling, general and administrative expense during the years ended December 31, 2007, 2008 and 2009, and for the period from June 9, 2005 (date of inception) to September 30, 2010, were $510,000, $598,000, $743,000, and $2,609,000, respectively. Patent-related legal expenses incurred and recorded as selling, general and administrative expense for the nine months ended September 30, 2009 and 2010 were $480,000 and $638,000, respectively.

Unamortized Debt Discount—Debt discounts incurred with the issuance of long-term debt are amortized to interest expense over the terms of the debt using the effective interest method. These discounts are recorded on the consolidated balance sheets as a reduction to secured long-term debt.

Beneficial Conversion Feature—The Company has recorded a beneficial conversion feature relating to the issuance of Series D-1 preferred stock (Note 10). The beneficial conversion feature is recorded as a discount to the Series D-1 preferred stock and amortized against retained earnings through September 30, 2011, unless converted earlier (Note 10).

Research and Development—Research and development costs are expensed as incurred and are recorded as research and development expense in the consolidated statements of operations. The Company's research and development costs consist of expenses incurred to identify, develop, and test its technologies for the production of isobutanol. Research and development expense includes personnel costs, consultants and related contract research, facility costs, supplies, depreciation on property, plant and equipment used in development, license fees paid to third parties for use of their intellectual property and patent rights, and other direct and allocated expenses incurred to support the Company's overall research and development programs. The Company expenses these costs as incurred until the resulting product or technology is ready for use in a commercial setting. Upfront fees and milestone payments made under licensing agreements, payments for sponsored research, and university research gifts to support research at academic institutions is recorded as expense when incurred and classified as research and development expense.

Income Taxes—The Company accounts for income taxes under FASB ASC 740, *Income Taxes*, (previously FASB Statement No. 109, *Accounting for Income Taxes*, and includes FASB Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109*). Deferred tax assets and liabilities are recorded for the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and amounts reported in the accompanying balance sheets, as well as operating loss carryforwards. Deferred tax assets are reduced by a valuation allowance if current evidence indicates that it is considered more likely than not that these benefits will not be realized (Note 14). Income tax positions are considered for uncertainty in accordance with FASB ASC 740, which defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. At the adoption date of January 1, 2007, the Company had no material unrecognized tax benefits that would affect its effective tax rate if recognized. At December 31, 2009, the Company has no material unrecognized tax benefits. The Company classifies interest and penalties arising from the underpayment of income taxes in the consolidated statements of operations as income tax expense. As of December 31, 2008 and 2009, and September 30, 2010, the Company has no accrued interest or penalties related to uncertain tax positions.

Stock-Based Compensation—The Company adopted FASB ASC 718, *Compensation—Stock Compensation*, (previously FASB Statement No. 123(R), *Share-Based Payment*), on January 1, 2006. Under the provisions of FASB ASC 718, stock-based compensation for awards to employees is measured at the grant date based on the fair value of the award and is recognized as expense over the required service period of the award. The Company estimates the fair value of stock options issued to employees using a Black-Scholes option-pricing model. The Company did not grant any awards prior to January 1, 2006.

The Company accounts for stock-based awards to nonemployees using a fair value method in accordance with FASB ASC 718 and FASB ASC 505-50, *Equity—Equity-Based Payments to Non-Employees* (previously Emerging Issues Task Force (EITF) Issue No. 96-18, *Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*).

Stock options issued to nonemployees are accounted for at the estimated fair value determined using a Black-Scholes option-pricing model. Restricted common stock grants issued to nonemployees are accounted for at the estimated fair value determined by management, which relied in part on independent outside valuations of the underlying common stock. The fair values of the stock options and stock-based awards granted to nonemployees are remeasured as the services are performed and the awards vest, and the resulting increase in value, if any, is recognized as expense during the period the related services are rendered.

The fair value of stock options granted was estimated using the Black-Scholes option-pricing model and requires the use of subjective valuation assumptions. The Black-Scholes valuation model requires several inputs and may not necessarily provide a reliable single measure of the fair value of stock options. The Company's options have characteristics significantly different from those of traded options and changes in input assumptions can materially affect the fair value estimates.

The fair value of the stock options granted in the years ended December 31, 2007, 2008 and 2009, and for the nine months ended September 30, 2010, were estimated using the following assumptions. No stock options were granted during the nine months ended September 30, 2009.

	Options Granted in Year 2007	Options Granted in Year 2008	Options Granted in Year 2009	Options Granted During the Nine Months Ended September 30, 2010
Risk-free interest rate	4.43%	1.92%–4.43%	2.15%–2.55%	1.85%–2.53%
Expected dividend yield	None	None	None	None
Expected volatility factor	70%	70%–75%	76%–80%	76%–80%
Expected option life (in years)	6.25–6.50	4.87–6.08	5.08–6.07	5.00–6.08
Expected forfeitures	5%	0%–5%	0%–5%	0%–5%

The risk-free interest rate was based on the US Treasury yield curve in effect during the year of grant for instruments with a term similar to the expected life of the related option. The volatility factor was determined based upon management's estimate using inputs from comparable public companies. Due to the Company's limited history of grant activity, the expected life of options granted was estimated using the "simplified method" in accordance with Staff Accounting Bulletin 110, where the expected life equals the arithmetic average of the vesting term and the original contractual term of the options. No dividends are expected to be paid. Forfeitures have been estimated by the Company based upon historical and expected forfeiture experience.

At September 30, 2010, the Company had a single share-based compensation plan (Notes 10 and 13).

Concentrations of Credit Risk—The Company's financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents in excess of the federally insured limits. The Company's cash and cash equivalents are deposited with high credit quality financial institutions and are primarily in demand deposit accounts. Substantially all ethanol sold through the Company's Agri-Energy subsidiary from the date of acquisition through September 30, 2010 was sold to C&N.

Fair Value Measurements and Fair Value of Financial Instruments—Accounting standards define fair value, outline a framework for measuring fair value, and detail the required disclosures about fair value measurements. Under these standards, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. Standards establish a hierarchy in determining the fair market value of an asset or liability. The fair value hierarchy has three levels of inputs, both observable and unobservable. Standards require the utilization of the highest possible level of input to determine fair value.

Level 1 inputs include quoted market prices in an active market for identical assets or liabilities.

Level 2 inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data.

Level 3 inputs are unobservable and corroborated by little or no market data. As of December 31, 2008 and 2009 and September 30, 2010 (unaudited) there were no transactions measured at fair value on a nonrecurring basis. The following table shows assets and liabilities measured at fair value on a recurring basis as of December 31, 2009 and September 30, 2010 (unaudited) and the input categories associated with those assets and liabilities.

There were no assets or liabilities measured at fair value as of December 31, 2008.

	Fair Value as of December 31, 2009	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Liabilities—fair value of warrant liabilities	$ (982,000)	$ —	$ —	$ (982,000)
	September 30, 2010 (unaudited)			
Liabilities—fair value of warrant liabilities	$ (3,003,000)	$ —	$ —	$(3,003,000)
Exchange-traded derivatives	(523,000)	(523,000)	—	—
Fixed price natural gas derivatives	(7,000)	—	(7,000)	—
Fixed price corn derivatives	$ (5,000)	$ —	$(5,000)	$ —

The changes in Level 3 liabilities measured at fair value on a recurring basis for the year ended December 31, 2009, and the nine months ended September 30, 2010, are as follows:

	Fair Value of Warrant Liabilities
Liabilities:	
Balance—January 1, 2009, after cumulative effect of reclassification of warrants in accordance with FASB ASC 815 (previously EITF 07-5)	$ 289,000
Initial measurement of warrants issued during the period	203,000
Change in fair value of warrants	400,000
Balance—September 30, 2009	$ 892,000
Change in fair value of warrants	90,000
Balance—December 31, 2009	$ 982,000
Initial measurement of warrants issued during the period	177,000
Change in fair value of warrants (unaudited)	3,302,000
Warrants exercised during the period and liability reclassified to additional paid-in-capital	(1,458,000)
Balance—September 30, 2010 (unaudited)	$ 3,003,000

The change in fair value of warrants of $490,000, $400,000, and $3,302,000 for the year ended December 31, 2009, and for the nine months ended September 30, 2009 and 2010, respectively, is reported as a loss from change in fair value of warrant liabilities in the consolidated statements of operations. See Note 11 for discussion of the valuation techniques used to measure the fair value of the preferred stock warrants.

The carrying value of cash and cash equivalents, restricted cash, receivables, prepaid expenses, accounts payable, and accrued expenses approximate their respective fair values due to the short-term nature of these instruments. Based on borrowing rates which management believes would currently be available to the Company for similar issues of debt, taking into account the current credit risk of the Company and other market factors, the carrying value of the Company’s debt obligations approximate their fair value.

The fair value of exchange-traded derivative instruments is based on quoted market prices. The fair value of fixed price natural gas and corn contacts is based upon the price at the delivery location adjusted for basis differentials, counterparty credit quality, the effect of our own credit worthiness, the time value of money and/or the liquidity of the market.

The Company had current derivative liabilities relating to its preferred stock warrants. The derivative instruments were not originally entered into as hedging activities, and the change in the value of the liabilities is recorded as a component of other income or expense in the consolidated statements of operations. The estimated fair value of the preferred stock warrant liabilities is revalued at each balance-sheet date, with changes in value recorded as other income or expense in the consolidated statements of operations. See *Fair Value of Financial Instruments* above and Note 11. Effective January 1, 2009, the

Company adopted the provisions of Emerging Issues Task Force (EITF) 07-05, *Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock*, which was primarily codified into FASB ASC 815, *Derivatives and Hedging*. As a result of adopting ASC 815, warrants to purchase shares of our preferred stock previously treated as equity have been reclassified as derivative liabilities. As such, effective January 1, 2009, the Company reclassified the fair value of these preferred stock warrants from equity to liability status as if these warrants were recorded as a derivative liability since their dates of issuance due to the preferred stock having downround protection (Note 11).

While the Company believes that its valuation methods are appropriate and consistent with other market participants, it recognizes that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Environmental Liabilities—The Company's operations are subject to environmental laws and regulations adopted by various governmental authorities in the jurisdictions in which it operates. These laws require the Company to investigate and remediate the effects of the release or disposal of materials at its locations. Accordingly, the Company has adopted policies, practices and procedures in the areas of pollution control, occupational health and the production, handling, storage and use of hazardous materials to prevent material environmental or other damage, and to limit the financial liability which could result from such events. Environmental liabilities are recorded when the Company's liability is probable and the costs can be reasonably estimated. No environmental liabilities have been recorded as of September 30, 2010.

Net Loss Per Share—Basic net loss per share is computed by dividing the net loss attributable to Gevo, Inc. common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing net loss attributable to Gevo, Inc. common stockholders for the period by the weighted-average number of dilutive common shares outstanding during the period. Dilutive shares outstanding are calculated by adding to the weighted shares outstanding any potential (unissued) shares of common stock and warrants based on the treasury stock method.

Diluted net loss per share is the same as basic net loss per share for all periods presented because any potential dilutive common shares were anti-dilutive. Such potentially dilutive shares are excluded from the computation of diluted net loss per share when the effect would be to reduce net loss per share. Therefore, in periods when a loss is reported, the calculation of basic and dilutive loss per share results in the same value.

The following table summarizes the Company's calculation of historical and pro forma net loss per common share attributable to Gevo, Inc. stockholders:

	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Nine Months Ended September 30, 2009 (unaudited)	Nine Months Ended September 30, 2010 (unaudited)
Historical net loss per share:					
Numerator:					
Net loss attributable to Gevo, Inc. common stockholders	$ (7,226,000)	$ (14,542,000)	$ (19,885,000)	$ (12,825,000)	$ (35,557,000)
Denominator:					
Weighted-average common shares used in computing net loss per share of common stock-basic and diluted	976,909	1,051,848	1,100,294	1,096,095	1,142,498
Net loss per share of common stock attributable to Gevo, Inc. stockholders—basic and diluted	$ (7.40)	$ (13.83)	$ (18.07)	$ (11.70)	$ (31.12)
Pro forma net loss per share (unaudited):					
Numerator:					
Net loss attributable to Gevo, Inc. common stockholders			$ (19,885,000)		$ (35,557,000)
Add back: deemed dividend— amortization of the beneficial conversion feature on Series D-1 convertible preferred stock (unaudited)			—		1,789,000
Add back: loss on change in fair value of warrant liabilities (unaudited)			490,000		3,302,000
Net loss used in computing pro forma net loss per share of common stock attributable to Gevo, Inc. stockholders—basic and diluted (unaudited)			$ (19,395,000)		$ (30,466,000)
Denominator:					
Basic and diluted weighted-average common shares, as used above			1,100,294		1,142,498
Add: pro forma adjustment to reflect weighted-average of assumed conversion of convertible preferred stock			10,866,395		13,801,815
Weighted-average shares used in computing pro forma basic and diluted net loss per common share			11,966,689		14,944,313
Pro forma net loss per share of common stock attributable to Gevo, Inc. stockholders—basic and diluted			$ (1.62)		$ (2.04)

* The convertible preferred stock was computed on an as converted basis using the conversion ratios (one-to-one) in effect as of September 30, 2010 for all periods presented. See Note 10 for conversion ratio adjustments that may be applicable upon future events.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(As of December 31, 2008 and 2009 and for the years ended December 31, 2007, 2008 and 2009. Information as of September 30, 2010 and for the nine months ended September 30, 2009 and 2010 is unaudited. Information subsequent to September 30, 2010 is unaudited.)

The following potentially dilutive securities were excluded from the calculation of diluted net loss per share during each period as the effect was anti-dilutive:

	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010
				(unaudited)	(unaudited)
Convertible preferred stock upon conversion to common stock (as converted basis)*	4,884,766	7,986,956	12,603,439	12,603,439	14,613,602
Warrants to purchase convertible preferred stock (as converted basis)*	28,848	250,693	306,109	306,109	303,173
Warrants to purchase common stock (at period-end)	—	—	858,000	858,000	858,000
Outstanding stock options to purchase common stock (at period-end)	1,110,907	1,876,134	2,547,592	1,842,205	2,894,265
Unvested restricted common stock (at period-end)	153,121	86,971	35,807	56,501	7,292
Total	6,177,642	10,200,754	16,350,947	15,666,254	18,676,332

* The convertible preferred stock and convertible preferred stock warrants were computed on an as converted basis using the conversion ratios (one-to-one) in effect as of September 30, 2010 for all periods presented. See Note 10 for conversion ratio adjustments that may be applicable upon future events.

Recent Accounting Pronouncements—In June 2009, the FASB amended its guidance to FASB ASC 810, *Consolidation* (previously FASB Statement No. 167, *Amendments to FASB Interpretation No. 46(R)*), surrounding a company's analysis to determine whether any of its variable interest entities constitute controlling financial interests in a variable interest entity. This analysis identifies the primary beneficiary of a variable interest entity as the enterprise that has both of the following characteristics: (a) the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity. Additionally, an enterprise is required to assess whether it has an implicit financial responsibility to ensure that a variable interest entity operates as designed when determining whether it has the power to direct the activities of the variable interest entity that most significantly impact the entity's economic performance. The new guidance also requires ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. The guidance is effective for the first annual reporting period that begins after November 15, 2009. The adoption did not have a material impact on the consolidated financial statements.

In January 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-06, "Fair Value Measurements and Disclosures—Improving Disclosures above Fair Value Measurements," that requires entities to make new disclosures about recurring or nonrecurring fair-value measurements and provides clarification of existing disclosure requirements. This amendment requires disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. This amendment is effective for periods beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements, which will be effective for fiscal years beginning after December 15, 2010. The adoption did not have a material impact on the consolidated financial statements.

In February 2010, the FASB issued ASU No. 2010-09, "Subsequent Events—Amendments to Certain Recognition and Disclosure Requirements," that amends guidance on subsequent events. This amendment removes the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events. However, the date-disclosure exemption does not relieve management of an SEC filer from its responsibility to evaluate subsequent events through the date on which financial statements are issued. All of the amendments in this ASU are effective upon issuance of the final ASU, except for the use of the issued date for conduit debt obligors. That amendment is effective for interim or annual periods ending after June 15, 2010. The adoption of this standard did not have a material impact on the consolidated financial statements.

2. Acquisition of Agri-Energy

In August 2010, the Company entered into an acquisition agreement pursuant to which it agreed to purchase all of the membership interests of Agri-Energy, LLC, a Minnesota limited liability company, and certain assets of Agri-Energy Limited Partnership, a Minnesota limited partnership, from their common owner, CORN-er Stone Farmers' Cooperative, a Minnesota cooperative association, together with CORN-er Stone Ethanol Management, Inc., referred to collectively as Agri-Energy. In September 2010, the Company consummated the transactions contemplated by the acquisition agreement, and acquired ownership of a 22 MGPY ethanol production facility located in Luverne, Minnesota, which it plans to retrofit for isobutanol production. The Company paid a purchase price of approximately $20,685,000. In addition, the Company acquired and paid for $4,919,000 in estimated working capital, resulting in a total amount paid of $25,604,000. The acquisition agreement contains customary representations, warranties, covenants and indemnification provisions and provided for an aggregate of approximately $3,560,000 to be placed into escrow as security for deficiencies in working capital and seller indemnification obligations.

The acquisition of Agri-Energy was completed as part of the Company's strategy of acquiring access to ethanol production facilities for future retrofit to produce isobutanol. The purchase price paid may be adjusted based on Agri-Energy's final closing balance sheet, deliverable to the Company within 60 days after the closing date, and any seller indemnification obligations. The acquisition was completed and Gevo Development acquired effective control of Agri-Energy on September 22, 2010. The assets acquired and liabilities assumed, and the results of Agri-Energy's operations for the period from September 23, 2010 through September 30, 2010, are reflected in the Company's consolidated financial statements as of and for the nine months ended September 30, 2010. The acquisition was accounted for under the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. The acquisition method of accounting requires, among other things, that all assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed as of the acquisition date:

Assets acquired:	
Cash	$ 585,000
Receivables	1,999,000
Inventory	3,570,000
Other current assets	1,256,000
Property, plant and equipment	20,685,000
Total assets acquired	28,095,000
Liabilities assumed:	
Accounts payable and accrued expenses	1,843,000
Other current liabilities	648,000
Total liabilities assumed	2,491,000
Net assets acquired	$ 25,604,000

The amounts above are preliminary purchase price allocations. The acquisition was completed on September 22, 2010 and the Company expects to finalize the purchase price allocations during the fourth quarter of 2010. The Company believes the final allocations will not materially impact the preliminary amounts shown above. The Company has taken certain actions and incurred certain costs associated with the transaction prior to the acquisition date. Such costs are estimated to be $1,105,000 and are recorded as selling, general and administrative expense. These costs primarily consist of legal and accounting fees.

The revenue and income from operations relating to Agri-Energy for the period from September 23, 2010 through September 30, 2010 was $975,000 and $36,000, respectively.

Pro forma results of operations as if the acquisition of Agri-Energy had occurred on January 1, 2009 are as follows (unaudited):

	Year Ended December 31, 2009	Nine Months Ended September 30, 2010
Revenues	40,768,000	32,782,000
Loss from operations	(17,669,000)	(27,599,000)
Net loss	(20,935,000)	(33,607,000)

3. Property, Plant and Equipment

A summary of property, plant and equipment by classification is as follows:

	Estimated Useful Lives	December 31, 2008	December 31, 2009	September 30, 2010
				(unaudited)
Computer and office equipment	3 years	$ 264,000	$ 287,000	$ 431,000
Furniture and fixtures	5 years	44,000	37,000	42,000
Lab equipment	5 years	2,562,000	2,950,000	3,299,000
Leasehold improvements	See Note 1	374,000	380,000	380,000
Pilot plant	3 years	710,000	710,000	721,000
Demonstration plant	See Note 1	—	2,587,000	2,887,000
Vehicle	5 years	28,000	28,000	32,000
Software	3 years	100,000	94,000	119,000
Construction in progress	—	—	—	26,000
Land	—	—	—	410,000
Buildings and site improvements	15 years	—	—	9,615,000
Plant machinery and equipment	10 years	—	—	10,530,000
Tools and support equipment	5 years	—	—	52,000
Total property, plant and equipment		4,082,000	7,073,000	28,544,000
Less accumulated depreciation and amortization		(950,000)	(2,441,000)	(4,614,000)
Property, plant and equipment—net		$ 3,132,000	$ 4,632,000	$ 23,930,000

Depreciation and amortization expense was $240,000, $678,000 and $1,511,000 for the years ended December 31, 2007, 2008, and 2009, respectively, and $4,677,000 for the period from June 9, 2005 (date of inception) through September 30, 2010. Depreciation and amortization expense was $830,000 and $2,173,000 for the nine months ended September 30, 2009 and 2010.

During the year ended December 31, 2007, the Company terminated its office lease at its facility in Monrovia, California (Note 17) and recorded a loss on abandonment or disposal of fixed assets of $243,000 related to leasehold improvements assets at the facility.

During the year ended December 31, 2008, the Company terminated its office lease at its facility in Pasadena, California (Note 17) and recorded a loss on abandonment or disposal of fixed assets of $78,000 related to property and equipment that was sold or abandoned.

4. Inventories

Inventory balances consisted of the following:

	September 30, 2010
	(Unaudited)
Corn	$ 2,134,000
Ethanol	300,000
Distiller's dried grains	43,000
Work in process	128,000
Enzymes and other inputs	99,000
Spare parts	344,000
Total inventory	$ 3,048,000

The Company had no balance for inventories prior to the acquisition of Agri-Energy on September 22, 2010. No lower of cost or market adjustment was recorded for the nine months ended September 30, 2010 (unaudited).

Included in the cost of ethanol inventory is depreciation of $38,000 for the period from September 23, 2010 to September 30, 2010 (unaudited).

5. Significant License, Research, and Other Agreements

ICM—In October 2008, the Company signed development and commercialization agreements with ICM.

Under the terms of the development agreement, the Company will perform commercial-scale isobutanol production trials in ICM's research plant and facility in St. Joseph, Missouri, the demonstration plant. The Company is required to pay for or reimburse ICM for engineering fees, equipment, plant modification costs, and project fees. The development agreement was originally effective through December 31, 2010, and was amended in July 2010 to extend the effective date through December 31, 2011. The development agreement can be terminated by the Company with 30 days' written notice. During the year ended December 31, 2009, and the nine months ended September 30, 2010, the Company incurred $2,587,000 and $300,000, respectively, in capital expenditures that are recorded as property, plant and equipment in the Company's balance sheets, which includes equipment, plant modifications, engineering, installations, and construction services costs. The Company incurred operating expenses paid to ICM for production trials at the demonstration plant and depreciation expense relating to the demonstration plant. The operating expenses and depreciation of capitalized items relating to the demonstration plant were recorded as research and development expense.

The term of the commercialization agreement is through October 16, 2018, and outlines the terms and fees under which ICM acts as the Company's exclusive provider for engineering and construction services for commercial plants utilizing dry-milled feed stocks of corn or grain sorghum that are commissioned by the Company. Also, under the commercialization agreement, the Company is ICM's exclusive technology partner for the production of butanols, pentanols, and propanols from the fermentation of sugars. In addition to amounts recorded under the development agreement noted above, the Company also engaged ICM to perform engineering studies, plant evaluations and other services.

Expenses incurred by the Company under its development, commercialization and other agreements with ICM are as follows:

	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Cumulative Amounts From June 9, 2005 (Date of Inception) Through September 30, 2010
				(unaudited)	(unaudited)	(unaudited)
Research and development	$ —	$ 30,000	$ 1,353,000	$ 628,000	$ 1,885,000	$ 3,268,000
Selling, general and administrative	—	—	12,000	—	80,000	92,000
Total	$ —	$ 30,000	$ 1,365,000	$ 628,000	$ 1,965,000	$ 3,360,000

Cargill, Incorporated—During February 2009, the Company entered into a license agreement with Cargill, Incorporated (“Cargill”) to obtain certain biological materials and license patent rights to use a biocatalyst owned by Cargill. Under the agreement, Cargill has granted the Company an exclusive, royalty-bearing license, with limited rights to sublicense, to use the patent rights in a certain field, as defined in the agreement.

The agreement contains five milestone payments totaling approximately $4,300,000 that are payable after each milestone is completed. During 2009, two milestones were completed and the Company recorded the related milestone amounts, along with an up-front signing fee, totaling $875,000 to research and development expense. During March 2010, the Company completed milestone number three and recorded the related milestone amount of $2,000,000 to research and development expense at its present value amount of $1,578,000 because the milestone payment will be paid over a period greater than twelve months from the date it was incurred. At September 30, 2010, the milestone payment of $2,000,000 was recorded as a total liability of $1,682,000 net of a discount of $318,000, of which $682,000 was recorded in accounts payable and accrued expenses, and $1,000,000 was recorded in other liabilities, on the Company’s balance sheet, which will be paid during the years ended December 31, 2011 and 2012. The accretion of the liability from March 2010 to September 30, 2010 of $104,000 was recorded to interest expense.

Upon commercialization of a product which uses the Cargill biological material or is otherwise covered by the patent rights under this agreement, a royalty based on net sales is payable by the Company, subject to a minimum royalty amount per year, as defined in the agreement, and up to a maximum amount per year.

The agreement provides an option for Cargill to purchase a nonexclusive, royalty-bearing license for the use of a Gevo biocatalyst that utilizes the Cargill biological material or licensed patents for a royalty rate equal to the lowest rate offered to any third party.

The Company may terminate this agreement at any time upon 90 days' written notice. Unless terminated earlier, the agreement remains in effect until no licensed patent rights remain, but in no case before December 31, 2025.

The Regents of the University of California (September 2007, License Agreement)—In September 2007, the Company entered into an exclusive license agreement with The Regents of the University of California ("The Regents") to obtain certain patent rights to inventions made in the course of research at the University of California. As consideration for the license agreement, the Company paid an upfront license issue fee of $15,000 and issued 10,000 shares of the Company's common stock valued at approximately $5,000, which amounts were recorded as research and development expense.

The agreement requires the Company to pay for all costs related to obtaining and maintaining patents on the technology. Under the terms of the agreement, the Company is required to pay annual license maintenance fees, cash payments upon achievement of certain milestones, and royalties based on revenue from product utilizing the licensed technology. The Company has the right to issue sublicenses to third parties, subject to the payment of a percentage of sublicensing fees and royalty fees to The Regents. The Company can terminate the agreement at any time with 90 days' notice. The Regents can terminate the agreement if the Company fails to demonstrate performance of certain due diligence items as defined in the agreement. Unless terminated earlier in accordance with the agreement, the agreement remains in effect for the life of the last-to-expire patent in the licensed patent rights or until the last patent application licensed under this agreement is abandoned or no patent in the included patent rights ever issues.

Costs incurred by the Company are recorded as research and development expense except for legal-related fees that pertain to obtaining and maintaining patents on the technology, which are recorded as selling, general and administrative expense. In May 2009, the agreement was amended to add two new case numbers to the patent rights, expand the field of use, and extend the milestone payment deadline. In December 2009, the agreement was further amended to clarify The Regents' right to either (i) reduce the license to a non-exclusive license or (ii) terminate specific rights in the event that the Company fails to meet any of the due diligence deadlines set forth in the agreement. Any such reduction or termination of the Company's rights will apply only to the specific molecule for which the due diligence deadline was missed; the rights relating to other molecules will not be affected.

During the year ended December 31, 2007, the Company incurred costs of $81,000 under the license agreement, which were recorded as research and development expense. During the year ended December 31, 2008, the Company incurred costs of $92,000 under the license agreement of which $40,000 were recorded as research and development expense and $52,000 were recorded as selling, general and administrative expense. During the year ended December 31, 2009, the Company incurred costs of $249,000 under the license agreement of which $37,000 were recorded as research and development expense and $212,000 were recorded as selling, general and administrative expense. For the nine months ended September 30, 2009, the Company incurred costs of $219,000 under the license agreement, of which $212,000 was recorded as selling, general and administrative expense and $7,000 was recorded as research and development expense. For the nine months ended September 30, 2010, the Company incurred costs of $39,000 under the license agreement, of which $34,000 was recorded as selling, general and administrative expense and $5,000 was recorded as research and development expense. For the period from June 9, 2005 (date of inception) to September 30, 2010, the Company incurred costs of $461,000 under the agreement of which $163,000 were recorded as research and development expense and $298,000 were recorded as selling, general and administrative expense.

California Institute of Technology (July 2005, License Agreement)—In July 2005, the Company entered into a license agreement with the California Institute of Technology ("Caltech") to obtain certain patent rights and improvement rights in exchange for issuance of 200,000 shares of the Company's common stock valued at a de minimis amount. The term of the agreement shall continue until the expiration, revocation, invalidation, or unenforceability of the licensed patent rights and improvements licensed to the Company. Improvements conceived and reduced to practice in the applicable laboratory at Caltech within three years of the effective date of the agreement are included in the improvement rights.

In 2007, the Company relinquished its rights to the licensed patents, which were no longer used in the Company's business, and the agreement was amended to extend the term for includible improvements developed through July 12, 2009, and to expand the field of the licensed products and improvements. In exchange for this amendment, the Company made a payment of $100,000 to support biofuels research at Caltech and granted Caltech an additional 12,000 shares of the Company's common stock valued at approximately $5,000, which amounts were recorded as research and development expense.

During 2008, the Company did not incur any costs under the Caltech agreement.

During 2009, the agreement was amended to expand the field of the licensed products and improvements and to extend the right to improvements through July 12, 2011, in exchange for payment of $20,000, which was recorded as research and development expense.

During 2010, the agreement was further amended to extend the right to improvements through July 12, 2013, in exchange for a payment of $40,000, which was recorded as research and development expense. For the period from June 9, 2005 (date of inception) to September 30, 2010, the Company incurred costs of $179,000 under the Caltech agreement of which $146,000 were recorded as research and development expense and $33,000 were recorded as selling, general and administrative expense.

The Regents of the University of California (July 2008, Research Agreement)—In July 2008, the Company entered into a research agreement with The Regents whereby the Company would pay up to $2,400,000 over three years to support research and development of butanols and propanols by fermentation microorganisms from carbohydrate feed stocks. The Company has certain rights in any data developed under this agreement and has an exclusive option to license any intellectual property developed under the research agreement. The agreement was terminated effective February 14, 2010, in exchange for final payments of $225,000. The Company has no further obligations under this agreement. During the years ended December 31, 2008 and 2009, the Company recorded $400,000 and $800,000, respectively, as research and development expense under this agreement. For the nine months ended September 30, 2009 and 2010, the Company recorded $600,000 and $225,000, respectively, as research and development expense under this agreement. For the period from June 9, 2005 (date of inception) to September 30, 2010, the Company recorded $1,425,000 as research and development expense under this agreement.

VIB—Effective May 1, 2009, the Company entered into a research agreement with VIB, a non-profit organization located in Belgium, to engage in research-modifying yeast to improve the production of isobutanol. The term of the agreement is for two years during which the Company must pay VIB the sum of €427,000 per year, plus travel expenses, and up to an additional €210,000 depending on the completion of four defined contract milestones. Effective March 1, 2010, the agreement with VIB was amended to reduce the annual fee to €300,000 per year. The agreement may be terminated by the Company with six months advance written notice. During the year ended December 31, 2009, the Company incurred €287,000 ($424,000) of research and development expense under this agreement. For the nine months ended September 30, 2009 and 2010, the Company incurred €178,000 ($253,000) and €246,000 ($332,000), respectively, of research and development expense under this agreement. No milestones have been met or paid under this agreement as of September 30, 2010. For the period of June 9, 2005 (date of inception) to September 30, 2010, the Company incurred €533,000 ($756,000) of research and development expense under this agreement.

California Institute of Technology (2009, Contractor Agreement)—During the year ended December 31, 2009, the Company entered into a contractor agreement with Caltech under which Caltech will provide the Company with research and development services. The agreement is effective from October 1, 2009 through September 30, 2011 and may require payments up to $450,000. Either party may terminate the agreement upon 15 days' written notice. During the year ended December 31, 2009, and for the nine months ended September 30, 2010, the Company recorded $9,000 and $208,000 respectively, of research and development expense under this agreement. For the period of June 9, 2005 (date of inception) to September 30, 2010, the Company recorded $217,000 as research and development expense under this agreement.

Cargill, Incorporated (2010, Subcontractor Agreement)—During January 2010, the Company entered into a subcontractor agreement with Cargill to engage Cargill to provide research and development services to develop biological material that has been licensed by the Company. The agreement may require payment of up to $1,500,000 through the term of the agreement, which ends August 31, 2011. Either party may cancel the agreement upon 30 days' written notice.

Within its research and development activities, the Company routinely enters into research and license agreements with various entities. Future royalty payments may apply under these license agreements if the technologies are used in future commercial products. In addition, the Company may from time to time make gifts to universities and other organizations to expand research activities in its fields of interest. Any amounts paid under these agreements are generally recorded as research and development expense as incurred.

The Company has been awarded grants or cooperative agreements from a number of government agencies, including the US Department of Energy, US National Science Foundation, US Environmental Protection Agency, Army Research Labs, and the US Department of Agriculture. Revenues recorded related to these grants and cooperative agreements for the years ended December 31, 2007, 2008, and 2009, and for the period from June 9, 2005 (date of inception) to September 30, 2010, were $275,000, $208,000, $660,000, and $2,418,000, respectively. For the nine months ended September 30, 2009 and 2010, the Company recorded revenues of $551,000 and $1,175,000, respectively, related to these grants and cooperative agreements.

Ethanol Marketing Agreement—Substantially all ethanol sold through our Agri-Energy subsidiary from the date of the acquisition through September 30, 2010 was sold to C&N pursuant to an ethanol purchase and marketing agreement. The ethanol purchase and marketing agreement with C&N is effective through March 31, 2011 and automatically renews for subsequent one year terms unless either party terminates the agreement 60 days before the end of a term. Under the terms of the agreement, C&N will market substantially all of Agri-Energy's ethanol production from the Luverne, MN facility and will pay to Agri-Energy the gross sales price paid by the end customer less expenses and a 1% marketing fee.

6. Gevo Development

Gevo, Inc. formed Gevo Development, a Delaware limited liability company, on September 18, 2009, to finance and develop biorefineries through direct acquisition or joint venture. Biorefinery plants accessed through Gevo Development are intended to be retrofitted using Gevo, Inc.'s integrated fermentation technology to produce isobutanol.

Gevo, Inc. currently owns 100% of the outstanding equity interests of Gevo Development as a wholly owned subsidiary. Gevo Development has two classes of membership interests outstanding. Gevo, Inc. is the sole owner of the class A interests. Prior to September 22, 2010, CDP Gevo, LLC (CDP), which is indirectly owned by the two co-managing directors of Gevo Development, was the sole owner of the class B interests, which comprise 10% of the outstanding equity interests of Gevo Development. In September 2010, Gevo, Inc. became the sole owner of Gevo Development by acquiring 100% of the class B interests in Gevo Development from CDP pursuant to an equity purchase agreement. In exchange for the class B interests, CDP will receive aggregate consideration of up to approximately $1,143,000, $500,000 of which was paid on September 22, 2010, $274,000 of which will be paid on December 30, 2010, and the remainder of which is payable in five equal quarterly installments beginning in January 2011, subject to the terms and conditions set forth in the agreement.

The original issuance of the class B interests was considered to be a grant of non-employee stock compensation. As vesting of the awards was dependent on counterparty performance conditions (the acquisition and retrofit of a biorefinery plant), no compensation expense had been recorded prior to September 22, 2010 because the lowest aggregate fair value of the awards was zero. Upon the purchase of the class B interests on September 22, 2010, the Company recorded stock compensation of $774,000, which reflected the amount paid or to be paid for the class B interests that was not dependent on counterparty performance. The Company will record the remaining amount, which is dependent on continued employment, when it is paid.

Gevo, Inc. made capital contributions of $750,000 and $15,978,000 (which includes $12,700,000 of cash used in the purchase of Agri-Energy), to Gevo Development during the year ended December 31, 2009, and during the nine months ended September 30, 2010, respectively. No capital contributions had been made by CDP through September 21, 2010. For the year ended December 31, 2009, and for the nine months ended September 30, 2010, Gevo Development incurred a net loss of $731,000 and $2,684,000, respectively, which has been fully allocated to Gevo, Inc.'s capital contribution account based upon its capital contributions. For financial reporting purposes prior to September 22, 2010, the income or loss allocated to the members of Gevo Development was determined using the hypothetical liquidation at book value method. Under this method, net income or loss is allocated between members by determining the difference between the amount of equity at the beginning of the reporting period and equity at the end of the reporting period, which would be distributed to each member if the entity were to be liquidated as of those dates. Distributions, when and if declared by the board of managers, are allocated, first, to each member for their estimated tax amount, then, for their unreturned capital contributions, and lastly, according to their distribution percentages. Allocation, distribution and voting percentages are determined in accordance with the LLC Agreement, as amended. The LLC Agreement was amended on August 5, 2010.

Warrant Agreement—The warrant agreement details the terms upon which Gevo, Inc. has granted a warrant, as amended, to CDP to purchase 858,000 shares of the common stock of Gevo, Inc. at an exercise price of $2.70 per share, the estimated fair value of a share of Gevo, Inc.’s common stock at the time of entering into the warrant agreement. The warrant expires in September 2016, unless terminated earlier as provided in the agreement. The warrant shares were initially unvested and vested in increments upon the achievement of specific performance milestones. No amounts had been recorded for these warrants in the Company’s consolidated statements of operations through September 21, 2010, as none of the counterparty performance milestones had been met; therefore, the lowest aggregate fair value of the award was zero.

On September 22, 2010, the beneficial owners of the equity interests of CDP became employees of Gevo, Inc. and the warrant agreement was amended and restated to provide that 50% of the warrant shares granted under such warrant agreement would vest on September 22, 2010. The remaining warrant shares will vest over a two-year period beginning on September 22, 2010, subject to acceleration and termination in certain circumstances, such as the occurrence of a change of control event. The Company valued the warrant at approximately $13,956,000 on September 22, 2010, recognized 50% of this amount as stock based compensation on September 22, 2010. The Company will recognize the remaining 50% over the 24 month vesting period beginning on September 22, 2010.

When Gevo Development was formed in September 2009, Gevo, Inc., Gevo Development and CDP also entered into the following related agreements: a commercialization agreement, a guaranty agreement and an exchange agreement. As of September 30, 2010, the commercialization agreement, the guaranty agreement and the exchange agreement have all been terminated.

Commercialization Agreement—The commercialization agreement was terminated on September 22, 2010. The commercialization agreement set forth the services that Gevo, Inc. and CDP were to provide to Gevo Development. Gevo Development compensated CDP for its services through a quarterly management fee and the payment of bonuses upon achievement of established milestones. CDP was also granted a warrant to purchase 858,000 shares of the common stock of Gevo, Inc. at an exercise price of $2.70 per share, the estimated fair value of a share of Gevo, Inc.’s common stock at the time of entering into the warrant agreement, that originally vested upon achievement of specific milestones and was amended on September 22, 2010. See description above under the heading *Warrant Agreement*. During the year ended December 31, 2009, and the nine months ended September 30, 2010, Gevo Development recorded $528,000 and $716,000, respectively, in fees and bonuses to CDP, which amounts have been recorded as selling, general and administrative costs on the statements of operations.

Guaranty Agreement—The guaranty agreement was terminated on September 22, 2010. In September 2009, in connection with the formation of Gevo Development and the execution of the commercialization agreement, Gevo, Inc. entered into a guaranty agreement pursuant to which Gevo, Inc. agreed to guarantee the financial obligations of Gevo Development to CDP under the commercialization agreement through the earlier of the termination of the commercialization agreement or December 31, 2011. Gevo, Inc.'s liability under this agreement was limited to Gevo Development's payment obligations arising under the commercialization agreement during the term of the guaranty agreement only.

Exchange Agreement—The exchange agreement was terminated on August 5, 2010. As described in the exchange agreement, if, upon a termination event, none of the parties owned a production facility, the class B interests would be immediately forfeited without consideration. Upon a fundamental event, as described in the exchange agreement and including a change in control, initial public offering, sale, or transfer of substantially all assets of Gevo, Inc., and other defined events, CDP's class B interests would convert into shares of Gevo, Inc.'s common stock based on their relative values, as defined, as of the closing of the fundamental event.

Gevo Development is considered to be a variable interest entity. As of and for the year ended December 31, 2009, Gevo, Inc. was considered to be the primary beneficiary as it absorbed the majority of the expected losses and residual returns of Gevo Development. Effective January 1, 2010, Gevo, Inc. adopted the amended provisions of FASB ASC 810, *Consolidation* (previously FASB Statement No. 167, *Amendments to FASB Interpretation No. 46(R)*). Under the amended provisions of ASC 810, as of and for the nine months ended September 30, 2010, Gevo Development continues to be a VIE and Gevo, Inc. is still considered to be the primary beneficiary as it has both (a) the power to direct the activities of Gevo Development that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of Gevo Development that could potentially be significant to the entity or the right to receive benefits from Gevo Development that could potentially be significant to the entity. As such, Gevo Development is consolidated. The accounts of Agri-Energy are consolidated within Gevo Development as a wholly owned subsidiary. As of September 30, 2010, Gevo Development does not have any assets that can be used only to settle obligations of Gevo Development. However, under the terms of the $12.5 million loan and security agreement with TriplePoint, as amended, subject to certain limited exceptions, Agri-Energy is only permitted to pay dividends if certain conditions are satisfied. As of September 30, 2010, the creditors of Gevo Development have recourse to the general credit of Gevo, Inc. with the exception of $2,050,000 that is recorded within current liabilities, which includes the liabilities of Agri-Energy. No gain or loss was recognized by the Company upon the initial consolidation of Gevo Development.

7. Secured Long-Term Debt

Lighthouse Loan and Security Agreement. On December 18, 2006, Gevo, Inc. entered into a loan and security agreement with Lighthouse Capital Partners V, L.P. ("Lighthouse"). Through June 30, 2009, the Company had borrowed $9,078,000 and repaid principal of $1,143,000, resulting in an outstanding principal balance of $7,935,000. In July 2009, the Company amended the Lighthouse agreement to aggregate all outstanding loan advances totaling $7,935,000 into one promissory note that bears an interest rate of 12% per annum, requires interest only payments for the period from July 2009 through December 2010, principal plus interest repayments of equal amounts over the 18 months commencing January 1, 2011, and a final payment of $454,000 due on July 1, 2012.

Under the terms of the amendment, the Company is prohibited from granting a security interest in its intellectual property assets to any other entity until Lighthouse is paid in full, and Lighthouse was entitled to maintain a blanket security interest in all of the Company's assets, other than the Company's intellectual property, until such time as the Company paid $5,000,000 in principal payments against the note. On August 6, 2010, the Company repaid $5,000,000 in outstanding principal, as well as $250,000 of the final payment, under the note, using amounts borrowed pursuant to a loan and security agreement with TriplePoint Capital LLC ("TriplePoint"), as well as available cash resources. As a result of such payment, Lighthouse has released its blanket security interest, and retains only the negative pledge on the Company's intellectual property and a security interest in the assets, including equipment and fixtures, financed by the proceeds of each original loan advance made under the loan agreement until such time as the loan is paid in full. The Lighthouse agreement does not contain financial ratio covenants, but does impose certain affirmative and negative covenants, which include prohibiting the Company from paying any dividends or distributions or creating any liens against the collateral as defined in the agreement, as amended. The Company cannot borrow any further amounts under its agreement with Lighthouse. At September 30, 2010, the Company was in compliance with the Lighthouse debt covenants.

TriplePoint Loan and Security Agreement 1. In August 2010, concurrently with the execution of the acquisition agreement with Agri-Energy, Gevo, Inc. entered into a loan and security agreement with TriplePoint, pursuant to which it borrowed $5,000,000. The loan and security agreement includes customary affirmative and negative covenants for agreements of this type and events of default, including, disposing of certain assets, granting or otherwise allowing the imposition of a lien against certain assets, incurring certain amounts of additional indebtedness, declaring dividends prior to an initial public offering, or acquiring or merging with another entity, excluding Agri-Energy, unless the Company receives the prior approval of TriplePoint. The aggregate amount outstanding under the loan and security agreement bears interest at a rate equal to 13%, is subject to an end-of-term payment equal to 8% of the amount borrowed and is secured by substantially all of the assets of Gevo, Inc., other than its intellectual property. The loan is also secured by substantially all of the assets of Agri-Energy. Additionally, under the terms of each of (i) the loan and security agreement and (ii) Gevo, Inc.'s guarantee of Gevo Development's and Agri-Energy's obligations under the loan and security agreement described below, Gevo, Inc. is prohibited from granting a security interest in its intellectual property assets to any other entity until both TriplePoint loans are paid in full. The loan matures on August 31, 2014, and provides for interest only payments during the first 24 months. Gevo, Inc. used the funds from this loan to repay a portion of its existing indebtedness with Lighthouse. At September 30, 2010, the Company was in compliance with the debt covenants under this loan and security agreement.

TriplePoint Loan and Security Agreement 2. In August 2010, Gevo Development also entered into a loan and security agreement with TriplePoint under which, upon the satisfaction of certain conditions, Gevo Development could borrow up to $12.5 million to finance the transactions contemplated by the acquisition agreement with Agri-Energy. In September 2010, Gevo Development borrowed the $12.5 million and closed the transactions contemplated by the acquisition agreement, at which time the loan and security agreement was amended and Agri-Energy became a borrower under the loan and security agreement. The loan and security agreement includes customary affirmative and negative covenants for agreements of this type and events of default. The aggregate amount outstanding under the loan and security agreement bears interest at a rate equal to 13% and is subject to an end-of-term payment equal to 8% of the amount borrowed. The loan is secured by the equity interests of Agri-Energy held by Gevo Development and substantially all the assets of Agri-Energy. The loan matures on September 1, 2014, and provides for interest only payments during the first 24 months. The loan is guaranteed by Gevo, Inc. pursuant to a continuing guaranty executed by Gevo, Inc. in favor of TriplePoint, which is secured by substantially all of the assets of Gevo, Inc., other than its intellectual property. At September 30, 2010, the Company was in compliance with the debt covenants under this loan and security agreement.

Gevo, Inc. issued warrants to Lighthouse and TriplePoint in connection with these loans as noted below.

The carrying value of the secured long-term debt included in the Company’s consolidated balance sheets at December 31, 2008 and 2009, and September 30, 2010, consists of the following:

	December 31, 2008	December 31, 2009	September 30, 2010
			(unaudited)
Long-term debt, unpaid principal plus final/end-of-term payments	$ 8,891,000	$ 8,389,000	$ 22,038,000
Less unamortized debt discounts for final/end-of-term payments and original fair value of warrants issued with debt	(713,000)	(688,000)	(1,718,000)
	8,178,000	7,701,000	20,320,000
Less current portion	(1,769,000)	—	(1,286,000)
Long-term portion of the long-term debt	$ 6,409,000	$ 7,701,000	$ 19,034,000

Interest expense related to the long-term debt for the years ended December 31, 2007, 2008 and 2009, and for the period from June 9, 2005 (date of inception) to September 30, 2010, was $140,000, $332,000, $1,103,000 and $2,920,000, respectively, of which $54,000, $50,000, $235,000 and $911,000, respectively, was for the accretion of debt discounts relating to the final/end-of-term payments, amortization of debt issue costs and the accretion of debt discounts relating to the grant date value of the warrants issued in connection with the debt. Interest expense related to the long-term debt for the nine months ended September 30, 2009 and 2010, was $798,000 and $1,344,000, respectively, of which $174,000 and $573,000, respectively, was for the accretion of debt discounts relating to the final/end-of-term payments, amortization of debt issue costs and the accretion of debt discounts relating to the grant date value of the warrants issued in connection with the debt.

During the years ended December 31, 2008 and 2009, the Company made principal repayments of $521,000 and $622,000, respectively. No principal repayments were made prior to the year ended December 31, 2008. The Company repaid $5,000,000 in outstanding principal, as well as $250,000 of the final payment, on the Lighthouse debt during the nine months ended September 30, 2010.

The following is a summary of principal maturities of long-term debt and the non-principal final/end-of-term payments as of September 30, 2010, for the remainder of 2010 and the next four years:

	Principal	Final Payment	Total
2010	$ —	$ —	$ —
2011	1,897,000	—	1,897,000
2012	3,167,000	204,000	3,371,000
2013	8,478,000	—	8,478,000
2014	6,892,000	1,400,000	8,292,000
	$ 20,434,000	$ 1,604,000	$ 22,038,000

In connection with signing and borrowing under the loans with Lighthouse and TriplePoint, the Company issued warrants to purchase shares of the Company's preferred stock. The issuance date fair value of these warrants has been recorded as a debt discount against the debt ("debt discount") and amortized to interest expense over the terms of the loans. These warrants, while they are exercisable for preferred stock, are considered to be derivative instruments. They are recorded as fair value of warrant liabilities in the consolidated balance sheets and marked to market each period through the statement of operations. Upon a qualifying initial public offering, the preferred stock warrants would convert to common stock warrants and the related preferred stock warrant liability would be reclassified to additional paid-in capital and would no longer be marked to fair value going forward. See Note 11.

The warrants issued to Lighthouse during the years ended December 31, 2006 through December 31, 2008, were valued on the issuance dates using an option-pricing model using a risk-free interest rate of between 3.00% and 4.43%, expected volatility of between 70% and 75%, no expected dividend yield and a term of seven years. The warrants issued to Lighthouse during the year ended December 31, 2009, were valued on the issuance dates using an option-pricing model using a risk-free interest rate of between 0.95% and 1.00%, expected volatility of between 68% and 94%, and a term of between 2.25 and 2.75 years.

In connection with signing and borrowing on the $5,000,000 loan, Gevo, Inc. issued to TriplePoint a warrant to purchase 32,126 shares of Gevo, Inc.'s Series D-1 preferred stock at an exercise price of $17.12, or shares of Gevo, Inc.'s preferred stock issued in the next round of financing, if the price per share in such financing is below $17.12, at an exercise price equal to the per share sales price in such financing. The warrant is subject to antidilution adjustments upon the occurrence of certain events. The warrant terminates on the later of (i) August 5, 2017 or (ii) five years from the effective date of Gevo, Inc.'s initial public offering.

In connection with signing and borrowing on the $12,500,000 loan, Gevo, Inc. issued to TriplePoint a warrant to purchase 73,014 shares of Gevo, Inc.'s Series D-1 preferred stock at an exercise price of $17.12, or shares of Gevo, Inc.'s preferred stock issued in the next round of financing, if the price per share in such financing is below $17.12, at an exercise price equal to the per share sales price in such financing. The warrant is subject to antidilution adjustments upon the occurrence of certain events. The warrant terminates on the later of (i) August 5, 2017 or (ii) five years from the effective date of Gevo, Inc.'s initial public offering.

The warrants issued to TriplePoint during August and September 2010, were valued on the issuance dates using an option-pricing model using a risk-free interest rate of 0.15%, expected volatility of between 49.14% and 61.90% and a term of 0.17 years.

Warrants issued to Lighthouse and TriplePoint are summarized below:

Year Warrants Issued	Number of Warrant Shares	Security Exercisable Into	Exercise Price	Fair Value at Issuance
2006 (upon signing original loan agreement with Lighthouse)	8,571	Series A-3 preferred stock	$ 1.75	$ 10,000
2007 (upon signing amendment one with Lighthouse)	8,583	Series A-4 preferred stock	2.33	15,000
2007 (upon borrowing under the original loan agreement with Lighthouse)	6,429	Series A-3 preferred stock	1.75	8,000
2007 (upon borrowing under amendment one with Lighthouse)	5,265	Series A-4 preferred stock	2.33	10,000
2008 (upon signing amendment three with Lighthouse)	16,423	Series C preferred stock	5.48	61,000
2008 (upon signing amendment four with Lighthouse)	45,620	Series C preferred stock	5.48	178,000
2008 (upon borrowing under amendment one with Lighthouse)	1,173	Series A-4 preferred stock	2.33	2,000
2008 (upon borrowing under amendment three with Lighthouse)	8,080	Series C preferred stock	5.48	32,000
2008 (upon borrowing under amendment four with Lighthouse)	13,687	Series C preferred stock	5.48	53,000
2009 (upon borrowing under amendment three with Lighthouse)	416	Series C preferred stock	5.48	1,000
2009 (upon signing amendment five with Lighthouse)	55,000	Series D preferred stock	7.04	202,000
2010 (upon signing and borrowing under the loan agreement with TriplePoint)	105,140	Series D-1 preferred stock	17.12	177,000
	274,387			$ 749,000

8. Convertible Promissory Notes

During January 2008, the Company entered into a note and warrant purchase agreement ("Bridge Financing") with certain investors, who were also holders of the Company's Series A and Series B preferred stock, and issued unsecured convertible promissory Notes and warrants to purchase shares of preferred stock. Under this agreement, the Company borrowed $3,000,000 at an interest rate of 8% per annum with a maturity date of December 31, 2008, unless earlier converted according to the terms of the agreement. The outstanding principal balance of $3,000,000 plus accrued interest of $43,000 was converted into the Company's Series C preferred stock in March 2008 at a price of $5.48 per share. In connection with the Bridge Financing and subsequent conversion into preferred stock, the Company issued warrants to acquire 136,862 shares of the Company's Series C preferred stock at a price of $5.48 per share. The warrants expire in 2018 or five years after the first firm commitment to an underwritten public offering of the Company's securities. The fair value assigned to the warrants of $505,000 was recorded as a discount on the convertible Notes payable and was fully amortized to interest expense upon conversion of the Notes to Series C preferred stock in March 2008. The fair value of the warrants was calculated using a Black-Scholes model using a risk-free interest rate of 3.03%, expected volatility of 77%, no expected dividend yield, and a term of 10 years.

In accordance FASB ASC 470-20, *Debt—Debt with Conversion and Other Options* (previously EITF No. 98-5, *Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios*, and EITF No. 00-27, *Application of 98-5 to Certain Convertible Instruments*), the company recorded $505,000 of additional discount on the convertible promissory Notes to reflect the beneficial conversion feature associated with the conversion of the Notes to preferred stock. The discount was originally being amortized to interest expense from the date of issuance to maturity, December 31, 2008. Upon conversion of the Notes to Series C preferred stock in March 2008, the unamortized discount was recorded as interest expense. Interest expense recorded on the amortization of the discount related to the beneficial conversion feature was $505,000 for the year ended December 31, 2008.

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses in the consolidated balance sheets at December 31, 2008 and 2009, and at September 30, 2010, consisted of the following:

	December 31, 2008	December 31, 2009	September 30, 2010
			(unaudited)
Accounts payable—trade	$ 388,000	$ 591,000	$ 2,182,000
Accrued expenses—University of California research agreement	400,000	—	—
Accrued expenses —Cargill license agreement	—	600,000	682,000
Accrued employee compensation and related expenses	689,000	797,000	1,334,000
Accrued expenses—ICM	30,000	337,000	637,000
Accrued deferred offering costs	—	—	1,229,000
Accrued Agri-Energy acquisition payment	—	—	642,000
Other accrued expenses(1)	137,000	196,000	1,173,000
	$ 1,644,000	$ 2,521,000	$ 7,879,000

(1) No other items listed in "Other accrued expenses" individually exceed 5% of the Company's total current liabilities.

10. Capital Stock

As of September 30, 2010, the Company's authorized classes of capital stock consist of 30,000,000 shares of $0.01 par value common stock and 15,246,000 shares of $0.01 par value preferred stock.

Preferred Stock—The Company has designated the following classes of preferred stock; a description of each is as follows:

Series A-1—In August 2005, the Company issued 1,000,000 shares of $0.01 par value Series A-1 preferred stock at $0.50 per share. In connection with the Series A-1 preferred stock offering, the Company paid $56,000 in issuance costs, which has been recorded as an offset to additional paid-in capital.

Series A-2—In February 2006, the Company issued 1,084,000 shares of $0.01 par value Series A-2 preferred stock at $0.83 per share. In connection with the Series A-2 preferred stock offering, the Company paid $10,000 in issuance costs, which has been recorded as an offset to additional paid-in capital.

Series A-3—In October 2006, the Company issued 915,000 shares of $0.01 par value Series A-3 preferred stock at $1.75 per share. In connection with the Series A-3 preferred stock offering, the Company paid $10,000 in issuance costs, which has been recorded as an offset to additional paid-in capital.

Series A-4—In April 2007, the Company issued 858,369 shares of $0.01 par value Series A-4 preferred stock at $2.33 per share. In connection with the Series A-4 preferred stock offerings, the Company paid $33,000 in issuance costs, which has been recorded as an offset to additional paid-in capital.

The Series A-1, Series A-2, Series A-3, and Series A-4 are collectively referred to as "Series A."

Series B—In July 2007, the Company issued 1,027,397 shares of $0.01 par value Series B preferred stock at $2.92 per share. In connection with the Series B preferred stock offerings, the Company paid $49,000 in issuance costs, which has been recorded as an offset to additional paid-in capital.

Series C—In March 2008, the Company issued 3,102,190 shares of $0.01 par value Series C preferred stock at $5.48 per share through the conversion of convertible promissory Notes and accrued interest of $3,043,000 (Note 8), as well as the receipt of additional proceeds of $13,957,000. In connection with the Series C preferred stock offerings, the Company paid $210,000 in issuance costs, which has been recorded as an offset to additional paid-in capital.

Series D—Between April and August 2009, the Company issued 4,616,483 shares of $0.01 par value Series D preferred stock at $7.04 per share. In connection with the Series D preferred stock offerings, the Company paid $1,346,000 in issuance costs, which has been recorded as an offset to additional paid-in capital.

Series D-1—Between March and May 2010, the Company issued 1,843,675 shares of Series D-1 preferred stock at a price of $17.12 per share for gross cash proceeds of approximately $31,564,000 and issued 58,412 shares of Series D-1 preferred stock at $17.12 per share in exchange for $1,000,000 of future services to be provided by ICM. The 58,412 shares issued to ICM in exchange for the credit against future services are fully vested, non-forfeitable and non-cancellable. In addition, ICM must pay a penalty of $250,000 if future services are not provided according to the terms of the agreement. In aggregate, the Company issued a total of 1,902,087 shares of Series D-1 preferred stock at $17.12 per share for $32,564,000. In connection with the Series D-1 preferred stock offerings, the Company paid $153,000 in issuance costs, which has been recorded as an offset to additional paid-in capital. As of September 30, 2010, the Company had $832,000 remaining on its prepaid credit with ICM which is recorded in prepaid expenses and other current assets on the Company's balance sheet.

The Series A, Series B, Series C, Series D, and Series D-1 are collectively referred to as "preferred stock."

The preferred stock has the following characteristics:

Liquidation—In the event of a liquidation, dissolution, or winding up of the Company, prior to and in preference to any payments to holders of common stock, the holders of preferred stock shall be entitled to receive the amount of the original purchase price for each such series of preferred stock, plus all declared and unpaid dividends. If the assets of the Company are insufficient to permit payment in full to the holders of preferred stock, then the assets of the Company shall be distributed among the holders of preferred stock pro rata according to their respective liquidation preferences. After payment to all preferred stockholders, the remaining assets available for distribution shall be distributed to the holders of common stock. The occurrence of either a merger or an asset sale shall be deemed to be a liquidation event, unless such treatment is waived in writing by the holders of at least 65% of the preferred stock then outstanding.

The preferred shares authorized, issued, and outstanding and the aggregate preference on liquidation by preferred stock series as of September 30, 2010, is presented as follows:

	Shares Authorized	Shares Outstanding	Liquidation Preference
Series A-1	1,000,000	1,000,000	$ 500,000
Series A-2	1,084,000	1,084,000	903,000
Series A-3	930,000	915,000	1,601,000
Series A-4	873,390	858,369	2,000,000
Series B	1,027,397	1,027,397	3,000,000
Series C	3,323,278	3,210,266	17,592,000
Series D	4,671,483	4,616,483	32,500,000
Series D-1	2,336,452	1,902,087	32,564,000
	15,246,000	14,613,602	$ 90,660,000

Voting Rights—Each holder of preferred stock is entitled to the number of votes equal to the number of shares of common stock into which each preferred share is convertible at the time of a vote. With certain exceptions, the holders of preferred stock vote together with the holders of common stock as one class. The certificate of incorporation, as amended, contains several protective provisions whereby at least 65% of the holders of preferred stock must approve certain corporate actions, such as the issuance of capital stock, changes to the authorized number of preferred shares, a merger or asset sale, declare or pay dividends, form a subsidiary, authorize a debt security and other actions as described in the certificate of incorporation. In addition, the holders of a majority of Series A, the holders of a majority of Series B, the holders of at least two-thirds of Series C, the holders of at least 70% of Series D, and the holders of at least 70% of Series D-1, each voting as a separate series, must approve certain corporate actions as described in the certificate of incorporation.

Dividends—The holders of preferred stock are entitled to receive, when, as, and if declared by the Board of Directors and out of funds legally available, noncumulative cash dividends at a rate of 8% per annum. Dividends on preferred stock are payable in preference and priority to any dividend on the common stock. Dividends on the preferred stock are not mandatory or cumulative. No dividends have been declared to date.

Conversion—For all series of preferred stock except Series D-1: Each share of preferred stock is convertible, at the option of the holder, into a number of common stock shares determined by dividing the respective preferred stock original issue price by the conversion price in effect at the time of conversion. The current conversion ratio is one share of preferred stock for one share of common stock and is subject to certain adjustments.

For Series D-1: Each share of Series D-1 preferred stock is convertible into the number of shares of common stock determined by dividing the original issue price of the Series D-1 of $17.12, as adjusted, by the conversion price of the Series D-1 in effect at the time of conversion. The initial conversion price for the Series D-1 is $17.12, resulting in an initial conversion ratio that is one share of Series D-1 preferred stock for one share of common stock. In addition to the conversion price adjustments that are applicable to the other series of preferred stock, the conversion price of the Series D-1 adjusts upon the closing of an initial public offering (the offering) or qualified financing. A qualified financing is defined as the first issuance of common stock or a new series of convertible preferred stock by Gevo, Inc. following the final closing of the Series D-1 financing. If the offering or qualified financing closes on or prior to December 31, 2010, the conversion price of the Series D-1 is adjusted to an amount equal to 75% of the offering price per share or price per share paid by investors in a qualified financing. If the offering or qualified financing closes between January 1, 2011 and September 30, 2011, the conversion price of the Series D-1 is adjusted to an amount equal to 60% of the offering price per share or price per share paid by investors in a qualified financing. If an initial public offering or qualified financing does not occur by September 30, 2011, then the conversion ratio adjusts such that each share of Series D-1 preferred stock is convertible into two shares of common stock. If a merger or asset sale occurs, as defined in the amended and restated certificate of incorporation, on or prior to September 30, 2011, then the conversion ratio adjusts so that each share of Series D-1 preferred stock is convertible into one and one-half shares of common stock.

The Series D-1 preferred stock is considered to have a beneficial conversion feature because the conversion ratio adjusts from the initial conversion rate of one common share for each preferred share to two common shares for each preferred share if an initial public offering or qualified financing does not occur on or before September 30, 2011. At the issuance dates of the Series D-1 between March and May 2010, the Company recorded the beneficial conversion feature at its aggregate intrinsic value of approximately $5,744,000 as a discount on the preferred stock with a corresponding credit to additional paid-in-capital. Unless the preferred stock is converted prior to September 30, 2011, the discount will be recorded as a deemed dividend and amortized as a debit to retained earnings and a credit to additional paid-in-capital during the period from March 26, 2010 to September 30, 2011. In the event of an initial public offering or qualified financing, or a merger or asset sale, that closes on or prior to September 30, 2011, the beneficial conversion feature will be recalculated using the adjusted conversion ratio applied against the original commitment-date estimated fair value of the underlying common stock. If the amortized amount of the beneficial conversion feature resulting from the initial measurement of the intrinsic value before the event exceeds the remeasured intrinsic value, the excess amortization charge will not be reversed and any unamortized discount will be reversed.

All series of preferred stock contain a provision to adjust the original conversion price in the event subsequent shares are sold at a price less than the conversion price and for events such as a stock split. All preferred stock converts into common stock upon the affirmative election of the holders of at least 65% of the outstanding preferred shares, or immediately prior to the closing of an underwritten public stock offering that raises gross proceeds of at least $50,000,000 and a price per share of at least $15.00, subject to certain adjustments.

Redemption—The preferred stock is not redeemable.

Common Stock—Each share of common stock is entitled to one vote. The holders of common stock are entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to the prior rights of all holders of all classes of stock outstanding.

The Company has granted stock options and restricted common stock under the Gevo, Inc. 2006 omnibus securities and incentive plan (the “Incentive Plan”) (Note 13).

Warrants—As described below, as of September 30, 2010, the Company has issued and outstanding 858,000 warrants that are exercisable into common stock and 303,173 warrants that are exercisable into preferred stock.

Preferred Stock Warrants—In conjunction with the Lighthouse loan agreement (Note 7), as amended through December 31, 2009, the Company issued warrants to acquire 15,000 shares of the Company’s Series A-3 preferred stock with an exercise price of $1.75, warrants to acquire 15,021 shares of the Company’s Series A-4 preferred stock with an exercise price of $2.33, warrants to acquire 84,226 shares of the Company’s Series C preferred stock with an exercise price of $5.48 and warrants to acquire 55,000 shares of the Company’s Series D preferred stock with an exercise price of $7.04. The Series A-3 warrants expire in 2013 or three years after the closing of an initial public offering. The Series A-4 warrants expire in 2014 or three years after the closing of an initial public offering. The Series C warrants expire in 2015 or three years after the closing of an initial public offering. The Series D warrants expire in 2016 or three years after the closing of an initial public offering.

During January 2008, the Company entered into a note and warrant purchase agreement (Note 8) for Bridge Financing whereby the Company issued warrants to acquire 136,862 shares of the Company’s Series C preferred stock at a price of $5.48 per share. The warrants expire in 2018 or five years after the first firm commitment underwritten public offering of the Company’s securities. In September 2010, a holder of Series C preferred stock warrants exercised its warrant to purchase 108,076 shares of Series C preferred stock at an exercise price of $5.48 per share resulting in total proceeds to the Company in the amount of $592,000.

Effective January 1, 2009, all warrants issued by the Company that are exercisable into preferred stock are accounted for as derivative liabilities and recognized in the consolidated balance sheets at their estimated fair value (Note 11).

As described in Note 7, the Company issued warrants to TriplePoint pursuant to a loan and security agreement in August and September 2010 to acquire 105,140 shares of the Company's Series D-1 preferred stock at an exercise price of $17.12, or shares of Gevo, Inc.'s preferred stock issued in the next round of financing, if the price per share in such financing is below $17.12, at an exercise price equal to the per share sales price in such financing. The warrant is subject to antidilution adjustments upon the occurrence of certain events. The warrant terminates on the later of (i) August 5, 2017 or (ii) five years from the effective date of Gevo, Inc.'s initial public offering.

Common Stock Warrants—In conjunction with the formation of Gevo Development and contemporaneously signed documents between Gevo, Inc., Gevo Development, and CDP, Gevo, Inc. issued a warrant to CDP to acquire 858,000 shares of the common stock of Gevo, Inc. with an exercise price of $2.70 (Note 6). The warrant expires in 2016, unless terminated earlier as provided in the agreement. The warrant shares were initially unvested and vested in increments upon the achievement of specific performance milestones. No amounts had been recorded for these warrants in the Company's consolidated statements of operations through September 21, 2010, as none of the counterparty performance milestones had been met; therefore, the lowest aggregate fair value of the award was zero. On September 22, 2010, the beneficial owners of the equity interests of CDP became employees of Gevo, Inc. and the warrant agreement was amended and restated to provide that 50% of the warrant shares granted under such warrant agreement would vest on September 22, 2010. The remaining warrant shares will vest over a two-year period beginning on September 22, 2010, subject to acceleration and termination in certain circumstances, such as the occurrence of a change of control event. The Company valued the warrant at approximately $13,956,000 on September 22, 2010 and recognized 50% of this amount as stock based compensation on September 22, 2010. The Company will recognize the remaining 50% over the 24 month vesting period beginning on September 22, 2010.

Incentive Stock Plan—During 2006, the Company established the Incentive Plan. Pursuant to the Incentive Plan, the Company may grant stock awards, including incentive stock options, nonstatutory stock options, restricted stock, and stock appreciation rights, to employees, directors, and consultants of the Company. As of September 30, 2010, the Company has authorized 3,254,853 shares of common stock to be issued through the grant of stock awards pursuant to the Incentive Plan (Note 13).

11. Preferred Stock Warrant Liabilities (Recorded as Derivative Liabilities)

Effective January 1, 2009 upon the adoption of FASB ASC 815, *Derivatives and Hedging*, all warrants issued by the Company that are exercisable into preferred stock are accounted for as derivatives and recognized in the consolidated balance sheets as fair value of warrant liabilities at their estimated fair value. As such, effective January 1, 2009, the Company reclassified the fair value of these preferred stock warrants from equity to liability status as if these warrants were recorded as a derivative liability since their dates of issuance due to the preferred stock having down-round protection. As a result of this change in accounting principle, on January 1, 2009, the Company recorded these liabilities at their fair value of $289,000 and recorded a cumulative catch-up adjustment of $585,000 to reduce the accumulated deficit account and reduced additional paid-in capital by $874,000. The adjustment to accumulated deficit (the cumulative income effect of the accounting change) was calculated for the change in the fair value of the warrants from the date of their issuance through January 1, 2009.

As of December 31, 2009 and September 30, 2010, the fair value of preferred stock warrants was estimated to be $982,000 and $3,003,000, respectively, using the option-pricing method. The Company recorded a $490,000 non-cash charge related to the change in fair value of preferred stock warrants for the year ended December 31, 2009, and $400,000 and $3,302,000, for the nine months ended September 30, 2009 and 2010, respectively. These warrant liabilities are marked to fair value from January 1, 2009 resulting in the recognition of gain or loss in the Company's consolidated statements of operations as gain or loss from change in fair value of warrant liabilities from that date.

During the year ended December 31, 2009, the Company issued an additional warrant to Lighthouse to acquire 55,000 shares of the Company's Series D preferred stock with an exercise price of $7.04, and an additional warrant to acquire 416 shares of the Company's Series C preferred stock with an exercise price of $5.48. As described in Note 7, the Company issued warrants to TriplePoint in August and September 2010 to acquire 105,140 shares of the Company's Series D-1 preferred stock with an exercise price of $17.12, or shares of preferred stock issued in the next round of financing, if the price per share in such financing is below $17.12, at an exercise price equal to the per share sales price in such financing. In September 2010, a Series C warrant holder exercised its warrant to purchase 108,076 shares of Series C preferred stock at an exercise price of $5.48 per share resulting in total proceeds to the Company of $592,000. Upon exercise of the warrant, the Company reclassified $1,458,000 from preferred stock warrant liability to equity. Due to the nature of these derivative instruments, the instruments contain no credit-risk-related contingent features. Upon a qualifying initial public offering, the preferred stock warrants would convert to common stock warrants and the related preferred stock warrant liability would be reclassified to additional paid-in capital and would no longer be marked to fair value going forward.

To value its preferred stock warrants and common stock as of September 30, 2010, the Company first estimated its enterprise value and then allocated this value to the underlying classes of equity using the option pricing method as outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (AICPA Practice Aid). In estimating the enterprise value, the Company used a scenario analysis incorporating probabilities of future events for existing shareholders of an initial public offering (IPO), merger / acquisition (M&A), or liquidation to calculate an overall enterprise value of the Company. The enterprise value was then allocated to the common stock, preferred stock and preferred stock warrants using the option-pricing method. To calculate the enterprise value in the IPO and M&A scenarios, the Company used an income approach, which incorporated a discounted cash flow valuation. This approach requires a projection of the cash flows that the business expects to generate over a forecast period and an estimate of the present value of cash flows beyond that period, which is referred to as terminal value. These cash flows are converted to present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risks inherent in the business. The orderly liquidation scenario considered the total preferences of the preferred shareholders assuming no further rounds of financing after Series D-1. To allocate the enterprise value to the underlying classes of equity, the Company used the option-pricing method. Within the allocation model, the Company estimated a time until a liquidity event of 0.17 years, a risk-free discount rate of 0.15%, and a volatility input of 49.14%.

The table below summarizes the preferred stock warrants that were issued by the Company and recorded as a liability as of January 1, 2009, December 31, 2009 and September 30, 2010.

Type of Preferred Stock Warrants	Year(s) of Issuance	Number of Warrant Shares Originally Granted	Number of Warrant Shares Outstanding at September 30, 2010	Exercise Price	Issuance Date Original Value Assigned	Fair Value of Warrants Outstanding at January 1, 2009	Fair Value of Warrants Outstanding at December 31, 2009	Fair Value of Warrants Outstanding at September 30, 2010
								(unaudited)
Series A-3 preferred stock warrant	2006, 2007	15,000	15,000	$ 1.75	$ 18,000	$ 30,000	$ 68,000	$ 258,000
Series A-4 preferred stock warrant	2007, 2008	15,021	15,021	2.33	27,000	27,000	65,000	250,000
Series C preferred stock warrant	2008, 2009	113,012(1)	113,012	5.48	432,000	118,000	356,000	1,525,000
Series C preferred stock warrant	2008	108,076(1)	0	5.48	398,000	114,000	341,000	—
Series D preferred stock warrant	2009	55,000	55,000	7.04	202,000	—	152,000	656,000
Series D-1 preferred stock warrant	2010	105,140	105,140	17.12	177,000	—	—	314,000
		411,249	303,173		$1,254,000	$ 289,000	$ 982,000	$ 3,003,000

(1) In September 2010, a holder of Series C preferred stock warrants exercised its warrant to purchase 108,076 shares of Series C preferred stock at a price of $5.48 per share. As such, there were 113,012 Series C preferred stock warrants outstanding at September 30, 2010.

Preferred stock warrants were initially issued in connection with the issuance of secured long-term debt and convertible promissory notes (Notes 7 and 8). The warrants were not issued with the intent of effectively hedging any exposures to cash flow, market, or foreign currency risks. The warrants do not qualify for hedge accounting, and as such, all future changes in the fair value of these warrants will be recognized currently in earnings until such time as the warrants are exercised or expire. The warrants do not trade in an active market, and as such, the Company estimates the fair value of these warrants using the option-pricing method as described in the Practice Aid. The following table summarized the assumptions used in these analyses:

	January 1, 2009	December 31, 2009	September 30, 2010
			(unaudited)
Risk-free interest rate	1.00%	1.14%	0.15%
Expected volatility factor	67.50%	91.60%	49.14%
Expected time to a liquidity event (in years)	3	2	0.17

12. Derivatives and Hedging

Since the acquisition of Agri-Energy on September 22, 2010, the Company's activities expose it to a variety of market risks, including the effects of changes in commodity prices. These financial exposures are monitored and managed by the Company as an integral part of its overall risk-management program. The Company's risk management program focuses on the unpredictability of financial and commodities markets and seeks to reduce the potentially adverse effects that the volatility of these markets may have on its operating results.

The Company generally follows a policy of using exchange-traded futures contracts to reduce its net position in merchandisable agricultural commodity inventories and forward cash purchase and sales contracts to reduce price risk. Exchange-traded futures contracts and forward contracts are valued at market price and are recorded as derivative assets or derivative liabilities in the consolidated balance sheet and changes in market price are recorded in cost of goods sold.

The Company periodically enters into fixed price contracts to purchase corn and natural gas to lock in the price of these commodities. These contracts are considered to be derivative transactions and are valued at market price and are recorded as derivative assets or derivative liabilities in the consolidated balance sheet, changes in market price are recorded in cost of goods sold.

The Company's derivatives do not include any credit risk related contingent features. For the exchange-traded contracts, the Company maintains a margin deposit. At September 30, 2010, the Company recorded a margin deposit of $905,000. The Company has not designated any of its derivatives as hedges for financial accounting purposes. The Company did not have any derivative assets or liabilities prior to September 22, 2010 other than the preferred stock warrants described in Note 11. The fair value of its derivatives, which are marked to market each period, as well as the location within its combined balance sheet, by major category, is summarized as follows:

	September 30, 2010 (Unaudited)
Balance Sheet Line Item	
Derivative Liabilities Not Designated as Hedging Instruments	
Exchange-traded commodity derivatives—derivative liability—current	$ (523,000)
Fixed price natural gas contacts—derivative liability—current	(7,000)
Fixed price corn contacts— derivative liability—current	(5,000)

Changes in value of derivative instruments are recorded in the consolidated statements of operations. The following summarizes these amounts and the location within the consolidated statements of operations where such amounts are reflected:

	Nine Months Ended September 30, 2010 (Unaudited)
Statement of Operations Location	
Exchange-traded commodity derivative—cost of goods sold	$ (125,000)
Fixed price corn derivative—cost of goods sold	48,000
Fixed price natural gas derivative—cost of goods sold	7,000

The following table represents our net long and short positions. All of these positions are expected to settle within the next year.

Year of Expiration	September 30, 2010 (Unaudited) Corn Net Long (Short) Position Bushels
2010	(409,000)
2011	5,000

Year of Expiration	September 30, 2010 (Unaudited) Natural Gas Net Long (Short) Position MMBTUs
2010	21,000

13. Stock-Based Compensation

Stock Options—The Company has stock-based compensation plans under which it awards stock options to its employees and certain nonemployees. The vesting period and maturity of each option is determined at the date of grant. The term of an option cannot exceed 10 years. The options are subject to forfeiture if certain vesting requirements are not met. At September 30, 2010, there were 171,931 shares available for grant under the Incentive Plan.

A summary of stock option activity for grants to employees and nonemployees for the period from June 9, 2005 (date of inception) to September 30, 2010, is presented below:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Options outstanding—December 31, 2005	—	$ —		
Granted	94,679	0.26		
Options outstanding—December 31, 2006	94,679	0.26		
Granted	1,051,228	0.47		
Canceled or forfeited	(35,000)	(0.46)		
Options outstanding—December 31, 2007	1,110,907	0.45		
Granted	867,959	1.11		
Canceled or forfeited	(83,577)	(0.40)		
Exercised	(19,155)	(0.31)		
Options outstanding—December 31, 2008	1,876,134	0.76		
Granted	863,720	2.70		
Canceled or forfeited	(191,428)	(0.79)		
Exercised	(834)	(0.49)		
Options outstanding—December 31, 2009	2,547,592	$ 1.42	8.59	$ 3,272,000
Granted (unaudited)	446,880	$ 10.45		
Canceled or forfeited (unaudited)	(68,660)	(1.03)		
Exercised (unaudited)	(31,547)	(0.52)		
Options outstanding—September 30, 2010 (unaudited)	2,894,265	$ 2.83	8.15	$46,716,000
Options fully vested and exercisable—September 30, 2010 (unaudited)	1,811,817	$ 2.50	7.99	$29,833,000
Options expected to vest, including effects of expected forfeitures—September 30, 2010 (unaudited)	1,004,442	$ 3.39	8.40	$15,646,000

The Company has estimated the weighted average grant date fair value of the underlying stock for options granted during the years ended December 31, 2007, 2008 and 2009 to be $0.47, $1.11, and $2.70, respectively using an option pricing model. No stock options were granted during the nine months ended September 30, 2009. The estimated weighted average grant date fair value of the underlying stock for options granted during the nine months ended September 30, 2010 was $10.45 using an option pricing model. As of September 30, 2010, the value of unvested stock-based compensation for stock options granted totaled $2,664,000, which is expected to be recognized through the period from October 1, 2010 through December 31, 2014.

During the years ended December 31, 2008 and 2009, and for the nine months ended September 30, 2009 and 2010, the Company received cash payments of approximately $6,000, $0, $0 and $16,000,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(As of December 31, 2008 and 2009 and for the years ended December 31, 2007, 2008 and 2009. Information as of September 30, 2010 and for the nine months ended September 30, 2009 and 2010 is unaudited. Information subsequent to September 30, 2010 is unaudited.)

respectively, from the exercise of stock options. The Company settles employee stock option exercises with newly issued common shares. No tax benefits were realized by the Company in connection with these exercises as the Company maintains net operating loss carryforwards and has established a valuation allowance against the entire tax benefit.

Information about stock options outstanding and exercisable at September 30, 2010, is as follows:

	Options Outstanding (unaudited)		Options Exercisable (unaudited)		
Exercise Price	Number of Options	Weighted-Average Remaining Contractual Life in Years	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life in Years
$0.17	33,300	5.42	33,300	$ 0.17	5.42
$0.46–$0.49	888,446	6.73	660,595	$ 0.47	6.72
$1.16	662,959	7.87	378,948	$ 1.16	7.86
$2.70	862,780	9.13	496,602	$ 2.70	9.13
$10.07	381,930	9.68	242,055	$ 10.07	9.68
$12.67	64,950	9.95	317	$ 12.67	9.95

Stock-based compensation included in the Company's consolidated statements of operations, is as follows:

	Years Ended December 31,			Nine Months Ended September 30,		Cumulative Amounts From June 9, 2005 (Date of Inception) Through September 30, 2010
	2007	2008	2009	2009	2010	
				(unaudited)	(unaudited)	(unaudited)
Stock options issued to nonemployees:						
Research and development	$ —	$ 8,000	$ 31,000	$ 25,000	$ 74,000	$ 113,000
Selling, general and administrative	—	11,000	47,000	32,000	106,000	164,000
Stock options issued to employees:						
Research and development	24,000	50,000	173,000	43,000	396,000	643,000
Selling, general and administrative	19,000	90,000	624,000	106,000	1,649,000	2,384,000
Restricted stock issued to nonemployees:						
Research and development	12,000	48,000	70,000	52,000	47,000	177,000
Warrant issued to CDP:						
Selling, general and administrative	—	—	—	—	6,978,000	6,978,000
Purchase of class B interests of Gevo Development from CDP:						
Selling, general and administrative	—	—	—	—	774,000	774,000
Total stock-based compensation	$ 55,000	$ 207,000	$ 945,000	$ 258,000	$ 10,024,000	$ 11,233,000

2010 Stock Incentive Plan and 2010 Employee Stock Purchase Plan—On June 3, 2010, Gevo, Inc.'s board of directors approved the 2010 Stock Incentive Plan and the 2010 employee stock purchase plan, which will each become effective upon the completion of the initial public offering of the Company's common stock, subject to stockholder approval.

Stock Option Grants to Nonemployees—During the years ended December 31, 2008 and 2009, the Company granted options to purchase 155,000 and 10,000 shares, respectively, of common stock to nonemployees. Options granted to nonemployees are periodically revalued as services are performed and the options vest. No options were granted to nonemployees prior to the year ended December 31, 2008. During the year ended December 31, 2009, and during the nine months ended September 30, 2010, 73,333 and 51,667 options, respectively, granted to non-employees during 2008 were canceled. During the nine months ended September 30, 2010, the Company granted 12,891 options to a non-employee.

Restricted Stock—The Company has stock-based compensation plans under which it has awarded restricted stock to nonemployee consultants. The vesting period of each restricted share is determined at the date of grant. The shares are subject to forfeiture if certain vesting requirements are not met. The Company records stock-based compensation on restricted stock grants over the vesting period. In accordance with applicable standards, stock-based awards granted to nonemployees are periodically revalued as services are performed and the awards vest.

Activity and related information for our restricted stock awards is summarized as follows:

	Number of Shares	Weighted-Average Grant-Date Fair Value
Nonvested—December 31, 2006	—	$ —
Granted	187,500	0.38
Vested	(34,379)	(0.35)
Nonvested—December 31, 2007	153,121	0.39
Granted	50,000	0.49
Vested	(51,567)	(0.41)
Forfeited	(64,583)	(0.41)
Nonvested—December 31, 2008	86,971	0.42
Granted	—	—
Vested	(37,634)	(0.41)
Forfeited	(13,530)	(0.35)
Nonvested—December 31, 2009	35,807	0.45
Granted (unaudited)	—	—
Vested (unaudited)	(6,249)	(0.49)
Forfeited (unaudited)	(22,266)	(0.43)
Nonvested—September 30, 2010 (unaudited)	7,292	0.49

The shares of restricted stock generally vest over periods from four to six years. The grant date fair value of shares granted during 2007 and 2008 was $72,000 and $25,000, respectively. As of September 30, 2010, the value of unvested stock-based costs relating to restricted stock awards was $138,000, which is expected to be recognized in the period from October 1, 2010 through December 31, 2013.

14. Income Taxes

There is no provision for income taxes because the Company has incurred operating losses since inception. As of December 31, 2009, the Company had federal and state net operating loss carryforwards of approximately $39,200,000 and $38,600,000, respectively, which may be used to offset future taxable income. The Company also had federal research and development tax credit carryforwards of $748,000. These carryforwards expire at various times through 2029 and may be limited in their annual usage by Section 382 of the Internal Revenue Code relating to ownership changes.

The tax effects of temporary differences that give rise to significant portions of the Company's net deferred tax assets at December 31, 2008 and 2009, are as follows:

	December 31,	
	2008	2009
Deferred tax assets:		
Net operating loss carryforwards	$ 8,013,000	$ 14,888,000
Research credit	438,000	748,000
Other temporary differences	369,000	670,000
Net deferred tax assets—before valuation allowance	8,820,000	16,306,000
Valuation allowance	(8,820,000)	(16,306,000)
Net deferred tax assets—after valuation allowance	$ —	$ —

The Company's deferred tax assets represent an unrecognized future tax benefit. The Company has provided a full valuation allowance on its deferred tax asset at December 31, 2009, as management believes it is more likely that not that the related deferred tax asset will not be realized. The reported amount of income tax expense differs from the amount that would result from applying domestic federal statutory tax rates to pretax losses, primarily because of changes in the valuation allowance. Reconciling items from income tax computed at the statutory federal rate for the years ended December 31, 2007, 2008, and 2009, were as follows:

	2007	2008	2009
Federal income tax at statutory rate	35.00%	35.00%	35.00%
State income taxes, net of federal benefits	5.75%	3.28%	3.01%
Research credit	1.81%	2.47%	1.27%
Permanent adjustments	(0.35%)	(2.76%)	(1.38%)
Valuation allowance	(42.21%)	(37.99%)	(37.65%)
Other	0.00%	0.00%	(0.25%)
Effective tax rate	0.00%	0.00%	0.00%

The Company adopted certain provisions of FASB ASC 740, *Income Taxes* (previously FIN No. 48), on January 1, 2007. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements. The Company's evaluation was performed for the tax periods from January 1, 2005 (date of inception) through December 31, 2009, which remain subject to examination by major tax jurisdictions as of December 31, 2009.

The Company may from time to time be assessed interest or penalties by major tax jurisdictions, although there have been no such assessments historically, with material impact to its financial results. In the event it receives an assessment for interest and/or penalties, such an assessment would be classified in the consolidated financial statements as income tax expense.

15. Employee Benefit Plan

The Company's employees participate in the Gevo, Inc. 401(k) Plan ("401(k) Plan"). Subject to certain eligibility requirements, the 401(k) Plan covers substantially all employees after three months of service with quarterly entry dates. Employee contributions are deposited by the Company into the 401(k) Plan and may not exceed the maximum statutory contribution amount. The Company may make matching and/or discretionary contributions to the 401(k) Plan. Effective January 1, 2008, the Company began providing an employer match of 100% up to a maximum of 5% of compensation per employee, which vests over a period of approximately two years. During the years ended December 31, 2008 and 2009, the Company recorded $123,000 and $200,000 in matching contributions. During the period from June 9, 2005 (date of inception) to September 30, 2010, the Company recorded $524,000 in matching contributions. During the nine months ended September 30, 2009 and 2010, the Company recorded $157,000 and $201,000, respectively, in matching contributions.

16. Related-Party Transactions

Caltech is a common stockholder in the Company and party to a contractor agreement and license agreement for patent rights (Note 5).

A founder, consultant and former director of the Company is also a professor at Caltech, which is a party to a license agreement (Note 5) and research agreements. This founder, consultant and former director is also a common stockholder and option holder of the Company.

A former member of the Company's scientific advisory board is also a professor at the University of California, which is a party to a license agreement for patent rights (Note 5) and a research agreement (Note 5), and a holder of restricted stock. The research agreement was terminated effective February 14, 2010.

The Company entered into an employment agreement with its chief executive officer as of July 1, 2008. The agreement details his role and duties, and, in exchange for his full-time employment, provides for an annual salary, performance bonus, severance, stock option grants, health and life insurance, and other customary benefits commensurate with the position. According to the agreement, severance in the amount of 12 months of base pay is provided if the chief executive officer's employment is terminated without cause or for good reason, as defined in the agreement. As part of the agreement, the chief executive officer agrees to serve and shall be elected as a member of the Company's Board of Directors. Upon request from the chief executive officer, the Company will be required to loan the chief executive officer funds equal to the exercise price of any options being exercised. Each loan shall be evidenced by a promissory Note with an interest rate equal to the lowest applicable federal rate as published by the Internal Revenue Service as in effect on the date of such advance and must be repaid within 10 years. The Company has entered into a new employment agreement with its chief executive officer that will supersede his current agreement upon the consummation of an initial public offering.

The Company has agreements with four executives of the Company whereby severance in the amount of six months of base pay is provided if their employment is terminated without cause. The Company also has agreements with two executives of the Company that, in certain situations, provide cash payments and acceleration of unvested equity awards upon a change in control or termination of employment.

Convertible unsecured promissory Notes were issued to certain investors, who are also holders of the Company's preferred stock, in January 2008 (Note 8) which were settled through issuance of preferred stock in 2008.

ICM owns 58,412 shares of Series D-1 preferred stock in the Company which represents less than one-half of one percent of the outstanding securities of the Company. ICM is also a party to a development agreement and commercialization agreement with the Company (Note 5). The Company has also engaged ICM to perform engineering studies, plant evaluations and services (Note 5).

The co-managing directors of Gevo Development beneficially own 100% of the equity interest of CDP. CDP holds a warrant for common stock of Gevo, Inc. (Note 6). Effective September 22, 2010, the co-managing directors are each employees of Gevo, Inc.

The Company has entered into new employment agreements with its chief executive officer and five additional executives of the Company that will take effect only upon the consummation of an initial public offering. If and when effective, these agreements will supersede the employees' previous agreements, where applicable, and provide for an annual salary, performance cash bonus, annual stock incentive awards and health and other benefits commensurate with the position. These agreements, in certain situations, also provide cash payments and acceleration of unvested equity awards upon a change in control or termination of employment.

17. Commitments and Contingencies

Leases—In November 2007, the Company signed an operating lease for its office, research, and production facility in Englewood, Colorado ("Colorado facility") commencing December 1, 2007, and with a term expiring July 31, 2013. The Company also maintains two corporate apartments in Colorado, both of which have lease terms expiring during the next twelve months.

The Company previously had operating leases in California at facilities located in Pasadena ("Pasadena facility") and in Monrovia ("Monrovia facility"). During the year ended December 31, 2007, the Company terminated its lease for the Monrovia facility in exchange for specific termination payments and recorded lease termination costs of $894,000. During 2008, the Company terminated its lease for the Pasadena facility and incurred rent expense of $162,000 for the year ended December 31, 2008.

Beginning in February 2008, substantially all of the Company's employees and functions were located in the Colorado facility. During the year ended December 31, 2008, pursuant to its relocation of primary business offices and operations from California to Colorado, the Company incurred $706,000 in moving and relocation costs, which were recorded as selling, general and administrative expense in the consolidated statements of operations in 2008.

Rent expense for the years ended December 31, 2007, 2008, and 2009, and the period from June 9, 2005 (date of inception) to September 30, 2010, was $282,000, $619,000, $514,000, and $1,980,000, respectively. Rent expense for the nine months ended September 30, 2009 and 2010, was $373,000 and $426,000, respectively.

As of December 31, 2010, future minimum lease payments required under the Company's operating leases for the Colorado facility and corporate apartments are as follows:

Years Ending December 31	
2010	$ 490,000
2011	491,000
2012	497,000
2013 and thereafter	292,000
	$ 1,770,000

The Company has recorded a deferred rent liability of $119,000 and $115,000 as of and for the years ended December 31, 2008 and 2009, respectively, of which $5,000 and $20,000, respectively, is recorded in current liabilities and $114,000 and $96,000, respectively, is recorded in non-current liabilities, related to an initial reduced rent period. The Company recognizes rent expense on its facility operating leases on a straight-line basis. As of September 30, 2010, the Company has a deferred rent liability of $100,000, of which $29,000 is recorded in current liabilities and $71,000 is recorded in non-current liabilities.

As required in the lease agreement for the Colorado facility, the Company maintains a letter of credit in the amount of $119,000, as of September 30, 2010, with the landlord as the beneficiary. The letter of credit will be reduced by $40,000 each July until it is terminated in July 2013. The total amount of the certificate of deposit as of September 30, 2010, was $119,000, of which $40,000 has been classified as current. The Company is required to maintain a certificate of deposit balance equal to the letter of credit amount, which was pledged as collateral against the letter of credit. The certificate of deposit balance will be reduced accordingly, as the amount of the letter of credit is reduced.

Guarantees and Indemnifications—In the ordinary course of its business, the Company makes certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. The Company, as permitted under Delaware law and in accordance with its amended and restated certificate of incorporation and amended and restated bylaws, indemnifies its officers and directors for certain events or occurrences, subject to certain limits, while the officer or director is or was serving at the Company's request in such capacity. The duration of these indemnifications, commitments, and guarantees varies and, in certain cases, is indefinite. The maximum amount of potential future indemnification is unlimited; however, the Company has a director and officer insurance policy that may enable it to recover a portion of any future amounts paid. The Company believes the fair value of these indemnification agreements is minimal. The Company has not recorded any liability for these indemnities in the accompanying balance sheets. However, the Company accrues for losses for any known contingent liability, including those that may arise from indemnification provisions, when future payment is probable. No such losses have been recorded to date.

18. Change in Accounting Principle

Recharacterization of Preferred Stock Warrants—As described in Notes 1 and 11, the Company adopted FASB guidance as of January 1, 2009, whereby the Company's preferred stock warrants were determined to be derivatives and were reclassified from equity to liabilities.

19. Segments

Segment Information—The Company's chief operating decision maker is provided with and reviews the financial results of each of the Company's consolidated legal entities, Gevo, Inc., Gevo Development, LLC, and Agri-Energy, LLC. All revenue is earned, and all assets are held, in the United States of America. Prior to the acquisition of Agri-Energy, the financials of Gevo Development were aggregated with Gevo, Inc. due to its size compared to Gevo, Inc. and were not reported separately. For purposes of the table below, the Company has broken out the historical information of Gevo Development. The results of Gevo Development and Agri-Energy have been combined in the following table.

	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Nine Months Ended September 30, 2009 (unaudited)	Nine Months Ended September 30, 2010 (unaudited)
Revenues:					
Gevo, Inc.	$ 275,000	$ 208,000	$ 660,000	$ 551,000	$ 1,313,000
Gevo Development / Agri-Energy	—	—	—	—	975,000
Intercompany eliminations	—	—	—	—	—
	$ 275,000	$ 208,000	$ 660,000	$ 551,000	$ 2,288,000
Operating income (loss):					
Gevo, Inc.	$ (7,162,000)	$ (13,311,000)	$ (17,838,000)	$ (11,561,000)	$ (26,510,000)
Gevo Development / Agri-Energy	—	—	(731,000)	(313,000)	(2,604,000)
Intercompany eliminations	—	—	—	—	—
	$ (7,162,000)	$ (13,311,000)	$ (18,569,000)	$ (11,874,000)	$ (29,114,000)
Interest expense:					
Gevo, Inc.	$ 140,000	$ 1,385,000	$ 1,103,000	$ 798,000	$ 1,369,000
Gevo Development / Agri-Energy	—	—	—	—	79,000
Intercompany eliminations	—	—	—	—	—
	$ 140,000	$ 1,385,000	$ 1,103,000	$ 798,000	$ 1,448,000
Depreciation Expense:					
Gevo, Inc.	$ 240,000	$ 678,000	$ 1,511,000	$ 830,000	$ 2,135,000
Gevo Development / Agri-Energy	—	—	—	—	38,000
Intercompany eliminations	—	—	—	—	—
	$ 240,000	$ 678,000	$ 1,511,000	$ 830,000	$ 2,173,000
Total assets:					
Gevo, Inc.		$ 13,094,000	$ 26,307,000		$ 42,277,000
Gevo Development / Agri-Energy		—	124,000		43,096,000
Intercompany eliminations		—	(48,000)		(27,523,000)
		$ 13,094,000	$ 26,383,000		$ 57,850,000
Acquisitions of property, plant and equipment:					
Gevo, Inc.	$ 1,341,000	$ 2,360,000	$ 2,982,000	$ 1,386,000	$ 472,000
Gevo Development / Agri-Energy (1)	—	—	—	—	—
Intercompany eliminations	—	—	—	—	—
	$ 1,341,000	$ 2,360,000	$ 2,982,000	$ 1,386,000	$ 472,0090

(1) Excludes property, plant and equipment acquired in the Agri-Energy acquisition.

20. Subsequent Events (Unaudited)

The Company has evaluated all subsequent events through November 4, 2010, the date which these consolidated financial statements were available to be issued.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
Agri-Energy
Luverne, Minnesota

We have audited the accompanying combined balance sheets of Agri-Energy (the "Company") as of December 31, 2008 and 2009, and the related combined statements of operations, changes in net parent investment, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2008 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying combined financial statements have been prepared from the separate records maintained by CORN-er Stone Farmers' Cooperative and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated entity.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado
August 12, 2010

COMBINED BALANCE SHEETS
AS OF DECEMBER 31, 2008 AND 2009 AND JUNE 30, 2010 (UNAUDITED)

	December 31,		June 30,
	2008	2009	2010 (Unaudited)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,868,000	$ 2,339,000	$ 789,000
Accounts receivable	2,483,000	2,440,000	2,048,000
Other receivables	19,000	26,000	36,000
Prepaid expenses	19,000	352,000	56,000
Inventories	2,190,000	3,198,000	2,957,000
Margin Deposit	2,084,000	33,000	284,000
Total current assets	8,663,000	8,388,000	6,170,000
PROPERTY PLANT AND EQUIPMENT—Net	12,045,000	10,551,000	9,889,000
DEFERRED FINANCING COSTS	9,000	50,000	44,000
TOTAL	$ 20,717,000	$ 18,989,000	$ 16,103,000
LIABILITIES AND NET PARENT INVESTMENT			
CURRENT LIABILITIES:			
Accounts payable	$ 3,690,000	$ 4,041,000	$ 1,185,000
Derivative liability	3,564,000	456,000	522,000
Accrued utilities	612,000	421,000	359,000
Accrued expenses	358,000	312,000	377,000
Due to related party	879,000	1,773,000	1,817,000
Current portion of long-term debt	196,000	255,000	261,000
Total current liabilities	9,299,000	7,258,000	4,521,000
LONG TERM DEBT (Net of current portion)	2,904,000	2,663,000	2,532,000
Total liabilities	12,203,000	9,921,000	7,053,000
NET PARENT INVESTMENT	8,514,000	9,068,000	9,050,000
TOTAL	$ 20,717,000	$ 18,989,000	$ 16,103,000

See notes to combined financial statements.

Agri-Energy

COMBINED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009 AND
SIX MONTHS ENDED JUNE 30, 2009 AND 2010 (UNAUDITED)

	Years Ended December 31,		Six Months Ended June 30,	
	2008	2009	2009	2010
			(Unaudited)	
REVENUES	$ 50,906,000	$ 40,108,000	$ 17,905,000	$ 20,017,000
COST OF GOODS SOLD	61,366,000	36,985,000	19,254,000	18,909,000
GROSS MARGIN (LOSS)	(10,460,000)	3,123,000	(1,349,000)	1,108,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	1,181,000	2,029,000	1,482,000	565,000
NET INCOME (LOSS) FROM OPERATIONS	(11,641,000)	1,094,000	(2,831,000)	543,000
OTHER INCOME (EXPENSE):				
Minnesota producer payment	2,085,000	934,000	—	—
Interest expense	(53,000)	(145,000)	(58,000)	(71,000)
Other, net	243,000	70,000	31,000	137,000
Total other income (expense)	2,275,000	859,000	(27,000)	66,000
NET INCOME (LOSS)	$ (9,366,000)	$ 1,953,000	$ (2,858,000)	$ 609,000

See notes to combined financial statements.

COMBINED STATEMENTS OF CHANGES IN NET PARENT INVESTMENT FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009 AND THE SIX MONTHS ENDED JUNE 30, 2010 (UNAUDITED)

	Net Parent Investment
BALANCE—January 1, 2008	$ 21,163,000
Net change in parent investment	(3,283,000)
Net loss	(9,366,000)
BALANCE—December 31, 2008	8,514,000
Net change in parent investment	(1,399,000)
Net income	1,953,000
BALANCE—December 31, 2009	9,068,000
Net change in parent investment (unaudited)	(627,000)
Net income (unaudited)	609,000
BALANCE—June 30, 2010 (unaudited)	$ 9,050,000

See notes to combined financial statements.

Agri-Energy

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009 AND
THE SIX MONTHS ENDED JUNE 30, 2009 AND 2010 (UNAUDITED)

	Years Ended December 31,		Six Months Ended June 30,	
	2008	2009	2009	2010
			(Unaudited)	
OPERATING ACTIVITIES:				
Net (loss) income	$(9,366,000)	$ 1,953,000	$(2,858,000)	$ 609,000
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,911,000	1,543,000	867,000	704,000
Changes in operating assets and liabilities:				
Accounts receivable	843,000	39,000	(60,000)	392,000
Other receivables	(5,000)	(7,000)	(13,000)	(10,000)
Prepaid expenses	(1,000)	(333,000)	(44,000)	296,000
Inventories	946,000	(1,008,000)	135,000	241,000
Derivative liability	4,804,000	(3,108,000)	(1,796,000)	66,000
Margin deposit	(818,000)	2,051,000	2,084,000	(251,000)
Accounts payable	514,000	351,000	(1,468,000)	(2,856,000)
Accrued utilities	(1,000)	(191,000)	(234,000)	(62,000)
Accrued expenses	18,000	(46,000)	(35,000)	65,000
Net cash provided by (used in) operating activities	(1,155,000)	1,244,000	(3,422,000)	(806,000)
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	(3,190,000)	(34,000)	(47,000)	(36,000)
Rebate received on equipment purchased	—	—	87,000	—
Net cash flow (used in) provided by investing activities	(3,190,000)	(34,000)	40,000	(36,000)
FINANCING ACTIVITIES:				
Proceeds from issuance of long-term debt	3,100,000	—	—	—
Payment of long-term debt	—	(182,000)	(60,000)	(125,000)
Payment of debt issue costs	(13,000)	(52,000)	(55,000)	—
Borrowings (repayments) from (to) related party	72,000	894,000	(107,000)	44,000
Net change in parent investment	(3,283,000)	(1,399,000)	1,363,000	(627,000)
Net cash flow (used in) provided by financing activities	(124,000)	(739,000)	1,141,000	(708,000)
DECREASE IN CASH AND CASH EQUIVALENTS	(4,469,000)	471,000	(2,241,000)	(1,550,000)
CASH AND CASH EQUIVALENTS—Beginning of period	6,337,000	1,868,000	1,868,000	2,339,000
CASH AND CASH EQUIVALENTS (OVERDRAFT)—End of period	$ 1,868,000	$ 2,339,000	$ (373,000)	$ 789,000
CASH PAID FOR INTEREST	$ 43,000	$ 142,000	$ 54,000	$ 71,000

See notes to combined financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

(AS OF DECEMBER 31, 2008 AND 2009 AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009. INFORMATION AS OF JUNE 30, 2010 AND FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2010 IS UNAUDITED. INFORMATION SUBSEQUENT TO JUNE 30, 2010 IS UNAUDITED.)

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations—Agri-Energy, or the Company, we, our, or us, is engaged in the business of producing and selling ethanol and related products through an ethanol plant located in Luverne, Minnesota.

The combined financial statements are being prepared in connection with the acquisition of the Company by Gevo Development, LLC (“Gevo”), a subsidiary of Gevo, Inc. The accompanying combined financial statements and related notes of the Company present the financial position, results of operations and cash flows and changes in net parent investment of Agri-Energy, LLC and certain assets and liabilities of Agri-Energy Limited Partnership. Agri-Energy, LLC is a wholly owned subsidiary of CORN-er Stone Farmers’ Cooperative (the “Cooperative”) which is a cooperative association. Agri-Energy Limited Partnership is a limited partnership. The ..01% General Partner interest is held by CORN-er Stone Ethanol Management, Inc. which is a wholly owned subsidiary of the Cooperative. The 99.99% Limited Partner interest of Agri-Energy Limited Partnership is under common ownership with the Cooperative. The assets, liabilities and operations of Agri-Energy Limited Partnership, which are not being acquired by Gevo and are not included in these combined financial statements, include equity method investments held by Agri-Energy Limited Partnership, a note receivable arising from the sale of an equity method investments and debt and related accounts used to finance the purchase of equity method investments. These investments were not managed or operated by Cooperative or Agri-Energy Limited Partnership management.

The combined financial statements include the accounts of the Company and have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. All significant intercompany balances and transactions within the Company have been eliminated. The combined financial statements of the Company have been prepared from the separate records maintained by the Cooperative and Agri-Energy Limited Partnership and may not necessarily be indicative of the conditions that would have existed, or the results of operations that would result, if the Company had been operated as an unaffiliated entity. Because a direct ownership relationship did not exist among Agri-Energy, LLC and Agri-Energy Limited Partnership, the net investment in the Company is shown as net parent investment, in lieu of owner’s equity, in the combined financial statements. Transactions between the Company and other operations owned by the Cooperative and Agri-Energy Limited Partnership have been identified in the combined financial statements as transactions between related parties. In the opinion of management, all adjustments have been reflected that are necessary for the fair presentation of the combined financial statements.

The combined statements of operations and cash flows for the six months ended June 30, 2009 and 2010, the combined statement of changes in net parent investment for the six months ended June 30, 2010, and the combined balance sheet as of June 30, 2010, are unaudited. These unaudited interim combined financial statements have been prepared in accordance with GAAP. In the opinion of management, the unaudited interim combined financial statements have been prepared on the same basis as the audited combined financial statements, and include all adjustments necessary to present fairly the financial position, and the results of operations and cash flows, for the respective interim periods. Interim financial results are not necessarily indicative of the results that may be expected for an annual period.

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

(AS OF DECEMBER 31, 2008 AND 2009 AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009. INFORMATION AS OF JUNE 30, 2010 AND FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2010 IS UNAUDITED. INFORMATION SUBSEQUENT TO JUNE 30, 2010 IS UNAUDITED.)

A summary of the Company's significant accounting policies follows:

Use of Estimates—The preparation of financial: statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period. Actual results could differ from those estimates.

Revenue Recognition—Revenue from the sale of ethanol and related products is recorded when title transfers to customers, price is fixed and determinable and collectability is reasonably assured. Ethanol and related products are generally shipped free on board shipping point. Collectability of revenue is reasonably assured based on historical evidence of collectability between the Company and its customers. Shipping costs billed to customers are included in revenue.

The Company has been receiving incentives to produce ethanol from the State of Minnesota. The agreement was for ethanol produced over a ten year period, which was completed with the quarter ended September 30, 2008. Although the agreement ended September 30, 2008, not all of the incentive income which has been applied for has been received as of June 30, 2010. The State of Minnesota will annually make payments if and when funds are made available. Income is not recorded until funds are received.

In accordance with the Company's agreements for the marketing and sale of ethanol and related products, commissions due to marketers are deducted from the gross sales price at the time payment is remitted to the Company. Ethanol and related products sales are recorded net of commissions of $406,000 and $330,000 for the years ended December 31, 2008 and 2009, respectively and $141,000 and $169,000 for the six months ended June 30, 2009 and 2010 (unaudited), respectively.

Cash and Cash Equivalents—Cash and cash equivalents consist of short term and highly liquid instruments with maturities of three months or less. The Company maintains its cash in bank deposits that at times exceed federally insured limits of $250,000.

Accounts Receivable and Concentrations of Credit Risk—The Company records receivables for products shipped but for which payment has not yet been received. Accounts receivable are stated net of an allowance for uncollectible accounts.

The prior marketing firm for the Company, Aventine Renewable Energy (ARE), declared bankruptcy in March 2009. Prior to the bankruptcy, the Company had filed suit against ARE for failure to pay for ethanol shipped to ARE in February 2009. The account receivable from ARE of $1,440,000, which represents ethanol shipped to ARE in February of 2009, remains in question as bankruptcy proceedings take place and the lawsuit has been placed on hold by the court. The Company has written off $1,006,000 of this receivable as uncollectible. The unreserved balance receivable from ARE reflects management's estimate of the amount that could be collected from third parties that are interested in acquiring the Company's receivable from ARE based on written offers or the amount that would be collected through the bankruptcy proceedings.

As of December 31, 2008, December 31, 2009, and June 30, 2010 (unaudited) no allowance for doubtful accounts has been recorded, based upon the expected full collection of the accounts receivable.

Inventories—Corn, ethanol, distiller's dried grains with solubles (DDGS), enzymes and other inputs are stated at the lower cost or market. Cost is determined by the first-in, first-out method. The cost of ethanol inventory consists of the cost of raw materials and an applicable share of the cost of labor and manufacturing overhead.

Debt Issue Costs—Debt issue costs are incurred associated with the Company obtaining financing that have been capitalized and are being amortized on a straight-line basis, which approximates the effective interest method, over the expected maturity period of the related debt. Amortization expense was $4,000 and $11,000 for the years ended December 31, 2008 and 2009, respectively. Amortization expense was $10,000 and $10,000 for the six months ended June 30, 2009 and 2010 (unaudited), respectively.

Investment in Commodities Contracts, Derivative Instruments and Hedging Activities—The Company enters into short-term cash, option and futures contracts as a means of securing corn and natural gas and managing exposure to changes in commodity prices. The Company also enters into fixed price corn and natural gas supply contracts. These transactions are considered to be derivatives and are recorded on the balance sheet as assets and liabilities based on the derivative's fair value. Changes in the fair value of the derivative contracts are recognized currently in income unless specific hedge accounting criteria are met. The Company has not designated any of its derivatives as hedges for financial reporting purposes.

Property, Plant and Equipment—Property, plant and equipment is stated at cost and depreciated over the estimated useful life of each asset using the straight-line method. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Periodically, the plant or portion of the plant's equipment will be shut down to perform certain maintenance projects that are expected to improve the operating efficiency of the plant over the subsequent year. These costs are expensed or capitalized based upon the nature of the costs.

Impairment of Long-Lived Assets—Periodically, the Company evaluates its assets for impairment whenever events or changes in circumstances indicate the carrying amount of the long-lived asset may not be fully recoverable. The carrying amount may not be recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the assets. The Company considered various factors when determining if these assets should be evaluated for impairment. Recognition of impairment of long-lived assets is made in the event the carrying value of such assets exceeds the fair value.

No impairment losses have been recorded for the years ended December 31, 2008 and 2009 or the six months ended June 30, 2009 and 2010 (unaudited).

Income Taxes—Agri-Energy Limited Partnership and Agri-Energy, LLC are structured as pass-through entities for federal and state income tax purposes. Accordingly, no income tax expense is recognized in the financial statements.

Environmental Liabilities—The Company's operations are subject to environmental laws and regulations adopted by various governmental authorities in the jurisdiction in which it operates. These laws require the Company to investigate and remediate the effects of the release or disposal of materials at its locations. Accordingly, the Company has adopted policies, practices and procedures in the areas of pollution control, occupational health and the production, handling, storage and use of hazardous materials to prevent material environmental or other damage, and to limit the financial liability, which could result from such events. Environmental liabilities are recorded when the Company's liability is probable and the costs can be reasonably estimated. No environmental liabilities were recorded as of December 31, 2008, December 31, 2009, and June 30, 2010.

Fair Value of Financial Instruments—Financial instruments include cash and cash equivalents, receivables, accounts payable, accrued expenses, long-term debt and derivative instruments. Management believes the fair value of each of these instruments approximates their carrying value in the balance sheet as of the balance sheet date.

The fair value of exchange traded derivative instruments is based on quoted market price. The fair value of fixed price natural gas and corn contacts is based upon the price at the delivery location adjusted for basis differentials, counterparty credit quality, the effect of our own credit worthiness, the time value of money and/or the liquidity of the market.

The fair value of the long-term debt is estimated based on anticipated interest rates which management believes would currently be available to the Company for similar issues of debt, taking into account the current credit risk of the Company and the other market factors.

While the Company believes that its valuation methods are appropriate and consistent with other market participants, it recognizes that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

(AS OF DECEMBER 31, 2008 AND 2009 AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009. INFORMATION AS OF JUNE 30, 2010 AND FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2010 IS UNAUDITED. INFORMATION SUBSEQUENT TO JUNE 30, 2010 IS UNAUDITED.)

Fair Value Measurements—Accounting standards define fair value, outline a framework for measuring fair value, and detail the required disclosures about fair value measurements. Under these standards, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. Standards establish a hierarchy in determining the fair market value of an asset or liability. The fair value hierarchy has three levels of inputs, both observable and unobservable. Standards require the utilization of the highest possible level of input to determine fair value. Level 1 inputs include quoted market prices in an active market for identical assets or liabilities. Level 2 inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data. As of December 31, 2008 and 2009 and June 30, 2010 (unaudited) there were no transactions measured at fair value on a nonrecurring basis. The following table shows assets and liabilities measured at fair value on a recurring basis as of December 31, 2008 and 2009 and June 30, 2010 (unaudited) and the input categories associated with those assets and liabilities.

	Fair Value as of December 31, 2008	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Exchange traded derivatives	$ (364,000)	$(364,000)	$ —	$ —
Fixed price natural gas derivatives	(557,000)	—	(557,000)	—
Fixed price corn derivatives	(2,643,000)	—	(2,643,000)	—
	December 31, 2009			
Exchange traded derivatives	$ (7,000)	$ (7,000)	$ —	$ —
Fixed price corn derivatives	(449,000)	—	(449,000)	—
	June 30, 2010 (Unaudited)			
Exchange traded derivatives	$ (112,000)	$(112,000)	$ —	$ —
Fixed price corn derivatives	(410,000)	—	(410,000)	—

Recent Accounting Pronouncements—On January 1, 2009, the Company adopted certain provisions of FASB ASC 815, *Derivatives and Hedging*, which changed the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under FASB ASC 815 and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. The adoption of these amended provisions resulted in enhanced disclosures and did not have any impact on the Company's financial condition or results of operations.

In January 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-06, "*Fair Value Measurements and Disclosures—Improving Disclosures about Fair Value Measurement*," that requires entities to make new disclosures about recurring or nonrecurring fair-value measurements and provides clarification of existing disclosure requirements. This amendment requires disclosures about transfers

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)
(AS OF DECEMBER 31, 2008 AND 2009 AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009. INFORMATION AS OF JUNE 30, 2010 AND FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2010 IS UNAUDITED. INFORMATION SUBSEQUENT TO JUNE 30, 2010 IS UNAUDITED.)

into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. This amendment is effective for periods beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements, which will be effective for fiscal years beginning after December 15, 2010. The adoption did not have a material impact on the combined financial statements.

In February 2010, the FASB issued ASU No. 2010-09, "Subsequent Events—*Amendments to Certain Recognition and Disclosure Requirements*," that amends guidance on subsequent events. This amendment removes the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events. However, the date-disclosure exemption does not relieve management of an SEC filer from its responsibility to evaluate subsequent events through the date on which financial statements are issued. All of the amendments in this ASU are effective upon issuance of the final ASU, except for the use of the issued date for conduit debt obligors. That amendment is effective for interim or annual periods ending after June 15, 2010. The adoption of this standard did not have a material impact on the combined financial statements.

2. Property, Plant and Equipment

A summary of property, plant and equipment by classification is as follows:

	Depreciable Life	December 31,		June 30,
		2008	2009	2010
				(Unaudited)
Land and improvements		$ 947,000	$ 947,000	$ 947,000
Buildings	10–25 years	12,298,000	12,298,000	12,298,000
Equipment	5–15 years	15,839,000	15,873,000	15,874,000
Transportation equipment	5–15 years	172,000	172,000	207,000
Office equipment	3–7 years	278,000	278,000	278,000
Total property, plant and equipment		29,534,000	29,568,000	29,604,000
Less accumulated depreciation		(17,489,000)	(19,017,000)	(19,715,000)
Net property, plant and equipment		$ 12,045,000	$ 10,551,000	$ 9,889,000

Depreciation expense was $1,907,000 and $1,528,000 for the years ended December 31, 2008 and 2009, respectively. Depreciation expense was $858,000 and $697,000 for the six months ended June 30, 2009 and 2010, respectively.

3. Inventories

Inventory balances consisted of the following:

	December 31,		June 30,
	2008	2009	2010 (Unaudited)
Corn	$ 1,441,000	$ 2,199,000	$ 2,058,000
Ethanol	113,000	329,000	219,000
Distiller's dried grains	48,000	16,000	37,000
Work in process	96,000	127,000	123,000
Enzymes and other inputs	163,000	181,000	167,000
Spare parts	329,000	346,000	353,000
Total inventory	$ 2,190,000	$ 3,198,000	$ 2,957,000

In the year ended December 31, 2008, the Company recorded $73,000 of lower of cost or market adjustments. No lower of cost or market adjustment was recorded for the year ended December 31, 2009 or the six months ended June 30, 2009 or 2010 (unaudited). These charges are reported in the cost of goods sold in the combined statements of operations.

Included in the cost of labor and manufacturing overhead included in the cost of ethanol inventory is depreciation expense of $1,892,000, $1,525,000, and $697,000 for the years ended December 31, 2008 and 2009 and for the six months ended June 30, 2010 (unaudited), respectively.

4. Line of Credit and Long-term Debt

The Company has a $2,000,000 revolving line of credit payable to Heartland Business Bank originally due July 28, 2010. The line of credit has been extended until the contemplated acquisition of the Company by Gevo described in Note 9 is consummated. The Line bears interest at the prime rate and cannot be less than 5.00% (5.00% at December 31, 2008) and is payable monthly. The line of credit is subject to a borrowing base of eligible accounts receivable that is less than 60 days and 50% of eligible inventory not including work in progress. There was no balance outstanding at December 31, 2008 or 2009 or June 30, 2010 (unaudited).

Long-term debt consisted of the following:

	December 31,		June 30,
	2008	2009	2010 (Unaudited)
Note payable to Heartland Business Bank, interest at prime plus 0.25% (5% at June 30, 2010) and monthly payments of principal and interest of $33,000 beginning April 1, 2009, maturing February 27, 2019.(A)(B)	$ 3,100,000	$ 2,918,000	$ 2,793,000
Less current maturities	(196,000)	(255,000)	(261,000)
	$ 2,904,000	$ 2,663,000	$ 2,532,000

(A) The loan is secured by substantially all the assets and income of the Company. The loan agreement is subject to covenants requiring the Company to keep capital expenditures of less than $2,000,000 unless there is a waiver granted by Heartland Business Bank. During the year ended December 31, 2008, the Company had total capital expenditures which exceeded this amount for the year; the Company received a waiver from Heartland Business Bank to allow the additional capital expenditures. Additional covenants require the Company to maintain a specified minimum net worth, current ratio, debt service coverage ratio and debt to equity ratio. At June 30, 2010, the Company was in compliance with all the covenants. Upon consummation of the contemplated acquisition of the Company by Gevo as described in Note 9, the loan will be repaid in full.

(B) The loan is subject to an 80% Loan Guaranty by the United States Department of Agriculture. The guarantee required a fee of 2% upfront and requires a fee of .25% of the guaranteed amount of the loan annually.

The estimated maturities of long-term debt at June 30, 2010 (unaudited) are as follows:

2010	$ 261,000
2011	274,000
2012	288,000
2013	303,000
Thereafter	1,667,000
Total	$ 2,793,000

Interest expense for the years ended December 31, 2008 and 2009 was $53,000 and $145,000, respectively. Interest expense for the six months ended June 30, 2009 and 2010 (unaudited) was $58,000 and $71,000, respectively. The Company did not capitalize any interest payments for the years ended December 31, 2008 and 2009 or the six months ended June 30, 2009 and 2010 (unaudited) since it had no qualifying interest payments.

5. Employee Benefit Plan

The Company maintains a SIMPLE retirement plan for the employees who meet the eligibility requirements set forth in the plan documents. The Company matches a percentage of the employees' contributed earnings. Employer contributions to the plan totaled approximately $50,000 and $45,000 for the years ended December 31, 2008 and 2009, respectively. Employer contributions to the plan totaled approximately $22,000 and $20,000 for the six months ended June 30, 2009 and 2010 (unaudited), respectively.

6. Derivatives and Hedging

The Company's activities expose it to a variety of market risks, including the effects of changes in commodity prices and interest rates. These financial exposures are monitored and managed by the Company as an integral part of its overall risk-management program. The Company's risk management program focuses on the unpredictability of financial and commodities markets and seeks to reduce the potentially adverse effects that the volatility of these markets may have on its operating results.

To reduce price risk caused by market fluctuations; the Company generally follows a policy of using exchange traded futures contracts to reduce its net position in merchandisable agricultural commodity inventories and forward cash purchase and sales contracts and uses exchange-traded futures contract to reduce price risk. Exchange-traded futures contracts are valued at market price. Changes in market price are recorded in cost of goods sold. Forward contracts, in which delivery of the related commodity has not occurred, are valued at market price with changes in market price recorded in cost of goods sold.

The Company periodically enters into fixed price contracts, with members, to purchase corn and natural gas to lock in the price of these commodities. These contracts are considered to be derivative transactions and are valued at market price. The value of these contracts are recorded as derivative asset or derivative liability on the combined balance sheet and changes in the market value of the contracts are recorded in the combined income statements in cost of goods sold.

The Company derivatives do not include any credit risk related contingent features. For the exchange traded contracts, the Company maintains a margin deposit. At December 31, 2008 and 2009 and June 30, 2010 the Company recorded a margin deposit of $2,084,000, $33,000 and $284,000, respectively. The Company has not designated any of its derivatives as hedges for financial accounting purposes. The fair value of its derivatives, which are marked to market each period, as well as the location within its combined balance sheet, by major category, is summarized as follows:

	December 31,		June 30,
	2008	2009	2010
			(Unaudited)
Balance Sheet Line Item			
Derivative Liabilities Not Designated as Hedging Instruments			
Exchange traded commodity derivatives—derivative liability—current	$ (364,000)	$ (7,000)	$ (112,000)
Fixed price natural gas contacts—derivative liability—current	(557,000)	—	—
Fixed price corn contacts—liability	(2,643,000)	(449,000)	(410,000)

Changes in value of derivative instruments are recorded in the combined statements of operations. The following summarizes these amounts and the location within the combined statements of operations where such amounts are reflected:

	December 31,		June 30,	
	2008	2009	2009	2010
			(Unaudited)	
Statement of Operations Location				
Exchange traded commodity derivative—cost of goods sold	$ (682,000)	$ (356,000)	$ (624,000)	$ 105,000
Fixed price corn derivative—cost of goods sold	$ 4,988,000	$ (2,195,000)	$ (894,000)	$ (39,000)
Fixed price natural gas derivative—cost of goods sold	$ 498,000	$ (557,000)	$ (278,000)	$ —

The following table represents our net long and short positions. All of these positions are expected to settle within the next year.

Year of Expiration	December 31, 2009 Corn Net Short Position Bushels	June 30, 2010 (Unaudited) Corn Net Short Position Bushels
2010	656,000	547,000
2011	5,000	5,000

7. Commitments, Contingencies and Agreements

Ethanol Marketing Agreement—The Company had an agreement with ARE for the sale, marketing, transportation and other administrative services for all ethanol produced by the plant during all of 2008 as well as thru February 2009. The contract was canceled when ARE failed to pay the Company for ethanol received in February 2009. All ethanol for 2008 and through March 3, 2009 was sold to ARE. All ethanol from March 4, 2009 through June 30, 2010 was sold to C&N Ethanol Marketing.

Distiller's Dried Grains With Solubles Sales—The Company has an agreement with Commodity Specialist Company to sell all DDGS, except for amounts sold to any customer within a 75-mile radius of the plant and any sale of "modified wet distiller's grain," regardless of location. The initial agreement commenced on September 19, 2002 and is renewed each year unless terminated by either party with at 120 days written notice. No DDGS were sold under this agreement during the year ended December 31, 2008 and 2009 and the six months ended June 30, 2009 and 2010 (unaudited).

State Incentive Program—The Company receives an incentive payment from the State of Minnesota based on the number of gallons produced during the first ten years of operation. The required time-frame for operation has been completed, however, the State of Minnesota continues to make payments due to prior year under funding. The Company recognizes income from these payments as they are received. Incentive income of $2,085,000 and $934,000 was recorded for the years ended December 31, 2008 and 2009, respectively. No incentive income was recorded for the six months ended June 30, 2009 and 2010 (unaudited), respectively.

8. Related-party Transactions

The Company purchases corn from members of the Cooperative. Purchases from members totaled approximately $22,354,000 and $18,671,000 for the years ended December 31, 2008 and 2009, respectively. Purchases from members totaled approximately $9,388,000 and $10,572,000 for the six months ended June 30, 2009 and 2010 (unaudited), respectively.

Accounts payable to members as of December 31, 2008 and 2009, June 30, 2010 (unaudited) totaled $2,079,000, $2,727,000, and $621,000, respectively.

The Company sells ethanol related products to members. Sales to members totaled approximately $1,684,000 and $1,694,000 for the years ended December 31, 2008 and 2009, respectively. Sales to members totaled approximately $699,000 and $961,000 for the six months ended June 30, 2009 and 2010 (unaudited), respectively. Accounts receivable from members for sales of ethanol related products as of December 31, 2008 and 2009, June 30, 2010 (unaudited), totaled $442,000, $179,000, and $150,000 respectively.

Management believes that transactions with related parties have been executed on a basis which would have been incurred if the Company had been operated as an unaffiliated entity.

The Company transfers funds within a group of related companies (Agri-Energy Limited Partnership, Agri-Energy, LLC, CORN-er Stone Farmers' Cooperative, and CORN-er Stone Ethanol Management, Inc.) in order to finance operations. These transfers are recorded as Due to Related Party in the combined balance sheets. The balances accrue no interest and the Company treats the balances as current liabilities since there is no defined repayment obligation and they can be called at any time. At December 31, 2008 and 2009, June 30, 2010 (unaudited) amounts due from the Company to CORN-er Stone Farmer's Cooperative were $744,000, $1,739,000, and $1,739,000, respectively. At December 31, 2008 and 2009, June 30, 2010 (unaudited) amounts due from the Company to CORN-er Stone Ethanol Management, Inc were $135,000, $35,000, and $78,000, respectively.

9. Subsequent Events

Subsequent events have been evaluated through September 22, 2010, which is the date the acquisition of Agri-Energy was consummated.

In August 2010, CORN-er Stone Farmers' Cooperative, a Minnesota cooperative association, entered into an acquisition agreement pursuant to which it agreed to sell all of the membership interests of Agri-Energy, LLC, a Minnesota limited liability company, and certain assets of Agri-Energy Limited Partnership, a Minnesota limited partnership, referred to collectively as Agri-Energy. In September 2010, CORN-er Stone Farmers' Cooperative consummated the transactions contemplated by the acquisition agreement, and Gevo Development, LLC acquired ownership of Agri-Energy's 22 million gallon per year ethanol production facility located in Luverne, Minnesota. Gevo Development, LLC paid a purchase price of approximately $20.7 million. In addition, Gevo Development, LLC acquired and paid for $4.9 million in estimated working capital. The acquisition agreement contains customary representations, warranties, covenants and indemnification provisions and provided for an aggregate of approximately $3.5 million to be placed into escrow as security for deficiencies in Agri-Energy's working capital and seller indemnification obligations.

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Until   , 2010 (25 days after commencement of this offering), all dealers that buy, sell, or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II
Information not required in prospectus

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, payable in connection with the registration of the common stock hereunder. All amounts are estimates except the SEC registration fee, the FINRA filing fee and The Nasdaq Global Market listing fee.

Securities and Exchange Commission registration fee	$ 10,695
FINRA filing fee	15,500
Nasdaq Global Market listing fee	25,000
Blue Sky fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous expenses	*
Total	*

** To be provided by amendment.*

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify its directors and officers from certain expenses in connection with legal proceedings and permits a corporation to include in its charter documents, and in agreements between the corporation and its directors and officers, provisions expanding the scope of indemnification beyond that specifically provided by this section.

The Registrant’s amended and restated certificate of incorporation provides for the indemnification of directors to the fullest extent permissible under Delaware law.

The Registrant’s amended and restated bylaws provide for the indemnification of officers, directors and third parties acting on the Registrant’s behalf if such persons act in good faith and in a manner reasonably believed to be in and not opposed to the Registrant’s best interest, and, with respect to any criminal action or proceeding, such indemnified party had no reason to believe his or her conduct was unlawful.

The Registrant has entered into indemnification agreements with each of its directors, and will enter into new indemnification agreements with each of its directors and executive officers before the completion of this offering, in addition to the indemnification provisions provided for in its charter documents. The Registrant intends to enter into indemnification agreements with any new directors and executive officers in the future.

The underwriting agreement (to be filed as Exhibit 1.1 hereto) will provide for indemnification by the underwriters of the Registrant, the Registrant’s executive officers and directors, and indemnification of the underwriters by the Registrant for certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, in connection with matters specifically provided in writing by the underwriters for inclusion in the registration statement.

The Registrant intends to purchase and maintain insurance on behalf of any person who is or was a director or officer against any loss arising from any claim asserted against him or her and incurred by him or her in that capacity, subject to certain exclusions and limits of the amount of coverage.

The chairman of our board of directors, Mr. Weiss, is also insured by his employer against any loss arising from any claim asserted against him and incurred by him with regard to his service on the Registrant's board of directors.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Since September 1, 2007, the Registrant has issued and sold the following unregistered securities:

1. In January 2008, the Registrant issued and sold convertible promissory notes in the aggregate principal amount of $3.0 million to Khosla Ventures I, LP and Virgin Green Fund I, L.P. The notes accrued interest at a rate of 8% per annum and had a maturity date of December 31, 2008. In March 2008, the full principal amount of and accrued but unpaid interest on the notes was automatically converted into an aggregate of 555,346 shares of Series C convertible preferred stock at a conversion price of $5.48 per share.
2. In January 2008, the Registrant issued warrants to purchase an aggregate of up to 136,862 shares of its Series C convertible preferred stock at an exercise price of $5.48 per share to Khosla Ventures I, LP and Virgin Green Fund I, L.P. The warrants may be exercised at any time prior to the earlier of (a) the 10-year anniversaries of their issue dates and (b) five years after the completion of this offering. As described in paragraph (15) below, Khosla Ventures I, LP exercised its warrant in September 2010.
3. In March 2008, the Registrant issued and sold 3,102,190 shares of Series C convertible preferred stock to venture capital funds and other investors at a per share price of $5.48, for aggregate consideration of approximately $17.0 million, including cancellation of the notes described in paragraph (1) above. Upon completion of this offering, these shares of Series C convertible preferred stock will convert into 3,102,190 shares of the Registrant's common stock.
4. In April 2008, the Registrant issued a warrant to purchase an aggregate of up to 27,372 shares of Series C convertible preferred stock to Lighthouse Capital Partners V, L.P. The warrant may be exercised at any time prior to the earlier of (a) the 10-year anniversary of its issue date and (b) three years after the completion of this offering.
5. In August 2008, the Registrant issued a warrant to purchase an aggregate of up to 59,307 shares of Series C convertible preferred stock to Lighthouse Capital Partners V, L.P. The warrant may be exercised at any time prior to the earlier of (a) the 10-year anniversary of its issue date and (b) three years after the completion of this offering.
6. Between April and August 2009, the Registrant issued and sold 4,616,483 shares of Series D convertible preferred stock to venture capital funds and other investors at a per share price of $7.04, for aggregate consideration of approximately $32.5 million. Upon completion of this offering, these shares of Series D convertible preferred stock will convert into 4,616,483 shares of the Registrant's common stock.
7. In July 2009, the Registrant issued a warrant to purchase an aggregate of up to 55,000 shares of Series D convertible preferred stock to Lighthouse Capital Partners V, L.P. The warrant may be exercised at any time prior to the earlier of (a) the 10-year anniversary of its issue date and (b) three years after the completion of this offering.

8. In September 2009, the Registrant issued a warrant to purchase an aggregate of up to 858,000 shares of its common stock to CDP Gevo, LLC. Subject to certain vesting conditions, the warrant may be exercised at any time prior to the earlier of (a) an act of fraud by Michael A. Slaney or David N. Black and (b) seven years after the original issue date of the warrant. This warrant was amended and restated in September 2010 to effect certain changes to the vesting conditions.
9. Between March and May 2010, the Registrant issued and sold 1,902,087 shares of Series D-1 convertible preferred stock to venture capital funds and other investors at a per share price of $17.12, for aggregate consideration of approximately $32.56 million. Assuming an initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of the Registrant's prospectus), these shares of Series D-1 convertible preferred stock will convert into   shares of the Registrant's common stock upon completion of this offering.
10. Between September 1, 2007 and September 30, 2010, the Registrant granted stock options to purchase 2,488,287 shares of its common stock at exercise prices ranging from $0.49 to $12.67 per share to employees, consultants and directors of the Registrant. Between September 1, 2007 and September 30, 2010, the Registrant issued and sold an aggregate of 51,536 shares of its common stock to the Registrant's employees, consultants and directors at prices ranging from $0.17 to $2.70 per share pursuant to exercises of options.
11. Between September 1, 2007 and September 30, 2010, the Registrant granted 100,000 shares of restricted stock to its consultants under its 2006 omnibus securities and incentive plan.
12. In August 2010, the Registrant issued warrants to purchase an aggregate of 50,380 shares of Series D-1 convertible preferred stock (or shares of the Registrant's preferred stock sold in its next round of equity financing, if such shares are sold at a price per share less than $17.12, as adjusted) to TriplePoint Capital LLC. The warrants may be exercised until the later of (a) August 5, 2017 and (b) five years after the completion of this offering.
13. In September 2010, the Registrant issued warrants to purchase an aggregate of 54,760 shares of Series D-1 convertible preferred stock (or shares of the Registrant's preferred stock sold in its next round of equity financing, if such shares are sold at a price per share less than $17.12, as adjusted) to TriplePoint Capital LLC. The warrants may be exercised until the later of (a) August 5, 2017 and (b) five years after the completion of this offering.
14. In September 2010, the Registrant granted stock options to purchase 64,950 shares of its common stock at an exercise price of $12.67 per share to employees, consultants and directors of the Registrant.
15. In September 2010, Khosla Ventures I, LP exercised its warrant to purchase 108,076 shares of the Registrant's Series C convertible preferred stock at an exercise price of $5.48 per share.

The issuance of securities described above in paragraphs (1) through (9), (12), (13) and (15) were exempt from registration under the Securities Act of 1933, as amended, in reliance on Section 4(2) of the Securities Act of 1933, as amended, or Regulation D or Regulation S promulgated thereunder, as transactions by an issuer not involving any public offering. The purchasers of the securities in these transactions represented that they were accredited investors and that they were acquiring the securities for investment only and not with a view toward the public sale or distribution thereof. Such purchasers received written disclosures that the securities had not been registered under the Securities Act of 1933, as amended, and that any resale must be made pursuant to a registration statement or an available exemption from registration. All purchasers either received adequate financial statement or non-financial statement information about the Registrant or had adequate access, through their relationship with the Registrant, to financial statement or non-financial statement information about the Registrant. The sale of these securities was made without general solicitation or advertising.

The issuance of securities described above in paragraphs (10), (11) and (14) were exempt from registration under the Securities Act of 1933, as amended, in reliance on Rule 701 of the Securities Act of 1933, as amended, pursuant to compensatory benefit plans or agreements approved by the Registrant's board of directors.

All certificates representing the securities issued in these transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

Exhibit No.	Description
1.1*	Form of Underwriting Agreement.
2.1†	Acquisition Agreement, by and among Gevo Development, LLC, Agri-Energy, LLC, Agri-Energy Limited Partnership, CORN-er Stone Ethanol Management, Inc. and CORN-er Stone Farmers' Cooperative, dated August 5, 2010. Certain schedules and exhibits referenced in the Acquisition Agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the SEC upon request.
2.2#	Equity Purchase Agreement, by and among the Registrant, CDP Gevo, LLC, Gevo Development, LLC, Michael A. Slaney and David N. Black, dated August 5, 2010. Certain schedules and exhibits referenced in the Equity Purchase Agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the SEC upon request.
3.1#	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon completion of the offering.
3.3#	Amended and Restated Bylaws of the Registrant, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon completion of the offering.
4.1*	Form of the Registrant's Common Stock Certificate.
4.2#	Fifth Amended and Restated Investors' Rights Agreement, dated March 26, 2010.
4.3†#	Stock Issuance and Stockholder's Rights Agreement, by and between the Registrant and California Institute of Technology, dated July 12, 2005.
4.4#	Amended and Restated Warrant to purchase shares of Common Stock issued to CDP Gevo, LLC, dated September 22, 2010.

Information not required in prospectus

Exhibit No.	Description
4.5#	Warrant to purchase shares of Series A-3 Preferred Stock issued to Lighthouse Capital Partners V, L.P., dated December 18, 2006, as amended.
4.6#	Warrant to purchase shares of Series A-4 Preferred Stock issued to Lighthouse Capital Partners V, L.P., dated April 30, 2007.
4.7#	Warrant to purchase shares of Series C Preferred Stock issued to Lighthouse Capital Partners V, L.P., dated April 5, 2008.
4.8#	Warrant to purchase shares of Series C Preferred Stock issued to Lighthouse Capital Partners V, L.P., dated August 12, 2008.
4.9#	Warrant to purchase shares of Preferred Stock, issued to Virgin Green Fund I, L.P., dated January 18, 2008 (previously filed as Exhibit 4.10 to Form S-1 filed on August 12, 2010).
4.10#	Warrant to purchase shares of Series D Preferred Stock issued to Lighthouse Capital Partners V, L.P., dated July 20, 2009 (previously filed as Exhibit 4.11 to the Form S-1 filed on August 12, 2010).
4.11#	Plain English Warrant Agreement No. 0647-W-01, by and between the Registrant and TriplePoint Capital LLC, dated August 5, 2010.
4.12#	Plain English Warrant Agreement No. 0647-W-02, by and between the Registrant and TriplePoint Capital LLC, dated August 5, 2010.
5.1	Form of Opinion of Paul, Hastings, Janofsky & Walker LLP.
10.1#	Loan and Security Agreement, by and between the Registrant and Lighthouse Capital Partners V, L.P., dated December 18, 2006, as amended.
10.2†#	Commercialization Agreement, by and between the Registrant and ICM, Inc., dated October 16, 2008.
10.3†	Development Agreement, by and between the Registrant and ICM, Inc., dated October 16, 2008.
10.4†#	License Agreement, by and between the Registrant and Cargill Incorporated, effective February 19, 2009.
10.5†#	Exclusive License Agreement, by and between the Registrant and The Regents of the University of California, dated September 6, 2007, as amended.
10.6†	License Agreement, by and between the Registrant and the California Institute of Technology, dated July 12, 2005, as amended.
10.7†	Sublease, by and between the Registrant and Luzenac America, Inc., dated November 28, 2007.
10.8†	First Amended and Restated Limited Liability Company Agreement of Gevo Development, LLC, dated August 5, 2010.
10.9#	Amendment No. 1, effective July 1, 2010, to the Development Agreement, by and between the Registrant and ICM, Inc., dated October 16, 2008. (previously filed as Exhibit 10.25 to the Form S-1 filed on October 1, 2010).
10.10#	Amendment No. 4, dated October 1, 2010, to the License Agreement, by and between the Registrant and the California Institute of Technology, dated July 12, 2005.
10.11#	2006 Omnibus Securities and Incentive Plan.

Information not required in prospectus

Exhibit No.	Description
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10.13#	Form of Stock Option Agreement under the 2006 Omnibus Securities and Incentive Plan.
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10.15	Employment Agreement, by and between the Registrant and Mark Smith, dated June 4, 2010.
10.16	Employment Agreement, by and between the Registrant and Christopher Ryan, dated June 4, 2010.
10.17	Employment Agreement, by and between the Registrant and David Glassner, dated June 4, 2010.
10.18	Employment Agreement, by and between the Registrant and Brett Lund, dated June 4, 2010.
10.19	Employment Agreement, by and between the Registrant and Jack Huttner, dated August 10, 2010.
10.20	Offer Letter, by and between the Registrant and Stacy Smith, dated June 7, 2010.
10.21	Offer Letter, by and between the Registrant and Bruce Smith, dated June 14, 2010.
10.22#	Offer Letter, by and between the Registrant and Carlos A. Cabrera, dated June 14, 2010.
10.23#	Plain English Growth Capital Loan and Security Agreement, by and between the Registrant and TriplePoint Capital LLC, dated August 5, 2010.
10.24#	Plain English Growth Capital Loan and Security Agreement, by and between Gevo Development, LLC and TriplePoint Capital, LLC, dated August 5, 2010.
10.25#	Joinder Agreement and First Amendment, by and among Gevo Development, LLC, Agri-Energy, LLC and TriplePoint Capital, LLC, dated September 22, 2010, to the Plain English Growth Capital Loan and Security Agreement, by and between Gevo Development, LLC and TriplePoint Capital, LLC, dated August 5, 2010.
10.26†	Ethanol Purchasing and Marketing Agreement, by and between C&N Ethanol Marketing Corporation and Agri-Energy, LP, dated April 1, 2009.
10.27*	Form of Indemnification Agreement between the Registrant and its directors and officers.
21.1#	List of Subsidiaries.
23.1	Consent of Deloitte & Touche, LLP.
23.2	Consent of Deloitte & Touche, LLP.
23.3*	Consent of Paul, Hastings, Janofsky & Walker LLP (to be included in the final Exhibit 5.1).
23.4#	Consent of ICM, Inc.
23.5#	Consent of DNV Columbus, Inc.
24.1#	Power of Attorney (see page II-8 of the original filing of this Form S-1).

* To be filed by amendment.

# Previously filed.

† Certain portions have been omitted pursuant to a confidential treatment request. Omitted information has been filed separately with the SEC.

(b) Financial Statement Schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

The Registrant hereby undertakes that:

(a) The Registrant will provide to the underwriters at the closing as specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from a form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933, as amended, shall be deemed to be part of this registration statement as of the time it was declared effective.

(c) For the purpose of determining any liability under the Securities Act of 1933, as amended, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Amendment No. 3 to the Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the County of Douglas, State of Colorado, on the 4th day of November, 2010.

GEVO, INC.

By: /s/ PATRICK R. GRUBER
Patrick R. Gruber
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 3 to the Registration Statement has been signed by the following persons in the capacities indicated below.

Signature	Title	Date
/s/ PATRICK R. GRUBER **Patrick R. Gruber, Ph.D.**	Chief Executive Officer (Principal Executive Officer) and Director	November 4, 2010
/s/ MARK SMITH **Mark Smith**	Chief Financial Officer (Principal Financial and Accounting Officer)	November 4, 2010
* **Shai Weiss**	Chairman of the Board of Directors	November 4, 2010
* **Ganesh M. Kishore, Ph.D.**	Director	November 4, 2010
* **Véronique Hervouet**	Director	November 4, 2010
* **Stacy J. Smith**	Director	November 4, 2010
* **Ron Commander, Ph.D.**	Director	November 4, 2010
* **Bruce A. Smith**	Director	November 4, 2010
* **Carlos A. Cabrera**	Director	November 4, 2010

*By: /s/ PATRICK R. GRUBER
Patrick R. Gruber
Attorney in Fact

EXHIBIT INDEX

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23.4#	Consent of ICM, Inc.
23.5#	Consent of DNV Columbus, Inc.
24.1#	Power of Attorney (see page II-8 of the original filing of this Form S-1).

* To be filed by amendment.

# Previously filed.

† Certain portions have been omitted pursuant to a confidential treatment request. Omitted information has been filed separately with the SEC.

Exhibit 2.1

***** Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4)
and 203.406

ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT is made and entered into as of August 5, 2010, by and among: **GEVO DEVELOPMENT, LLC,** a Delaware limited liability company ("***Purchaser***"); **AGRI-ENERGY, LLC,** a Minnesota limited liability company (the "***Company***"); **AGRI-ENERGY LIMITED PARTNERSHIP**, a Minnesota limited partnership ("***Agri-Energy L.P.***"); **CORN-ER STONE ETHANOL MANAGEMENT, INC.**, a Minnesota corporation ("***CORN-er Stone Management***" and, together with the Company and Agri-Energy L.P., the "***Acquired Companies***"); and **CORN-ER STONE FARMERS COOPERATIVE**, a Minnesota cooperative association (the "***Seller***"). Except as otherwise set forth herein, capitalized terms used herein have the meanings set forth in ***Exhibit A***.

RECITALS

WHEREAS, the Seller owns (i) all of the membership interests of the Company, which are expressed in terms of percentages of the whole, and entitling the holder thereof to its pro rata rights or interests in all matters of company governance, profits, losses, revenue, expenses, and distributions (the "***Company Units***") and (ii) all issued and outstanding capital stock of CORN-er Stone Management;

WHEREAS, each member of the Seller holds a limited partnership interest in Agri-Energy L.P.;

WHEREAS, CORN-er Stone Management is the general partner of Agri-Energy L.P.;

WHEREAS, Agri-Energy L.P. proposes to sell to Purchaser, and Purchaser proposes to purchase from Agri-Energy L.P., certain assets of Agri-Energy L.P. (the "***Asset Purchase***") in accordance with this Agreement;

WHEREAS, simultaneously with the consummation of the Asset Purchase, Purchaser will purchase from the Seller the Company Units (the "***Equity Purchase***" and, together with the Asset Purchase, the "***Purchase***"). Upon consummation of the Purchase, the Company will become a wholly owned subsidiary of Purchaser;

WHEREAS, this Agreement, the Related Agreements and the Contemplated Transactions have been approved by (i) the respective boards of managers of Purchaser, the Company and Seller; and (ii) the board of directors of CORN-er Stone Management, as the general partner of Agri-Energy L.P.; and

WHEREAS, this Agreement, the Related Agreements and the Contemplated Transactions have been approved by the members of the Seller in accordance with the Minnesota

Cooperative Law (the "***MCL***"), the Minnesota Business Corporations Act ("***MBCA***") and the Seller's organizational documents.

NOW, **THEREFORE**, in consideration of the foregoing and the respective covenants, agreements and representations and warranties set forth herein, the parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE 1.
THE PURCHASE

1.1 Purchase and Sale of Company Units. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, the Seller shall sell, assign, transfer, convey and deliver to Purchaser, free and clear of all Encumbrances, and Purchaser shall purchase from the Seller, 100% of the issued and outstanding Company Units.

1.2 Purchase and Sale of Assets. The Seller and Agri-Energy L.P. shall cause to be sold, assigned, transferred, conveyed and delivered to the Purchaser, at the Closing, good and valid title to the Acquired Limited Partnership Assets, free of any Encumbrances, on the terms and subject to the conditions set forth in this Agreement. For purposes of this Agreement, "***Acquired Limited Partnership Assets***" shall mean and include: (a) all of the properties, rights, interests and other tangible and intangible assets of Agri-Energy L.P. (wherever located and whether or not required to be reflected on a balance sheet prepared in accordance with GAAP), including any assets acquired by Agri-Energy L.P. during the Pre-Closing Period; and (b) any other assets that are owned by the Seller or any other Affiliate and that are needed for the conduct of, or are useful in connection with, the business of Agri-Energy L.P.; *provided, however*, that the Acquired Limited Partnership Assets shall not include any Excluded Assets. Without limiting the generality of the foregoing, the Acquired Limited Partnership Assets shall include:

(a) all accounts receivable, notes receivable and other receivables of Agri-Energy L.P. (including the receivables identified in Part 1.2(a) of the Company Disclosure Schedule);

(b) all cash, cash equivalents and marketable securities of Agri-Energy L.P. and all rights to any bank accounts (including the cash, cash equivalents, marketable securities and rights to any bank accounts identified in Part 1.2(b) of the Company Disclosure Schedule);

(c) all inventories and work-in-progress of Agri-Energy L.P., and all rights to collect from customers (and to retain) all fees and other amounts payable, or that may become payable, to Agri-Energy L.P. with respect to services performed on behalf of Agri-Energy L.P. on or prior to the Closing Date (including the inventories, work-in-progress, rights to collect fees and other amounts payable identified in Part 1.2(c) of the Company Disclosure Schedule);

(d) all equipment, materials, prototypes, tools, supplies, vehicles, furniture, fixtures, improvements and other tangible assets of Agri-Energy L.P.;

(e) all Proprietary Rights and goodwill of Agri-Energy L.P.;

(f) all rights of Agri-Energy L.P. under the Assumed Contracts (including the Assumed Contracts identified in Part 1.2(f) of the Company Disclosure Schedule);

(g) all Governmental Authorizations held by Agri-Energy L.P. (including the Governmental Authorizations identified in Part 1.2(g) of the Company Disclosure Schedule);

(h) all claims (including claims for past infringement of Proprietary Rights) and causes of action of Agri-Energy L.P. against other Persons (regardless of whether or not such claims and causes of action have been asserted by Agri-Energy L.P.), and all rights of indemnity, warranty rights, rights of contribution, rights to refunds, rights of reimbursement and other rights of recovery possessed by Agri-Energy L.P. (regardless of whether such rights are currently exercisable);

(i) all books, records, files and data of Agri-Energy L.P.;

(j) all rights relating to deposits and prepaid expenses; and

(k) the assets set forth on Part 1.2(k) of the Company Disclosure Schedule.

1.3 Excluded Assets. Notwithstanding anything to the contrary set forth herein, the Acquired Limited Partnership Assets shall not include Agri-Energy L.P's right, title or interest in and to the following assets, properties or rights (collectively, the "***Excluded Assets***"):

(a) the assets set forth on Part 1.3(a) of the Company Disclosure Schedule, including any proceeds thereon;

(b) the Constituent Documents of Agri-Energy L.P.;

(c) the rights that accrue to the Seller and Agri-Energy L.P. hereunder;

(d) insurance policies (and any cash or surrender value thereon); and

(e) inventory that has been transferred or disposed of by Agri-Energy L.P. prior to Closing in the ordinary course of business, consistent with past practice, without violation of this Agreement.

1.4 Assumed Liabilities.

(a) Except as provided in Section 1.4(b), Purchaser shall not assume, in connection with the Contemplated Transactions, any liability or obligation of Agri-Energy L.P. whatsoever, whether known or unknown, disclosed or undisclosed, accrued or hereafter arising, absolute or contingent, and Agri-Energy L.P. shall retain responsibility for all such liabilities and obligations.

(b) Effective as of the Closing, Purchaser shall assume the following liabilities and obligations of Agri-Energy L.P. (collectively, the "***Assumed Liabilities***"):

(i) the obligations of Agri-Energy L.P. under each Assumed Contract, except to the extent such obligations are required to be performed on or prior to the Closing Date**,** are not disclosed on the face of such Assumed Contract**,** or accrue and relate to the operation of Agri-Energy L.P.'s business prior to the Closing Date; and

(ii) the current liabilities of Agri-Energy L.P. listed on Part 1.4(b)(ii) of the Company Disclosure Schedule to the extent and in the amount reflected on the Working Capital Statement or included in Company Indebtedness.

1.5 Excluded Liabilities. Specifically, and without in any way limiting the generality of Section 1.4(a), the Assumed Liabilities shall not include, and in no event shall Purchaser assume, agree to pay, discharge or satisfy any liability or obligation hereunder or otherwise have any responsibility for any liability or obligation of Agri-Energy L.P. (together with all other liabilities that are not Assumed Liabilities, the "***Excluded Liabilities***"):

(a) relating to any liability or obligation (including accounts payable) owed to the Seller or any Affiliate of Agri-Energy L.P. or the Seller;

(b) for any Taxes with respect to any period;

(c) relating to, resulting from, or arising out of, (i) claims made in pending or future Legal Proceedings or (ii) claims based on violations of Law (including any Environmental Law, workers' compensation, employment practices or health and safety matters), breach of Contract, or any other actual or alleged failure of Agri-Energy L.P. to perform any obligation (under any Law, Governmental Authorization or Contract), in each case arising out of, or relating to, (A) acts or omissions that shall have occurred, (B) services performed or products sold, (C) the ownership or use of the Acquired Limited Partnership Assets, or (D) the operation of Agri-Energy L.P.'s business, prior to the Closing;

(d) pertaining to any Excluded Asset;

(e) relating to, resulting from, or arising out of, any former operation of Agri-Energy L.P. that has been discontinued or disposed of prior to the Closing;

(f) arising or incurred in connection with the negotiation, preparation and execution hereof and the transactions contemplated hereby and any fees and expenses of counsel, accountants, brokers, financial advisors or other experts of Agri-Energy L.P. or the Seller; and

(g) all claims or Legal Proceedings relating to any or all of the foregoing and all costs and expenses in connection therewith.

1.6 Closing.

(a) The consummation of the Purchase (the "***Closing***") shall take place at the offices of Purchaser, 345 Inverness Drive South, Building C, Suite 310, Englewood, Colorado 80112, at 10:00 a.m. Pacific Time on a date to be designated by Purchaser after the date on which the last of the conditions set forth in Article 6 and Article 7 has been satisfied or waived in writing (except for conditions which in accordance with their terms must be satisfied at the Closing, including the certificates required by Article 6 and Article 7, which each party agrees to deliver on the designated Closing Date). The date on which the Closing actually takes place is referred to in this Agreement as the "***Closing Date***."

(b) At the Closing, (i) the Seller will assign and transfer to Purchaser all of the Seller's right, title and interest in and to the Company Units by delivering to Purchaser a certificate or certificates representing the Company Units, duly endorsed in blank or accompanied by duly executed interest powers endorsed in blank and (ii) Agri-Energy L.P. shall execute and deliver to Purchaser such bills of sale, endorsements, assignments and other documents as may be necessary or appropriate to assign, convey, transfer and deliver to Purchaser good and valid title to the Acquired Limited Partnership Assets free of any Encumbrances.

1.7 Purchase Price for Company Units and Assets.

(a) In consideration for the sale, assignment, transfer, conveyance and delivery of the Company Units in accordance with the terms and conditions of this Agreement and in reliance on the representations and warranties, covenants and agreements of the parties contained herein and in the Related Agreements, the aggregate purchase price for the Company Units (the "***Company Purchase Price***") shall be an amount equal to (A) $24.3 million, minus (B) the Agri-Energy L.P. Purchase Price, minus (C) Company Indebtedness, minus (D) Company Capital Lease Obligations, if any, minus (E) Transaction Expenses, if any, plus (F) the Accrued Vacation Liabilities, plus (G) the amount, if any, by which Estimated Working Capital exceeds the Working Capital Target, and minus (H) the amount, if any, by which the Working Capital Target exceeds Estimated Working Capital.

(b) In consideration for the sale, assignment, transfer, conveyance and delivery of the Acquired Limited Partnership Assets in accordance with the terms and conditions of this Agreement and in reliance on the representations and warranties, covenants and agreements of the parties contained herein and in the Related Agreements, the aggregate purchase price for the Acquired Limited Partnership Assets (the "***Agri-Energy L.P. Purchase Price***") shall be an amount equal to $3.8 million. In addition, at the Closing, Purchaser shall assume the Assumed Liabilities by delivering to Agri-Energy L.P. an Assumption Agreement in substantially the form of ***Exhibit B*** (the "***Assumption Agreement***").

(c) For purposes of this Agreement, the term

(i) "***Accrued Vacation Liabilities***" shall mean those accrued and unpaid liabilities for vacation pay owed to employees of CORN-er Stone Management on the Closing Date and identified on the Closing Consideration Certificate.

(ii) “***Company Capital Lease Obligations***” shall mean the amount payable by any of the Acquired Companies as lessee pursuant to capital lease agreements as of the Closing Date.

(iii) “***Company Indebtedness***” shall mean the amount payable by any of the Acquired Companies as debtor, borrower, issuer or guarantor pursuant to an agreement or instrument involving or evidencing money borrowed or received, the advance of credit, or pursuant to a lease with substantially the same economic effect as any such agreement or instrument as of the Closing Date, including in each case any accrued interest thereon; *provided, however*, that Company Indebtedness shall not include any of the Company Capital Lease Obligations or the Specified Liabilities.

(iv) “***Transaction Expenses***” means all fees, costs and expenses (including legal fees, accounting fees, investment banking fees and commissions) that have been incurred prior to the date hereof (whether or not already paid) or that are incurred after the date hereof through the Closing Date by the Company in connection with the Contemplated Transactions; *provided*, *however*, that Transaction Expenses shall not include any expense that is taken into account in calculating Working Capital.

(v) “***Working Capital Target***” shall mean $3,665,351.80.

1.8 Payment of Consideration and Company Indebtedness. At the Closing:

(a) Purchaser shall deliver to the Escrow Agent an amount equal to $1,660,000 (the “***Indemnity Escrow Amount***”);

(b) Purchaser shall deliver to the Escrow Agent an additional amount equal to $1,900,000 (the “***Adjustments Escrow Amount***”);

(c) Purchaser shall pay to the Seller an amount equal to (i) the Company Purchase Price plus (ii) the Agri-Energy L.P. Purchase Price minus (iii) the Indemnity Escrow Amount and minus (iv) the Adjustments Escrow Amount, by wire transfer of cash in immediately available funds pursuant to written instructions provided by the Seller to Purchaser at least two Business Days prior to the Closing; and

(d) all Company Indebtedness pursuant to any agreement with Wisconsin Community Bank, Heartland Business Bank (“***Heartland***”) shall be paid by wire transfer of cash in immediately available funds pursuant to written instructions set forth in the Heartland Payoff Letter.

1.9 Working Capital Adjustment.

(a) Not more than 10 Business Days prior to the Closing Date, the Seller and Purchaser will work, in good faith, to estimate the difference, if any, of the Specified Assets over the Specified Liabilities (each as defined below) (such difference shall be referred to herein as the “***Working Capital***”) as of the Closing Date on a reasonable basis using the Acquired Companies’ then available financial information. The amount of Working Capital as estimated is hereinafter referred to as “***Estimated Working Capital***”. “***Specified Assets***” shall mean the sum of the following balance sheet line items of the Company and Agri-Energy L.P. (other than any Excluded Assets): Cash, Accounts Receivable, Inventories, Pre-paid Expenses, Undelivered Contracts to Market and the R.J. O’Brien Hedging Account. “***Specified Liabilities***” shall mean (i) the sum of the following balance sheet line items of the Company and Agri-Energy L.P. (other than any Excluded Liabilities): Accounts Payable, Benefits, Corn Payable, Corn Check Off Payable, Minnesota Sales Tax Payable, Payroll Taxes, Undelivered Contracts to Market and Other Liabilities (less accrued interest payable), (ii) all real property Taxes through the Closing Date whether or not accrued or due and payable on or prior to the Closing Date and (iii) the Accrued Vacation Liabilities.

(b) Within 60 days after the Closing Date, Purchaser will prepare and deliver to the Seller (i) a consolidated balance sheet of the Acquired Companies as of the Closing Date (the “***Closing Balance Sheet***”), and (ii) a statement setting forth Working Capital, as determined by reference to the Closing Balance Sheet (such statement shall be referred to herein as the “***Working Capital Statement***”). The Closing Balance Sheet and Working Capital Statement shall be prepared in conformity with GAAP, applied in a manner consistent with that used by the Acquired Companies in preparing their historical financial statements, and shall present fairly the balance of the Specified Assets and Specified Liabilities as of the Closing Date.

(c) The Seller will have a period of 30 days after its receipt of the Closing Balance Sheet and Working Capital Statement to review the same and Purchaser’s calculation of Working Capital and to notify Purchaser of any disputes regarding the same (the “***Review Period***”). As part of such review, the Seller and its advisors will have reasonable access during normal business hours to Purchaser’s work papers and to the preparers of the Closing Balance Sheet and to the books and records on which the Closing Balance Sheet is based.

(d) Prior to the expiration of the Review Period, the Seller shall notify Purchaser of any objections or proposed changes to the Working Capital Statement or the Closing Balance Sheet and the parties shall negotiate in good faith in an effort to resolve any dispute. If the Seller fails to so notify Purchaser of any objections or proposed changes within the Review Period, if the Seller notifies Purchaser that it has no objections or proposed changes to any of such items, or if the Seller and Purchaser agree in writing on the resolution of all such objections or changes within 15 days following delivery to Purchaser of such objections or proposed changes, the Closing Balance Sheet and the Working Capital Statement, with any changes as may be agreed upon in writing, shall be final and binding. If the parties are unable to resolve such dispute within 15 days after Purchaser receives notice of the same, then either party may submit such dispute to an independent accounting firm of recognized national or regional standing mutually acceptable to Purchaser and the Seller for resolution. Each of Purchaser and the Seller will be afforded the opportunity to present to such accounting firm any material related to the determination and to discuss the determination with such accountants. The determination by such accounting firm will be conclusive and binding upon the parties. The fees and expenses of such accounting firm will be shared equally by the Seller and Purchaser.

(e) If the Working Capital as finally determined pursuant to Section 1.9(d) (the “***Final Working Capital***”) is less than Estimated Working Capital, the parties shall instruct the Escrow Agent to return to Purchaser from the Adjustments Escrow Fund an amount in cash equal to the dollar amount of such deficiency, and any funds remaining in the Adjustments Escrow Fund after such payment to Purchaser shall be released and paid to the Seller; *provided*, *however*, that if the dollar amount of such deficiency exceeds the amount in the Adjustments Escrow Fund, the Seller shall pay to Purchaser an amount in cash equal to the remaining amount due (the "***Adjustments Deficiency***"). If the Final Working Capital exceeds Estimated Working Capital, then Purchaser will pay to the Seller an amount in cash equal to the dollar amount of such excess and the parties shall instruct the Escrow Agent to release all funds held in the Adjustments Escrow Fund and pay such funds to the Seller. All payments under this subsection will be made within 30 days after Final Working Capital has been determined, and will bear interest from the Closing Date through the date of payment at the rate of 8% per annum.

1.10 Escrow Fund. Upon the Closing, Purchaser shall (a) withhold the Indemnity Escrow Amount and deliver it to Wells Fargo Bank, N.A. (the "***Escrow Agent***"), to be held by the Escrow Agent as collateral (the "***Indemnity Escrow Fund***") and partial security for the rights of the Indemnitees under Article 9 hereof and (b) withhold the Adjustments Escrow Amount and deliver it to the Escrow Agent, to be held by the Escrow Agent as collateral (the "***Adjustments Escrow Fund***") and partial security for the right of the Indemnitees under Section 1.9. The Escrow Fund shall be held pursuant to the provisions of an escrow agreement substantially in the form of ***Exhibit C*** (the "***Escrow Agreement***"). Subject to the next sentence of this Section 1.10, the Indemnity Escrow Fund shall be held as an indemnification fund by the Escrow Agent until 11:59 p.m. Eastern Time on […***…] (the "***Escrow Period***"). In the event any Indemnitee has made a claim under Article 9 prior to the end of the Escrow Period, then the Escrow Period shall continue (and the Escrow Agent will continue to hold the Indemnity Escrow Fund in escrow) until such claim is fully and finally resolved.

1.11 Transfer Taxes. All sales and transfer Taxes, deed Taxes, conveyance fees, recording charges and similar Taxes, fees and charges imposed by the state, county or municipality where the Owned Real Property is located, as a result of the Contemplated Transactions (collectively, the "***Transfer Taxes***"), together with any interest, penalties or additions to such Transfer Taxes, shall be paid timely by the Seller. The Seller, the Acquired Companies and Purchaser shall cooperate in timely making all filings, returns, reports and forms as necessary or appropriate to comply with the provisions of all applicable Laws in connection with the payment of such Transfer Taxes, and shall cooperate in good faith to minimize, to the fullest extent possible under such Laws, the amount of any such Transfer Taxes payable in connection therewith.

1.12 Allocation. Purchaser shall prepare a schedule specifying the allocation of the Tax Purchase Price, which shall be attached as Schedule 1.12 to this Agreement. After the Closing, the parties shall make consistent use of the allocation, fair market value and useful lives specified in Schedule 1.12 for all Tax purposes and in all filings, declarations and reports with the Internal Revenue Service in respect thereof. In any Legal Proceeding related to the determination of any Tax, no party shall contend or represent that such allocation is not a correct allocation.

***Confidential Treatment Requested**

1.13 Further Action. If, at any time after the Effective Time, any further action is determined by Purchaser to be necessary or desirable to carry out the purposes of this Agreement and the Related Agreements or to vest Purchaser or its Affiliates with full right, title and possession of the Acquired Limited Partnership Assets and to all rights and property of the Company, the officers and directors of Purchaser and its Affiliates shall be fully authorized (in the name of the Acquired Companies and otherwise) to take such action. Without limiting the generality of the foregoing, from and after the Closing Date, Agri-Energy L.P. shall promptly remit to Purchaser any funds that are received by Agri-Energy L.P. and that are included in, or that represent payment of receivables included in, the Acquired Limited Partnership Assets. Agri-Energy L.P.: (a) hereby irrevocably authorizes Purchaser, at all times on and after the Closing Date, to endorse in the name of Agri-Energy L.P. any check or other instrument that is made payable to Agri-Energy L.P. and that represents funds included in, or that represents the payment of any receivable included in, the Acquired Limited Partnership Assets; and (b) hereby irrevocably nominates, constitutes and appoints Purchaser as the true and lawful attorney-in-fact of Agri-Energy L.P. (with full power of substitution) effective as of the Closing Date, and hereby authorizes Purchaser, in the name of and on behalf of Agri-Energy L.P., to execute, deliver, acknowledge, certify, file and record any document, to institute and prosecute any Legal Proceeding and to take any other action (on or at any time after the Closing Date) that Purchaser may deem appropriate for the purpose of (i) collecting, asserting, enforcing or perfecting any claim, right or interest of any kind that is included in or relates to any of the Acquired Limited Partnership Assets, (ii) defending or compromising any claim or Legal Proceeding relating to any of the Acquired Limited Partnership Assets, or (iii) otherwise carrying out or facilitating any of the Contemplated Transactions. The power of attorney referred to in the preceding sentence is and shall be coupled with an interest and shall be irrevocable, and shall survive the dissolution or insolvency of Agri-Energy L.P.

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES OF THE ACQUIRED COMPANIES AND THE SELLER

Except as set forth on the Company Disclosure Schedule, which shall qualify the representations and warranties of the Acquired Companies and the Seller set forth in this Article 2 and which shall be organized in parts corresponding to the numbering in this Article 2 with disclosures in each part specifically corresponding to or cross-referencing another part of the Company Disclosure Schedule specifically corresponding to a particular Section and Subsection of this Article 2, the Acquired Companies and the Seller, jointly and severally, represent and warrant as of the date of this Agreement and as of the Closing Date as follows:

2.1 Due Organization; Etc.

(a) Each of the Acquired Companies is duly incorporated, organized or formed, validly existing and in good standing under the laws of Minnesota and has all requisite power and authority to own, lease and operate its properties and assets and to conduct its business as presently conducted.

(b) Each of the Acquired Companies is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its properties requires such qualification. Part 2.1(b) of the Company

Disclosure Schedule sets forth an accurate and complete list of the jurisdictions in which the Acquired Companies are authorized to do business.

(c) Part 2.1(c) of the Company Disclosure Schedule accurately sets forth, where applicable, (i) the names of the managers or directors of the board or the general partner of each of the Acquired Companies, (ii) the names of the managers or directors of each committee of the board of each of the Acquired Companies and (iii) the names and titles of the officers of each of the Acquired Companies.

(d) Except as set forth in Part 2.1(d) of the Company Disclosure Schedule, none of the Acquired Companies has conducted any business under or otherwise used, for any purpose or in any jurisdiction, any fictitious name, assumed name, trade name or other name.

(e) Except as set forth in Part 2.1(e) of the Company Disclosure Schedule, none of the Acquired Companies owns, beneficially or otherwise, any shares, membership interests or other securities of, or any direct or indirect equity or other financial interest in, any Entity. None of the Acquired Companies is obligated to make any future investment in or capital contribution to any Entity.

(f) The Seller is a cooperative association duly organized, validly existing and in good standing under the laws of the State of Minnesota and has all requisite cooperative association power and authority to own, lease and operate its properties and assets and to conduct its business as presently conducted.

2.2 Organizational Documents; Records. The Acquired Companies have made available to Purchaser accurate and complete copies of the following documents: (a) the organizational documents, including all amendments thereto, of each of the Acquired Companies; (b) the ownership records of each of the Acquired Companies; and (c) the minutes and other records of the meetings and other proceedings (including any actions taken by written consent or otherwise without a meeting) of the board of managers or directors or the general partner, as applicable, of each Acquired Company, and all committees of the boards of managers or directors of each of the Acquired Companies (the items described in (a), (b) and (c) above, collectively, the "***Constituent Documents***"). There have been no formal meetings or other proceedings of the shareholders or members of any of the Acquired Companies, the board of managers or directors or the general partner, as applicable, of any of the Acquired Companies or any committee of the board of managers or directors of any of the Acquired Companies that are not fully reflected in the Constituent Documents. There has not been any violation of the Constituent Documents, and none of the Acquired Companies has taken any action that is inconsistent in any material respect with the Constituent Documents. The books of account, minute books, ownership record books and other records of the Acquired Companies, all of which have been made available to Purchaser, are accurate and complete and have been maintained in accordance with sound business practices. At the Closing, all such books and records will be in the possession of the Company.

2.3 Authority; Binding Nature of Agreement.

(a) Each of the Acquired Companies has the absolute and unrestricted right, power and authority to enter into and to perform its obligations under this Agreement and the Related Agreements. The execution, delivery and performance by each of the Acquired Companies of this Agreement and the Related Agreements has been duly authorized by all necessary action on the part of the Acquired Companies. This Agreement and the Related Agreements constitute the legal, valid and binding obligations of the Acquired Companies, enforceable against the Acquired Companies in accordance with their respective terms, subject to (a) Laws of general application relating to bankruptcy, insolvency and the relief of debtors and (b) Laws governing specific performance, injunctive relief and other equitable remedies.

(b) The Seller has the absolute and unrestricted right, power and authority to enter into and to perform its obligations under this Agreement and the Related Agreements. The execution, delivery and performance by the Seller of this Agreement have been duly authorized by all necessary cooperative association action on the part of the Seller. This Agreement and the Related Agreements constitute (or upon such execution and delivery will constitute) the legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms, subject to (a) Laws of general application relating to bankruptcy, insolvency and the relief of debtors and (b) Laws governing specific performance, injunctive relief and other equitable remedies.

2.4 Capitalization, Etc.

(a) The Company has an authorized capitalization consisting of membership interests expressed in terms of percentages of the whole, entitling the holder thereof to its pro rata rights or interests in all matters of company governance, profits, losses, revenue, expenses, and distributions. All of the Company's membership interests are owned, beneficially and of record, by the Seller. Except for the Company Units, the Company is not authorized to issue any form of membership interests. All of the outstanding Company Units were, at the time of issuance, duly and validly created pursuant to the Minnesota Limited Liability Company Act and were issued and paid for in full in accordance with the applicable Constituent Documents. There are no outstanding subscriptions, options, warrants, rights, securities, Contracts, commitments, understandings or arrangements by which the Company is bound to issue, repurchase or otherwise acquire, redeem or retire any membership interests or any other equity interests in the Company or pursuant to which any Person has a right to purchase Company Units or any other equity interests in the Company. None of the Acquired Companies, the Seller or any of their respective Affiliates is a party to any Contracts, commitments, understandings or arrangements by which any of them is bound or obligated to transfer or assign any interest, economic or otherwise, in any of the Company Units to any Person. There are no other agreements of any nature regarding the Company Units.

(b) The authorized capital stock of CORN-er Stone Management consists of one thousand (1,000) shares of common stock, par value $1.00 per share (the "***CORN-er Stone Common Stock***"), of which one thousand (1,000) shares have been issued and are outstanding as of the date of this Agreement, 100% of which are owned, beneficially and of record, by the Seller. All outstanding shares of CORN-er Stone Common Stock have been duly authorized and validly issued, and are fully paid and non-assessable. All outstanding shares of CORN-er Stone Common Stock were, at the time of issuance, duly and validly created pursuant to the Minnesota Business Corporations Act and were issued and paid for in full in accordance with the applicable Constituent Documents. There are no outstanding subscriptions, options, warrants, rights, securities, Contracts, commitments, understandings or arrangements by which CORN-er Stone Management is bound to issue, repurchase or otherwise acquire, redeem or retire any shares of CORN-er Stone Common Stock or any other equity interests in CORN-er Stone Management or pursuant to which any Person has a right to purchase CORN-er Stone Common Stock or any other equity interests in CORN-er Stone Management. None of the Acquired Companies, the Seller or any of their respective Affiliates is a party to any Contracts, commitments, understandings or arrangements by which any of them is bound or obligated to transfer or assign any interest, economic or otherwise, in any of the CORN-er Stone Common Stock to any Person. There are no other agreements of any nature regarding the CORN-er Stone Common Stock, including, without limitation, any registration rights agreements or shareholders' agreements.

(c) The general partner and limited partners set forth in Part 2.4(c) of the Company Disclosure Schedule own all of the Partnership Interests of Agri-Energy, L.P. The Partnership Interests of Agri-Energy, L.P. held by the Seller will, as of the Closing Date, be free and clear of all Encumbrances. All of the Partnership Interests have been duly and validly created pursuant to the ULPA and the applicable Constituent Documents. There are no outstanding subscriptions, options, warrants, rights, securities, Contracts, commitments, understandings or arrangements by which the Company is bound to issue, repurchase or otherwise acquire, redeem or retire any Partnership Interests or pursuant to which any Person has a right to purchase any Partnership Interests from the Company or Agri-Energy, L.P. None of the Acquired Companies, the Seller or any of their respective Affiliates is a party to any Contracts, commitments, understandings or arrangements by which any of them is bound or obligated to transfer or assign any interest, economic or otherwise, in any of the Partnership Interests to any Person. There are no other agreements of any nature regarding the Partnership Interests.

2.5 Title.

(a) Title to Company Units. The Seller is the record and beneficial owner of the Company Units, and on the Closing Date the Company Units shall be free and clear of all Encumbrances. Upon payment of the Company Purchase Price to the Seller at the Closing, the Seller will convey good and marketable title to the Company Units to Purchaser, free and clear of all Encumbrances. The assignments, endorsements, powers and other instruments of transfer delivered by the Seller at the Closing will be sufficient to transfer to Purchaser the Seller's entire right, title and interest, legal and beneficial, in the Company Units.

(b) Title to Assets. Agri-Energy L.P. has and shall convey to Purchaser at the Closing good, valid, transferable and marketable title to, or valid leasehold interests in, all of the Acquired Limited Partnership Assets, free and clear of all Encumbrances, except for Permitted Encumbrances.

2.6 Non-Contravention; Consents. Except as set forth in Part 2.6 of the Company Disclosure Schedule, no filing with, notice to or consent from any Governmental Body is required in connection with (i) the execution, delivery or performance of this Agreement or the Related Agreements, or (ii) the consummation of the Contemplated Transactions. Neither the execution, delivery or performance of this Agreement or the Related Agreements, nor the consummation of the Contemplated Transactions, will directly or indirectly (with or without notice or lapse of time):

(a) contravene, conflict with or result in a violation of any of the provisions of the Constituent Documents or the organizational documents of the Seller;

(b) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under, any Law or any Order, writ, injunction, judgment or decree to which the Acquired Companies or the Seller, or any of the assets owned, used or controlled by the Acquired Companies or the Seller, is subject;

(c) except as set forth in Part 2.6(c) of the Company Disclosure Schedule, contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by the Acquired Companies or the Seller or that otherwise relates to the business of the Acquired Companies or the Seller or to any of the assets owned, used or controlled by the Acquired Companies or the Seller;

(d) except as set forth in Part 2.6(d) of the Company Disclosure Schedule, contravene, conflict with or result in a violation or breach of, or result in a default under, any provision of any Company Contract or any Contract to which the Seller is a party, or give any Person the right to (i) declare a default or exercise any remedy under any such Contract, (ii) accelerate the maturity or performance of any such Contract or (iii) cancel, terminate or modify any such Contract;

(e) require any filing with, notice to or consent from any Person (other than any Governmental Body); or

(f) result in the imposition or creation of any Encumbrance upon or with respect to any asset owned or used by the Acquired Companies or the Seller.

2.7 Financial Statements.

(a) Attached as Part 2.7(a) of the Company Disclosure Schedule are the following financial statements (collectively, the "***Company Financial Statements***"): (i) audited balance sheets of the Acquired Companies as of December 31, 2009 (the "***Balance Sheet***"), 2008 and 2007 and the related audited consolidated statements of income, equity and cash flows for the fiscal years then ended, including any notes thereto, together with the report thereon of the Company's independent certified public accountants; and (ii) the unaudited consolidated balance sheet of the Seller as of June 30, 2010 (the "***Interim Balance Sheet***") and the related unaudited consolidated statements of income, equity and cash flows for the six months then ended. The Company Financial Statements are correct and complete in all material respects, are consistent with the books and records of the Acquired Companies and have been prepared in accordance with GAAP, consistently applied throughout the periods involved (except that the unaudited financial statements are subject to normal recurring year-end adjustments, the effect of which will not, individually or in the aggregate, be material, and the absence of notes that, if presented, would not differ materially from the notes to the Balance Sheet). The Company Financial Statements fairly present the consolidated financial condition and the results of operations, changes in members' or shareholders' equity and cash flow of the Acquired Companies as of the respective dates and for the periods indicated therein. None of the Acquired Companies is a party to any off-balance sheet arrangements the purpose or effect of which is to defer, postpone, reduce or otherwise avoid or adjust the recording of expenses incurred by the Acquired Companies.

(b) Except as set forth in Part 2.7(b) of the Company Disclosure Schedule, the Acquired Companies and Seller have established and maintain a system of internal accounting controls sufficient to: (i) provide reasonable assurances that transactions, receipts and expenditures of the Acquired Companies are being executed and made only in accordance with appropriate authorizations of management and the board of directors or managers or the general partner, as applicable; (ii) provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Acquired Companies; and (iv) ensure the amount recorded for assets on the books and records of the Acquired Companies is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. None of the Acquired Companies, the Company's independent auditors nor, to the Company's Knowledge, any Employee, consultant, manager, director or general partner of any of the Acquired Companies has identified or been made aware of any fraud, whether or not material, that involves the Acquired Companies' officers or other Employees, consultants, managers, directors or general partners of the Acquired Companies who have a role in the preparation of financial statements or the internal accounting controls utilized by the Acquired Companies, or any claim or allegation regarding any of the foregoing. Except as set forth in Part 2.7(b) of the Company Disclosure Schedule, none of the Acquired Companies nor, to the Company's Knowledge, any Representative of the Acquired Companies has received or otherwise had or obtained Knowledge of any material complaint, allegation, assertion or claim, whether written or oral, in each case regarding deficient accounting or auditing practices, procedures, methodologies or methods of the Acquired Companies or their respective internal accounting controls or any material inaccuracy in the Acquired Companies' financial statements. No attorney representing the Acquired Companies, whether or not employed by the Acquired Companies, has reported to the board of directors or managers or the general partner, as applicable, of any of the Acquired Companies or any committee thereof or to any manager, director or officer of any of the Acquired Companies, evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by the Acquired Companies or any of their Representatives. Except as set forth in Part 2.7(b) of the Company Disclosure Schedule, there are no significant deficiencies or material weaknesses in the design or operation of the Acquired Companies' internal controls which could adversely affect the Acquired Companies' ability to record, process, summarize and report financial data.

(c) Part 2.7(c) of the Company Disclosure Schedule accurately lists all indebtedness of the Acquired Companies (i) for money borrowed, (ii) evidenced by notes, bonds, debentures or similar instruments, (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business), (iv) under capital leases or (v) in the nature of guarantees of the obligations described in clauses (i) through (iv) above of any other Person (collectively, "***Indebtedness***"), including, for each item of Indebtedness, the agreement governing the Indebtedness and the interest rate, maturity date and any assets or properties securing such Indebtedness. Except as set forth in Part 2.7(c) of the Company Disclosure Schedule, all Indebtedness may be prepaid at the Closing without penalty under the terms of the Contracts governing such Indebtedness. The Acquired Companies have not extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any manager, director or executive officer (or equivalent thereof) of any of the Acquired Companies. The Acquired Companies are not in breach or default of any agreement governing Indebtedness of the Acquired Companies.

2.8 No Undisclosed Liabilities. The Acquired Companies have no Liabilities, except for: (a) Liabilities set forth in the "liabilities" column of the Interim Balance Sheet; (b) accounts payable or accrued salaries that have been incurred by the Acquired Companies since the date of the Interim Balance Sheet in the ordinary course of business consistent with past practices; and (c) Liabilities under the Material Contracts, to the extent the nature and magnitude of such Liabilities can be specifically ascertained by reference to the text of such Material Contracts.

2.9 Absence of Changes. Since the date of the Balance Sheet, (a) each of the Acquired Companies has conducted its business only in the ordinary course consistent with past practices and (b) there has not been a Material Adverse Effect on any of the Acquired Companies nor has there occurred any event or development which could reasonably be expected to result in a Material Adverse Effect, and the Acquired Companies have not taken any of the actions set forth in Section 4.2(b).

2.10 Sufficiency of Assets.

(a) The Acquired Companies have good and valid title to, or a valid leasehold interest in, all of the assets and properties used in the Acquired Companies' business, or shown on the Balance Sheet, free and clear of any Encumbrance. The Acquired Limited Partnership Assets, together with the assets and properties of the Company, are sufficient for the continued operation of the ethanol production business of the Acquired Companies as presently being conducted. All machinery, vehicles, equipment and other tangible personal property owned or leased by the Acquired Companies or used in the Acquired Companies' business are (a) suitable for the uses to which they are currently employed, subject to normal wear and tear and obsolescence (b) in working order, (c) regularly and properly maintained and (d) not dangerous. All properties used in the existing operations of the Acquired Companies are reflected on the Balance Sheet to the extent required under GAAP to be so reflected. The Acquired Limited Partnership Assets constitute all of the properties and assets necessary and sufficient to permit Purchaser to conduct Agri-Energy L.P.'s business after the Closing in accordance with Agri-Energy's past practice, as currently conducted and as currently planned to be conducted. None of the Excluded Assets is necessary for the conduct of Agri-Energy L.P.'s business.

(b) Except as expressly set forth in this Agreement, the machinery, vehicles, equipment and other tangible personal property of the Acquired Companies and the Acquired Limited Partnership Assets will be acquired by Purchaser, directly or indirectly, in "as-is, where-is" condition. Notwithstanding any other provision contained in this Agreement or in any of the Related Agreements, each of the Seller and the Acquired Companies expressly disclaims any and all representations, warranties, covenants, obligations or liability relating to any condition set forth on Part 2.10(b) of the Company Disclosure Schedule.

2.11 Bank Accounts; Receivables; Inventories.

(a) Part 2.11(a) of the Company Disclosure Schedule contains an accurate, correct and complete list of the names and addresses of all banks and financial institutions in which any of the Acquired Companies has an account, deposit, safe-deposit box, line of credit or other loan facility or relationship, or lock box or other arrangement for the collection of accounts receivable, with the names of all Persons authorized to draw or borrow thereon or to obtain access thereto.

(b) Part 2.11(b) of the Company Disclosure Schedule sets forth an accurate and complete list and the aging of all notes and accounts receivable as of the date of the Interim Balance Sheet. All existing accounts receivable (including those accounts receivable that have not yet been billed or that have not yet been collected and those accounts receivable that have arisen since the date of the Interim Balance Sheet and have not yet been collected) represent valid obligations of customers of the Acquired Companies arising from bona fide transactions entered into in the ordinary course of business, are current and will be collected in full when due, without any counterclaim or set off. No amount of accounts receivable is contingent upon the performance by any of the Acquired Companies of any obligation or Contract. Except as set forth in Part 2.11(b) of the Company Disclosure Schedule, no Person has any Encumbrance on any of such accounts receivable, and no agreement for deduction or discount has been made with respect to any of such accounts receivable.

(c) Except as has been reserved against on the Interim Balance Sheet, all the inventory of the Acquired Companies reflected on the Interim Balance Sheet was properly stated therein in accordance with GAAP consistently maintained and applied by the Acquired Companies and the value of which is currently stated at: (i) current market prices in regard to inventories of corn, dry distillers grain, and ethanol; (ii) average cost in regard to inventories of spare parts and ethanol production inputs (excluding corn); and (iii) the sum of the carrying values of corn and other ethanol production inputs, plus applied overhead factors in regard to ethanol work in process. All the inventory of the Acquired Companies reflected on the Interim Balance Sheet was, and all the inventory thereafter acquired and maintained by the Acquired Companies through the Closing Date will have been, acquired and maintained in the ordinary course of business. Except as has been reserved against on the Interim Balance Sheet, all the inventory recorded on the Interim Balance Sheet consists of, and all inventory of the Acquired Companies on the Closing Date will consist of, items of a quality usable or saleable in the ordinary course of business and are and will be in quantities sufficient for use or sale in the ordinary course of business, with such exceptions since the date of the Interim Balance Sheet as may arise in the ordinary course of business.

2.12 Compliance with Laws, Orders and Governmental Authorizations.

(a) Without limiting the scope of any other representation in this Article 2, except as set forth in Part 2.12(a) of the Company Disclosure Schedule, each Acquired Company has complied in all material respects with all Laws, Orders and Governmental Authorizations applicable to it or to the conduct of its business or the ownership or use of any of its properties or assets.

(b) Part 2.12(b) of the Company Disclosure Schedule sets forth, as of the date of this Agreement, an accurate and complete list of each Governmental Authorization (except Government Authorizations secured under Environmental Law, which are addressed in Section 2.19(a)-(b) of this Agreement) that is held by the Acquired Companies (or for which any of the Acquired Companies has applied) that relates to the business of, or any of the assets owned or used by, the Acquired Companies. Except as set forth in Part 2.12(b) of the Company Disclosure Schedule, all such Governmental Authorizations are valid and in full force and effect and will remain so following the Closing. The Governmental Authorizations listed in Part 2.12(b) of the Company Disclosure Schedule collectively constitute all the Governmental Authorizations necessary to permit each Acquired Company to conduct its business, lawfully in the manner in which it currently conducts such business and to permit each Acquired Company to own and use its assets in the manner in which it owns and uses such assets.

(c) Part 2.12(c) of the Company Disclosure Schedule sets forth, as of the date of this Agreement, an accurate and complete list of each Order (except Orders under Environmental Law and relating to Materials of Environmental Concern, which are addressed in Section 2.19(f) of this Agreement) to which any Acquired Company, or any of the assets owned or used by it, is or has been subject. To the Company’s Knowledge, no Representative of an Acquired Company is subject to any Order that prohibits such Representative from engaging in or continuing any conduct, activity or practice relating to the business of the Acquired Companies. Except as set forth in Part 2.12(c) of the Company Disclosure Schedule, to the Knowledge of the Company, there is no proposed Order that, if issued or otherwise put into effect (i) could have an adverse effect on the Acquired Companies’ business, condition, assets, Liabilities, operations, financial performance, net income or prospects or on the ability of the Acquired Companies or the Seller to comply with or perform any covenant or obligation under this Agreement or the Related Agreements or (ii) could have the effect of preventing, delaying, making illegal or otherwise interfering with the Contemplated Transactions.

(d) No Acquired Company (including any of its officers, managers, directors, Employees or, to its Knowledge, other Persons associated with the Acquired Company or acting on its behalf) has, directly or indirectly, taken any action which would cause it to be in violation of the Foreign Corrupt Practices Act of 1977, as amended, or any rules or regulations thereunder or any similar anti-corruption or anti-bribery laws applicable to the Acquired Companies in any jurisdiction other than the United States (in each case, as in effect at the time of such action), or, to the Knowledge of the Acquired Companies, used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, made, offered or authorized any unlawful payment to foreign or domestic government officials or employees, whether directly or indirectly, or made, offered or authorized any unlawful bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment, whether directly or indirectly, except for any of the foregoing which is no longer subject to potential claims of violation as a result of the expiration of the applicable statute of limitations.

(e) Except as included in Part 2.12(e) of the Company Disclosure Schedule, the Acquired Companies have not received at any time since January 1, 2005 any written or oral notice or other communication from any Governmental Body or any other Person regarding any actual, alleged or potential violation of, or failure to comply with, any Law, Order or Governmental Authorization, or any actual, alleged or potential obligation on the part of any of the Acquired Companies to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

2.13 Legal Proceedings.

(a) Except for Legal Proceedings under Environmental Law, which are addressed in Section 2.19(g) of this Agreement, and except as set forth on Part 2.13(a) of the Company Disclosure Schedule, there is no pending Legal Proceeding, and to the Knowledge of the Acquired Companies, no Person has threatened to commence any Legal Proceeding: (i) that involves the Acquired Companies or any of the assets owned, used or controlled by the Acquired Companies, the Seller or any Person whose Liability any of the Acquired Companies has or may have retained or assumed, either contractually or by operation of law; or (ii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the Contemplated Transactions. To the Acquired Companies' Knowledge, no event has occurred, and no claim, dispute or other condition or circumstance exists, that will, or that could reasonably be expected to, give rise to or serve as a basis for the commencement of any such Legal Proceeding.

(b) Except for Legal Proceedings under Environmental Law, which are addressed in Section 2.19(g) of this Agreement and except as set forth in Part 2.13(b) of the Company Disclosure Schedule, (i) the Seller has not been a defendant in any Legal Proceeding, nor has any Legal Proceeding been threatened against the Seller during the five-year period immediately preceding the date hereof with respect to its ownership or operation of the Acquired Companies or their predecessors, (ii) the Seller is not a party to or subject to the provisions of any Order with respect to any Acquired Company or its business, and (iii) the Seller is not subject to any settlement agreement or similar negotiated resolution of any prior Legal Proceeding that materially impacts the Company or its business.

2.14 Intellectual Property.

(a) The Acquired Companies either have exclusive right, title and interest in and to all Company Proprietary Rights, free and clear of all Encumbrances, or to the extent permitted in the Contracts identified on Part 2.14(a) of the Company Disclosure Schedule, have a valid right to use and exploit all Company Proprietary Rights that are currently used or currently proposed to be used in the business of any of the Acquired Companies as conducted prior to or on the date of this Agreement, including all Company Proprietary Rights that are necessary or appropriate to make, use, offer for sale, sell or import the Company Product(s).

(b) To the Acquired Companies' Knowledge: (i) all Patents, Trademarks, and Registered Copyrights necessary or appropriate to make, use, offer for sale, sell or import the Company Product(s) are valid, enforceable and in full force and effect; (ii) all Company Contracts relating to any Proprietary Rights of a third party pursuant to which any of the Acquired Companies is granted a right to use, license and otherwise exploit such Proprietary Rights are valid and in full force and effect; and (iii) the consummation of the Contemplated Transactions will not alter or impair any such rights or the right of the Acquired Companies to use and exploit such rights.

(c) No claims have been asserted against any of the Acquired Companies (and the Acquired Companies are not aware of any claims which are likely to be asserted against any of the Acquired Companies nor any facts which would give rise to any claim) by any Person challenging the use of any Company Proprietary Right by the Acquired Companies or challenging or questioning the validity or effectiveness of any license or agreement relating to any Proprietary Right used by any of the Acquired Companies, and there is no valid basis for any such claim.

(d) Part 2.14(d) of the Company Disclosure Schedule lists, as of the date of this Agreement, the following with respect to Proprietary Rights of the Acquired Companies:

(i) Part 2.14(d)(i) lists all of the Patents owned by or exclusively licensed to the Acquired Companies, setting forth in each case the jurisdictions in which Issued Patents have been issued and Patent Applications have been filed;

(ii) Part 2.14(d)(ii) lists all of the Trademarks (including Registered Trademarks and common law Trademarks) and domain names owned by or exclusively licensed to the Acquired Companies, setting forth in each case of any Registered Trademarks, the jurisdictions in which Registered Trademarks have been registered and trademark applications for registration have been filed; and

(iii) Part 2.14(d)(iii) lists all of the Registered Copyrights owned by or exclusively licensed to the Acquired Companies, setting forth in each case the jurisdictions in which Copyrights have been registered and applications for copyright registration have been filed.

(e) The Acquired Companies have not granted any third party any right to manufacture, reproduce, distribute, market or exploit any Company Product or any enhancements, modifications, or derivative works based on the Company Products or any portion thereof, nor have the Acquired Companies granted any third party any rights to license or use any Company Proprietary Rights, except for any non-exclusive licenses granted to customers in the ordinary course of business.

(f) Part 2.14(f) of the Company Disclosure Schedule lists, as of the date of this Agreement, all oral and written contracts, agreements, licenses and other arrangements relating to any Company Proprietary Rights or any Company Product, as follows:

(i) Part 2.14(f)(i) lists: (A) any agreement granting any right to make, have made, manufacture, use, sell, offer to sell, import, export or otherwise distribute any Company Product, with or without the right to sublicense the same, on an exclusive basis; (B) any license of Proprietary Rights to or from any of the Acquired Companies, with or without the right to sublicense the same, on an exclusive basis; (C) joint development agreements; (D) any agreement by which any of the Acquired Companies acquired any ownership right to the Company Proprietary Rights currently owned by any of the Acquired Companies; (E) any agreement under which any of the Acquired Companies undertakes any ongoing annual royalty or payment obligations in excess of $50,000 with respect to a Company Proprietary Right (including payment frequency and amount); (F) any agreement under which any of the Acquired Companies grants an option relating to any Company Proprietary Rights; (G) any agreement under which any party is granted any right to access Company Source Code or to use Company Source Code to create derivative works of Company Products; (H) any agreement pursuant to which any of the Acquired Companies has deposited or is required to deposit with an escrow agent or any other Person Company Source Code, and further describes whether the execution of this Agreement or the consummation of any of Contemplated Transactions could reasonably be expected to result in the release or disclosure of Company Source Code; and (I) any agreement or other arrangement limiting any Acquired Companies' ability to transact business in any market, field or geographical area or with any Person, or that restricts the use, transfer, delivery or licensing of Company Proprietary Rights (or any tangible embodiment thereof); and

(ii) Part 2.14(f)(ii) lists all licenses, sublicenses and other agreements to which any of the Acquired Companies is a party and pursuant to which any of the Acquired Companies is authorized to use any Proprietary Rights owned by any Person, excluding standardized nonexclusive licenses for "off the shelf" or other software widely available through regular commercial distribution channels on standard terms and conditions and obtained by any of the Acquired Companies in the ordinary course of business, at a cost not exceeding $50,000 per license.

(g) None of the Acquired Companies has entered into any written or oral contract, agreement, license or other arrangement to indemnify any other Person against any charge of infringement of any Company Proprietary Rights, other than indemnification provisions contained in standard sales agreements to customers or end users arising in the ordinary course of business, the forms of which have been made available to Purchaser or its counsel.

(h) Part 2.14(h) of the Company Disclosure Schedule lists each Company Product that contains any software that may be subject to an open source or general public license, such as the GNU Public License, Lesser GNU Public License or Mozilla Public License that (i) could require, or could condition the use or distribution of such Company Product on, the disclosure, licensing or distribution of any source code for any portion of such Company Product, or (ii) could otherwise impose any limitation, restriction or condition on the right or ability of any of the Acquired Companies to use or distribute any Company Product, a description of such Company Product and such open source or general public license applicable to such Company Product.

(i) To the Acquired Companies' Knowledge, no Employee is in violation of any term of any employment contract, patent disclosure agreement or any other contract or agreement relating to the relationship of any such Employee with any of the Acquired Companies.

(j) The Acquired Companies do not jointly own, license or claim any right, title or interest with any other Person of any Company Proprietary Rights. No current or former officer, manager, director, partner, member, Employee, consultant or independent contractor of any of the Acquired Companies has any right, title or interest in, to or under the Company Proprietary Rights in which any of the Acquired Companies has (or purports to have) any right, title or interest that has not been exclusively assigned, transferred or licensed to any of the Acquired Companies.

(k) No Person has asserted or, to the Acquired Companies' Knowledge, threatened a claim, nor to the Acquired Companies' Knowledge, are there any facts which could give rise to a claim, which would adversely affect the ownership rights to, or rights under, the Company Proprietary Rights, or any contract, agreement, license or any other arrangement under which any of the Acquired Companies claims any right, title or interest under the Company Proprietary Rights or restricts in any material respect the use, transfer, delivery or licensing by any of the Acquired Companies of the Company Proprietary Rights or Company Products.

(l) None of the Acquired Companies is subject to any proceeding or outstanding decree, order, judgment or stipulation restricting in any manner the use, transfer or licensing of the Company Proprietary Rights by any of the Acquired Companies, the use, transfer or licensing of any Company Product by any of the Acquired Companies, or which may affect the validity, use or enforceability of the Company Proprietary Rights.

(m) Except as set forth in Part 2.14(m) of the Company Disclosure Schedule, to the Acquired Companies' Knowledge, no Company Proprietary Rights have been infringed or misappropriated by any Person.

(n) None of the Acquired Companies has any right, title or interest in any Patent.

(o) Part 2.14(o) of the Company Disclosure Schedule accurately identifies and describes as of the date of this Agreement each action, filing and payment (including payment for any maintenance and renewals fees) that must be taken or made on or before the date that is six months after the date of this Agreement in order to maintain Registered Trademarks owned by the Acquired Companies in full force and effect to the extent such Registered Trademarks are presently enforceable.

(p) No Person has asserted or threatened a claim, nor, to the Acquired Companies' Knowledge, are there any facts which could give rise to a claim, that any Company Product (or any Company Proprietary Right embodied in any Company Product) infringes or misappropriates any third-party Proprietary Rights.

(q) The Acquired Companies have not disclosed or delivered to any Person, or permitted the disclosure or delivery to any escrow agent or other Person of, any Company Source

Code. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or could reasonably be expected to, result in the disclosure or delivery to any Person of any Company Source Code; and

(r) The Acquired Companies have complied in all material respects with all obligations to protect the confidentiality of any confidential information provided by any Person to any of the Acquired Companies, no written claim has been asserted by any Person against any of the Acquired Companies that any of the Acquired Companies has failed to comply with any of the Acquired Companies' obligations to protect the confidential information of such Person and the Acquired Companies are not aware of any facts which could give rise to a claim by any Person that any of the Acquired Companies has failed to protect the confidentiality of any confidential information provided by such Person.

(s) Except with respect to demonstration or trial copies, no product, system, program or software module designed, developed, sold, licensed or otherwise made available by any of the Acquired Companies to any Person, including without limitation any Company Product, contains any "back door," "time bomb," "Trojan horse," "worm," "drop dead device," "virus" or other software routines or hardware components designed to permit unauthorized access or to disable or erase software, hardware or data without the consent of the user.

(t) The Acquired Companies are not and have never been members or promoters of, or contributors to, any industry standards body or similar organization that could require or obligate any of the Acquired Companies to grant or offer to any other Person any license or right to any Company Proprietary Rights. The Acquired Companies own or have a valid right to access and use all computer systems, networks, hardware, software, databases, websites and equipment used to process, store, maintain or operate any data, information and functions used in connection with the business of the Acquired Companies, including sufficient number of licenses for any software provided by any Person ("***Third-Party Software***") used by the Acquired Companies. The Acquired Companies are not in breach or default, in any material respect, of any Contracts pursuant to which any of the Acquired Companies has received a license or the right to access Third-Party Software, the Acquired Companies are not using the Third-Party Software outside the scope of the license or right to access provided by any Person, and the Acquired Companies' use of the Third-Party Software is not in excess of the number of licenses paid for by the Acquired Companies.

2.15 Contracts.

(a) Part 2.15(a) of the Company Disclosure Schedule sets forth, as of the date of this Agreement, an accurate and complete list of each Contract (or group of related Contracts) to which any of the Acquired Companies is a party, by which any of the Acquired Companies is bound or pursuant to which any of the Acquired Companies is an obligor or a beneficiary, or which will be assigned as a part of the Acquired Limited Partnership Assets, which:

(i) involves performance of services or delivery of goods or materials, the performance of which extends over a period of more than one year or that otherwise involves an amount or value in excess of $100,000;

(ii) is for capital expenditures in excess of $100,000;

(iii) is a mortgage, indenture, guarantee, loan or credit agreement, security agreement or other Contract relating to Indebtedness, other than accounts receivables and payables in the ordinary course of business;

(iv) is a lease or sublease of any real or personal property, or that otherwise affects the ownership of, leasing of, title to or use of, any real or personal property (except personal property leases and conditional sales agreements having a value per item or aggregate payments of less than $100,000 and a term of less than one year);

(v) is for the employment of, or receipt of any services from, any manager, director, officer or Employee of any of the Acquired Companies or any other Person on a full-time, part-time, consulting or other basis providing annual compensation in excess of $100,000;

(vi) provides for severance, termination or similar pay to any of the Acquired Companies’ current or former managers, directors, officers, Employees or consultants or other independent contractors;

(vii) provides for a loan or advance of any amount to any manager, director, officer or other Employee of any of the Acquired Companies, other than advances for travel and other appropriate business expenses in the ordinary course of business;

(viii) licenses any Person to manufacture or reproduce any of the Acquired Companies’ products, services or technology or any Contract to sell or distribute any of the Acquired Companies’ products, services or technology;

(ix) is a joint venture, partnership or other Contract involving any joint conduct or sharing of any business, venture or enterprise, or a sharing of profits or losses or pursuant to which any of the Acquired Companies has any ownership interest in any other Person or business enterprise;

(x) contains any covenant limiting the right of any of the Acquired Companies to engage in any line of business or to compete (geographically or otherwise) with any Person, granting any exclusive rights to make, sell or distribute the Acquired Companies’ products, granting any “most favored nations” or similar rights or otherwise prohibiting or limiting the right of any of the Acquired Companies to make, sell or distribute any products or services;

(xi) involves payments based, in whole or in part, on profits, revenues, fee income or other financial performance measures of any of the Acquired Companies;

(xii) is a power of attorney granted by or on behalf of any of the Acquired Companies;

(xiii) is a written warranty, guaranty or other similar undertaking with respect to contractual performance extended by any of the Acquired Companies other than in the ordinary course of business;

(xiv) is a settlement agreement with respect to any pending or threatened Legal Proceeding entered into within three years prior to the date of this Agreement, other than (A) releases immaterial in nature or amount entered into with former Employees or independent contractors of any of the Acquired Companies in the ordinary course of business in connection with routine cessation of such Employee's or independent contractor's employment with any of the Acquired Companies or (B) settlement agreements for cash only (which has been paid) and does not exceed $50,000 as to such settlement;

(xv) was entered into other than in the ordinary course of business and that involves an amount or value in excess of $100,000;

(xvi) is an agreement or contract with the Seller or any of its Affiliates;

(xvii) is an agreement between two or more Acquired Companies;

(xviii) contains or provides for an express undertaking by the Acquired Companies to be responsible for consequential or liquidated Damages; or

(xix) is otherwise material to the business, properties or assets of the Acquired Companies and under which the consequences of a default or termination could have a Material Adverse Effect on any of the Acquired Companies or the Acquired Limited Partnership Assets.

Notwithstanding the foregoing or any other provision contained in this Agreement, the Material Contracts shall not include the Corn Delivery Agreements entered into by and between Seller and its members for purposes of supplying corn for the operation of the ethanol production business of Agri-Energy, L.P. (the "***Corn Delivery Agreements***"). The Corn Delivery Agreements are neither an asset or property of the Acquired Companies nor included in the Acquired Limited Partnership Assets and shall not be assigned or otherwise conveyed to Purchaser or any of its Affiliates either directly or indirectly, and as such, any representation, warranty, or covenant relating to the Corn Delivery Agreements is expressly disclaimed.

(b) The Acquired Companies have made available to Purchaser an accurate and complete copy (in the case of each written Contract) or an accurate and complete written summary (in the case of each oral Contract) of each Contract listed or required to be listed on Part 2.15(a) of the Company Disclosure Schedule (collectively, the "***Material Contracts***"). With respect to each such Material Contract:

(i) the Contract is legal, valid, binding, enforceable and in full force and effect against the Acquired Companies that are party thereto or, to the Acquired Companies' Knowledge, the other party or parties thereto, except to the extent it has previously expired in accordance with its terms;

(ii) the Acquired Companies have and, to the Acquired Companies' Knowledge, the other parties to the Contract have performed all of their respective obligations required to be performed under the Contract;

(iii) The Acquired Companies are not, nor to the Acquired Companies' Knowledge, is any other party to the Contract in breach or default under the Contract and no event has occurred or circumstance exists that (with or without notice, lapse of time or both) would constitute a breach or default by any of the Acquired Companies or, to the Acquired Companies' Knowledge, by any such other party or permit termination, cancellation, acceleration, suspension or modification of any obligation or loss of any benefit under, result in any payment becoming due under, result in the imposition of any Encumbrances on any of the Company Units or any of the properties or assets of the Acquired Companies under, or otherwise give rise to any right on the part of any Person to exercise any remedy or obtain any relief under, the Contract, nor have any of the Acquired Companies given or received notice or other communication alleging the same; and

(iv) the Contract is not under negotiation (nor has written demand for any renegotiation been made), no party has repudiated any portion of the Contract and the Acquired Companies have no Knowledge that any party to the Contract does not intend to renew it at the end of its current term.

(c) To the Acquired Companies' Knowledge, no manager, director, agent, Employee or consultant or other independent contractor of any of the Acquired Companies is a party to, or is otherwise bound by, any Contract, including any confidentiality, noncompetition or proprietary rights agreement, with any other Person that in any way adversely affects or will affect (i) the performance of his or her duties for the Acquired Companies, (ii) his or her ability to assign to the Acquired Companies rights to any invention, improvement, discovery or information relating to the business of any of the Acquired Companies or (iii) the ability of any of the Acquired Companies to conduct its business as currently conducted or as proposed to be conducted.

2.16 Tax Matters.

(a) All Tax Returns required to be filed by or on behalf of the Acquired Companies with any Governmental Body with respect to any taxable period ending on or before the Closing Date (the "***Company Returns***") (i) have been or will be filed on or before the applicable due date (including any extensions of such due date) and (ii) have been, or will be when filed, accurately and completely prepared in all material respects in compliance with all applicable Laws. All Taxes have been paid when due, whether or not such amounts have been reported as due on an applicable Company Return. The Acquired Companies have made available to Purchaser accurate and complete copies of all Company Returns filed which have been requested by Purchaser. Part 2.16(a) of the Company Disclosure Schedule contains a list, as of the date of this Agreement, of all jurisdictions (whether foreign or domestic) in which any of the Acquired Companies files Tax Returns. No claim has ever been made by a taxing authority in a jurisdiction (including, but not limited to, any foreign jurisdiction) where the Acquired Companies do not file Tax Returns that they are or may be subject to taxation or to a requirement to file Tax Returns in that jurisdiction.

(b) The Company Financial Statements fully accrue all actual and contingent Liabilities for unpaid Taxes with respect to all periods through the dates thereof in accordance with GAAP. The Acquired Companies will establish reserves adequate for the payment of all unpaid Taxes through the Closing Date, and the Acquired Companies will disclose the dollar amount of such reserves to Purchaser on or prior to the Closing Date. No Taxes have been incurred since the date of the Balance Sheet other than in the ordinary course of business. All estimated Taxes through the date of the Balance Sheet have been paid in full.

(c) Except as set forth in Part 2.16(c) of the Company Disclosure Schedule, no Company Return has ever been examined or audited by any Governmental Body. The Acquired Companies have made available to Purchaser accurate and complete copies of all audit reports and similar documents (to which the Acquired Companies have access) relating to the Company Returns. No extension or waiver of the limitation period applicable to any of the Company Returns has been granted (by the Acquired Companies or any other Person), and no such extension or waiver has been requested from the Acquired Companies.

(d) No claim or Legal Proceeding is pending or has been threatened against or with respect to any of the Acquired Companies in respect of any Tax. There are no unsatisfied Liabilities for Taxes (including Liabilities for interest, additions to Tax and penalties thereon and related expenses) with respect to any notice of deficiency or similar document received by any of the Acquired Companies with respect to any Tax (other than Liabilities for Taxes asserted under any such notice of deficiency or similar document which are being contested in good faith by the Acquired Companies and with respect to which adequate reserves for payment have been established). There are no liens for Taxes upon any of the assets of any of the Acquired Companies except liens for current Taxes not yet due and payable.

(e) Except as set forth in Part 2.16(e) of the Company Disclosure Schedule, none of the Acquired Companies has, at any time, been a member of a group (including an affiliated group, within the meaning of Section 1504 of the Code) with which it has filed or been included in a combined, consolidated or unitary income Tax Return. None of the Acquired Companies is, or has ever been, a party to or bound by any tax indemnity agreement, tax sharing agreement, tax allocation agreement or similar Contract. None of the Acquired Companies is liable for the Taxes of any taxpayer under Treasury Laws Section 1.1502-6 (or any similar provision of state, local or foreign law) as a transferee or successor, by contract (including any tax allocation agreement, tax sharing agreement or tax indemnity agreement), or otherwise for any taxable period beginning before the Closing Date. Notwithstanding the foregoing, all tax sharing, tax indemnity or similar agreements or arrangements to which any of the Acquired Companies has been a party have been terminated.

(f) The Acquired Companies will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(i) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(ii) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date;

(iii) intercompany transactions or any excess loss account described in the Treasury Laws under Code Section 1502 (or any corresponding or similar provision of state, local or foreign income Tax law);

(iv) installment sale or open transaction disposition made on or prior to the Closing Date; or

(v) prepaid amount received on or prior to the Closing Date.

(g) The Acquired Companies have withheld all amounts of Taxes required to be withheld from their Employees, agents, contractors, nonresidents, creditors, equity owners and third parties ("***Withholding Payee***") and remitted such amounts to the proper authorities; and filed all federal, state, local and foreign returns and reports with respect to employee Withholding Payee income Tax withholding, and social security and unemployment Taxes or other payroll Tax withholding, all in compliance with the withholding provisions of the Code, or any prior provision of the Code and other applicable Laws, domestic or foreign.

(h) The Acquired Companies have not made any distributions of stock of any "controlled corporation" as that term is defined in Section 355(a)(1) of the Code, the Acquired Companies have no Liability for Taxes as a result of any such distribution, and the Contemplated Transactions shall not result in any such Taxes.

(i) The Acquired Companies do not have any permanent establishments in any foreign country.

(j) No Acquired Company has ever been (i) a United States Real Property Holding Corporation within the meaning of Section 897(c)(2) of the Code, or (ii) a passive foreign investment company within the meaning of Sections 1291-1297 of the Code.

(k) The Acquired Companies are not and have never been parties to any "listed transaction" within the meaning of Section 1.6011-4 of the Treasury Laws or any reportable transaction within the meaning of Section 6011, Section 6111 and Section 6112 of the Code and the Treasury Laws thereunder.

(l) The Company has not filed an election to be treated as an association taxable as a corporation pursuant to Section 301.7701-3(c) of the Treasury Laws.

2.17 Employee and Labor Matters.

(a) Part 2.17(a) of the Company Disclosure Schedule identifies each Employee Plan. No Employee Plan benefits individuals who reside outside of the United States or is subject to laws other than the laws of the United States. None of the Acquired Companies or any of their ERISA Affiliates maintain, sponsor, administer, contribute to, have any obligation to contribute to or have any potential Liability to, and have not at any time in the past maintained, sponsored, administered or contributed to (i) any employee pension benefit plan (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), whether or not excluded from coverage under ERISA) for the benefit of Employees or former Employees subject to Sections 412 or 430 of the Code or Section 302 or Title IV of ERISA; (ii) any "multiemployer plan" or "multiple employer plan" within the meaning of the Code or ERISA; (iii) a voluntary employees' benefit association (VEBA) within the meaning of Section 501(c)(9) of the Code; or (iv) a multiple employer welfare arrangement (MEWA) within the meaning of Section 3(40)(A) of ERISA.

(b) All contributions and premium payments for any period ending on or before the Closing Date that are an obligation of any of the Acquired Companies or with respect to which any of the Acquired Companies has any obligation and not yet due have either been made to such Employee Plan, or have been accrued on the Company Financial Statements.

(c) With respect to each Employee Plan, the Acquired Companies have delivered to Purchaser: (i) an accurate and complete copy of all documents setting forth the terms of each such Employee Plan (including the plan document and all amendments thereto); (ii) an accurate and complete copy of the annual report and all attachments (e.g., financial statements), if required under ERISA or the Code, with respect to such Employee Plan for the last three years and all actuarial reports and valuations for the past three years; (iii) an accurate and complete copy of the most recent summary plan description, together with each Summary of Material Modifications, if required under ERISA, with respect to such Employee Plan, and all material written employee communications relating to such Employee Plan; (iv) if such Employee Plan is funded through a trust or any third-party funding vehicle, an accurate and complete copy of the trust or other funding agreement (including all amendments thereto) and accurate and complete copies of the most recent financial statements thereof; (v) accurate and complete copies of all Contracts relating to such Employee Plan, including service provider agreements, insurance contracts, minimum premium contracts, stop-loss agreements, investment management agreements, subscription and participation agreements and recordkeeping agreements; (vi) accurate and complete copies of all nondiscrimination and coverage tests for the most recent three full plan years; (vii) accurate and complete copies of all minutes of all meetings of plan fiduciaries or administrative committees or similar bodies; (viii) an accurate and complete copy of the most recent determination letter received from the Internal Revenue Service with respect to such Employee Plan (if such Employee Plan is intended to be qualified under Section 401(a) of the Code); (ix) accurate and complete copies of all correspondence to or from any Governmental Body relating to any Employee Plan; and (x) such other documentation with respect to any Employee Plan (whether current or not) as is reasonably requested by Purchaser.

(d) None of the Acquired Companies has ever had any ERISA Affiliates. The Acquired Companies have never made a complete or partial withdrawal from a multiemployer plan, as such term is defined in Section 3(37) of ERISA, resulting in "withdrawal liability," as such term is defined in Section 4201 of ERISA (without regard to subsequent reduction or waiver of such liability).

(e) No Welfare Plan provides death, medical or health benefits (whether or not insured) with respect to any current or former Employee after any such

Employee's termination of service (other than (i) benefit coverage mandated by applicable Laws, including coverage provided pursuant to Section 4980B of the Code, (ii) deferred compensation benefits accrued as Liabilities on the Company Financial Statements, and (iii) benefits the full cost of which are borne by current or former Employees (or the Employees' beneficiaries)). With respect to each Welfare Plan, all claims incurred by the Acquired Companies are (A) insured pursuant to a contract of insurance whereby the insurance company bears any risk of loss with respect to such claims, (B) covered under a contract with a health maintenance organization (an "***HMO***"), pursuant to which the HMO bears the Liability for claims, or (C) reflected as a Liability or accrued for on the Company Financial Statements.

(f) Each of the Employee Plans is and at all times has been established, operated and administered in all material respects in accordance with its terms and applicable Laws, including but not limited to ERISA and the Code. The Acquired Companies have performed and complied in all respects with all of their obligations under and with respect to the Employee Plans. No fiduciary of any Employee Plan has committed a breach of fiduciary duty that would subject any of the Acquired Companies or Purchaser to any Liability. No individual classified as an independent contractor has ever been permitted to participate in any Employee Plan with respect to the period of time so classified.

(g) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service, or has submitted a request for such a letter within the applicable remedial amendment period, or is a prototype plan or a volume submitter plan which relies on an opinion or advisory letter from the Internal Revenue Service for the Employee Plan. No fact or circumstance exists that could adversely affect the tax-favored status of any Employee Plan that is intended to be tax-exempt or provide nontaxable benefits. The Acquired Companies have never incurred, and no fact exists that reasonably could be expected to result in, any Liability to the Acquired Companies with respect to any Employee Plan, including any Liability, Tax, penalty or fee under any applicable Laws (other than to pay premiums, contributions or benefits in the ordinary course of business consistent with past practice) or third-party Contracts.

(h) Except as required to maintain the tax-qualified status of any Employee Plan intended to qualify under Section 401(a) of the Code, no condition or circumstance exists that would prevent the amendment or termination of any Employee Plan and neither the Acquired Companies nor any such Employee Plan will be subject to any surrender fees or service fees on termination except for reasonable administrative fees associated with the termination of such Employee Plan. No event has occurred or condition or circumstance exists that could result in a material increase in the benefits under or the expenses of maintaining any Employee Plan from the level of benefits or expense incurred for the most recent fiscal year. No event or circumstance has occurred or exists, or is likely to exist that would result in the imposition of a lien or excise tax with respect to any Employee Plan.

(i) Any Employee Plan that constitutes a "non-qualified deferred compensation plan" subject to Code Section 409A fully complies with Code Section 409A with respect to its form and is and has been operated in compliance with Code Section 409A.

(j) None of the Acquired Companies has made any written or verbal commitments to any officer, Employee, consultant or independent contractor with respect to compensation, promotion, retention, termination, severance or similar matter in connection with the Contemplated Transactions. Neither the execution, delivery or performance of this Agreement and the Related Agreements, nor the consummation of the Contemplated Transactions will result (either alone or in combination with any other event) in (i) any Liability to the Acquired Companies or Purchaser or any payment of, or increase in, remuneration or benefits, to any Employee, officer, manager, director, partner, member or consultant of any of the Acquired Companies, (ii) any cancellation of indebtedness owed to any of the Acquired Companies by any Employee, officer, manager, director, partner, member or consultant of any of the Acquired Companies, (iii) the acceleration of the vesting, funding or time of any payment or benefit to any Employee, officer, manager, director, partner, member or consultant of any of the Acquired Companies or (iv) any "parachute payment" within the meaning of Section 280G of the Code (whether or not such payment is considered to be reasonable compensation for services rendered).

(k) None of the Acquired Companies has any unfunded Liability under any Employee Plan.

(l) None of the Acquired Companies has announced or entered into any plan or binding commitment to (i) create or cause to exist any additional Employee Plan or (ii) adopt, amend or terminate any Employee Plan, other than any amendment required by applicable Laws.

(m) There is no pending or, to the Knowledge of the Acquired Companies, threatened (i) complaint, claim, charge, suit, proceeding or other action of any kind with respect to any Employee Plan (other than a routine claim for benefits in accordance with such Employee Plan's claims procedures and that have not resulted in any litigation) or the fiduciaries or administrators of any Employee Plan or (ii) proceeding, examination, audit, inquiry, investigation, citation, or other action of any kind in or before any Governmental Body with respect to any Employee Plan or any Employee Plan fiduciary or administrator and there exists no state of facts that after notice or lapse of time or both reasonably could be expected to give rise to any such claim, investigation, examination, audit or other proceeding.

(n) Part 2.17(n) of the Company Disclosure Schedule sets forth an accurate and complete list of: (i) the names, citizenship status (whether such Employee is a United States citizen or otherwise) and, with respect to non-United States citizens, identifies the visa or other similar permit under which such Employee is working for the Acquired Companies and the dates of issuance and expiration of such visa or other similar permit, titles, annual base salary, commission, and any other cash compensation or bonus opportunity of all Employees as of the date of this Agreement, including their principal location; and (ii) the wage rates for non-salaried Employees as of the date of this Agreement (by classification). The services of each such Employee with the Acquired Companies are terminable at the will of the Acquired Companies without notice or Liability (other than for accrued, but unpaid wages) or approval from any third party.

(o) Part 2.17(o) of the Company Disclosure Schedule accurately identifies each former Employee who is receiving or is scheduled to receive (or whose spouse or other dependent is receiving or is scheduled to receive) any benefits (whether from the Acquired Companies or otherwise) relating to such former Employee's employment with the Acquired Companies, and Part 2.17(o) of the Company Disclosure Schedule accurately describes such benefits.

(p) The Acquired Companies have complied with all applicable Laws relating to employment, employment practices, wages, hours, immigration control, employee safety, bonuses and terms and conditions of employment, including, but not limited to, Laws relating to job applicants and Laws relating to employee background checks. No Legal Proceeding that arises out of the current, former or potential employment relationship between any of the Acquired Companies and any of their current, former or potential employees has been filed or is pending or, to the Knowledge of the Acquired Companies, threatened against any of the Acquired Companies. The Acquired Companies have not been affected by any transaction or engaged in layoffs, terminations or relocations sufficient in number to trigger application of the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar law requiring advance notice of a mass layoff or plant closing or other similar event requiring advance notice to any Employee, Employee representative or Governmental Body (collectively, the "***WARN Act***"). None of the Acquired Companies has caused any of its employees to suffer an "employment loss" (as defined in the WARN Act) or similar event during the 180 days preceding the date of this Agreement that, when aggregated with enough similar other events, would result in any obligation on behalf of any of the Acquired Companies or Purchaser under the WARN Act.

(q) The Acquired Companies have maintained and currently maintain adequate insurance as required by applicable Laws with respect to workers' compensation claims and unemployment benefits claims. The Acquired Companies are not liable for any payment to, or with respect to, any trust or other fund governed by or maintained by or on behalf of any Governmental Body with respect to unemployment compensation benefits, workers compensation, social security or other benefits or obligations for their employees (other than routine payments to be made in the ordinary course of business and consistent with past practice).

(r) None of the Acquired Companies is a party to or bound by, and none of the Acquired Companies has ever been a party to or been bound by, any union contract, collective bargaining agreement or similar Contract with any labor union or labor organization. No representation election petition or application for certification has been filed by Employees or is pending with the National Labor Relations Board or any other Governmental Body and no union organizing campaign or other attempt to organize or establish a labor union, employee organization or labor organization or group or other similar activity or dispute involving Employees has occurred, is in progress or, to the Knowledge of the Acquired Companies, is threatened. In the last five years, there has not been any slowdown, work stoppage, labor dispute or union organizing activity, or any similar activity or dispute, affecting the Acquired Companies or any Employees and no event has occurred and no circumstance exists that is reasonably likely to directly or indirectly give rise to or provide a basis for the commencement of any slowdown, work stoppage, labor dispute or union organization activity or any similar activity or dispute.

The Acquired Companies have never engaged in any unfair labor practice and there is no pending or, to the Knowledge of the Acquired Companies, threatened labor board proceeding of any kind.

(s) The Acquired Companies have made available to Purchaser accurate and complete copies of all employee manuals and handbooks, disclosure materials, policy statements and other materials relating to the employment of the current and former Employees.

(t) To the Knowledge of the Acquired Companies:

(i) no Employee has given notice to terminate his or her employment with any of the Acquired Companies;

(ii) to the Knowledge of the Acquired Companies with no investigation, no Employee has received an offer to join a business that may be competitive with the Acquired Companies' business; and

(iii) no Employee is a party to or is bound by any confidentiality agreement, noncompetition agreement or other Contract (with any Person) that is reasonably likely to have an adverse effect on (A) the performance by such Employee of any of his or her duties or responsibilities as an Employee or (B) the Acquired Companies' business or operations.

(u) As of the Closing, any bonus owed to any Employee pursuant to any bonus arrangement, and any Taxes related thereto, shall have been paid without Liability or obligation to the Acquired Companies, Purchaser or any of its Affiliates after the Closing.

(v) No Employee has notified the Acquired Companies of any: (i) obligations of confidentiality of such Employee to any other Person(s) that conflict or might conflict with such Employee's work for, or such Employee's obligations to, the Acquired Companies; (ii) Proprietary Rights of any other Person(s) that conflict or might conflict with such Employee's work for, or such Employee's obligations to, the Acquired Companies; or (iii) claims of such Employee to any Proprietary Rights that conflict or might conflict with such Employee's work for, or such Employee's obligations to, the Acquired Companies.

2.18 Real Property.

(a) Part 2.18(a) of the Company Disclosure Schedule sets forth, as of the date of this Agreement, a true, correct and complete legal description of the Owned Real Property, including the correct legal description, street address and tax parcel identification number of all tracts, parcels and subdivided lots in which any of the Acquired Companies has an ownership interest.

(i) With respect to each Owned Real Property: (A) the Acquired Companies have good and marketable indefeasible fee simple title to such Owned Real Property, and on the Closing Date such Owned Real Property will be free and clear of all Encumbrances, except Permitted Encumbrances; (B) except as set forth in Part 2.18(a) of the Company Disclosure Schedule, the Acquired Companies have not leased or otherwise granted to any

Person the right to use or occupy such Owned Real Property or any portion thereon; (C) there are no outstanding options, rights of first offer or rights of first refusal to purchase such Owned Real Property or any portion thereof or interest therein; (D) the Acquired Companies are not parties to any agreement or option to purchase any real property or interest therein relating to, or intended to be used in the operation of, the Acquired Companies' business; and (E) the use of the Owned Real Property for the various purposes for which it is being used is permitted as of right under all applicable planning, building and zoning laws and is not subject to "permitted nonconforming" use or structure classifications.

(b) The Acquired Companies have delivered to Purchaser a true and complete copy of each Owned Real Property Lease.

(i) Part 2.18(b) of the Company Disclosure Schedule lists, as of the date of this Agreement, with respect to each Owned Real Property Lease: (A) the identity of the lessor, lessee and current occupant (if different from lessee) pursuant to each Owned Real Property Lease; (B) the terms (referencing applicable renewal periods) and rental payment amounts (including all escalations) pertaining to each Owned Real Property Lease; (C) the current use of each such parcel of Owned Real Property; and (D) the amount of any security deposit held by the Acquired Companies with respect to each Owned Real Property Lease.

(ii) Except as set forth in Part 2.18(b) of the Company Disclosure Schedule, with respect to each Owned Real Property Lease: (A) the Acquired Companies do not, and will not in the future, owe any brokerage commissions or finder's fees with respect to any Owned Real Property Lease; (B) the other party to such Owned Real Property Lease is not an affiliate of, and otherwise does not have any economic interest in, any of the Acquired Companies; (C) the Acquired Companies have not collaterally assigned or granted any other security interest in such Owned Real Property Lease or any interest therein; (D) there are no liens or encumbrances on the estate or interest created by such Owned Real Property Lease; and (E) each of the Owned Real Property Leases is in full force and effect, and neither the Acquired Companies nor the tenant under any Owned Real Property Lease is in default, and there exist no facts or circumstances that, with the passage of time or the giving of notice, or both, would constitute a default or breach by either the Acquired Companies or the tenant under any Owned Real Property Lease.

(c) The Acquired Companies do not lease or sublease any Leased Real Property which is used or intended to be used, or otherwise related to, the Acquired Companies' business.

(d) The Real Property constitutes all the real property used or intended to be used in, or otherwise related to, the Acquired Companies' business.

(e) All buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof, included in the Real Property (the "***Improvements***") are, and on the Closing Date will be, in good working order, subject to normal wear and tear and obsolescence. Except as expressly set forth in this Agreement, the Improvements will be acquired by Purchaser, directly or indirectly, in "as-is, where-is" condition. Notwithstanding any other provision contained in this Agreement or in any of the Related Agreements, each of the

Seller and the Acquired Companies expressly disclaim any and all representations, warranties, covenants, obligations or liability relating to any condition set forth on Part 2.10(b) of the Company Disclosure Schedule.

(i) All Improvements on the Real Property constructed by or on behalf of any of the Acquired Companies or constructed by or on behalf of any other Person, were constructed in compliance with all applicable Real Property Laws (as defined herein) and orders (including any building, planning or zoning laws) affecting such Real Property.

(ii) No Improvements on any Real Property and none of the current uses and conditions thereof violate any Real Property Laws, applicable deed restrictions or other applicable covenants, restrictions, agreements, existing site plan approvals, building, zoning or subdivision regulations or urban redevelopment plans as modified by any duly issued variances, and no permits, licenses or certificates pertaining to the ownership or operation of all improvements on the Real Property, other than those which are transferable with any Real Property, are required by any Governmental Body having jurisdiction over any Real Property.

(iii) To the Knowledge of the Acquired Companies, all Improvements on any Real Property are wholly within the lot limits of such Real Property and do not encroach on any adjoining premises or lien benefiting such Real Property, and there are no encroachments on any Real Property or any easement, servitude or property right or benefit appurtenant thereto by any improvements located on any adjoining premises.

(f) The Real Property is in material compliance with all applicable building, zoning, subdivision, health and safety and other land use Laws, including, without limitation, the Americans with Disabilities Act of 1990, as amended, and all insurance requirements affecting the Real Property (collectively, the "***Real Property Laws***"), and the current use or occupancy of the Real Property or operation of the business thereon does not violate any Real Property Laws.

(i) The Acquired Companies have not received any notice of violation of any Real Property Law and there is no basis for the issuance of any such notice or the taking of any action for such violation.

(ii) There is no pending or, to the Acquired Companies' Knowledge, anticipated change in any Real Property Law that will have a material adverse effect on the ownership, lease, use or occupancy of any Real Property or any portion thereof in the continued operation of the Acquired Companies' business.

(iii) All existing water, sewer, steam, gas, electricity, HVAC, telephone, cable, fiber optic cable, Internet access and other utilities required for the construction, use, occupancy, operation and maintenance of the Real Property are adequate for the conduct of the Acquired Companies' business as currently conducted and as currently proposed to be conducted.

(g) There are no condemnation Legal Proceedings, expropriation Legal Proceedings or eminent domain Legal Proceedings of any kind pending or, to the Knowledge of the Acquired Companies, threatened against the Real Property or any portion thereof or interest therein.

(h) All the Real Property is occupied under a valid and current certificate of occupancy or similar permit, the Contemplated Transactions will not require the issuance of any new or amended certificate of occupancy and there are no facts that would prevent the Real Property from being occupied by the Acquired Companies after the Closing in the same manner as occupied by the Acquired Companies immediately prior to the Closing, as applicable.

(i) To the Knowledge of the Acquired Companies, there is no existing, pending or threatened (i) widening, change of grade or limitation on use of streets, roads or highways abutting any Real Property, (ii) special Tax or assessment to be levied against any Real Property, or (iii) change in the zoning classification or permitted use of any Real Property.

2.19 Environmental Matters.

(a) Except as set forth in Part 2.19(a) of the Company Disclosure Schedule, each of the Acquired Companies is in compliance with all applicable Environmental Laws.

(b) Part 2.19(b) of the Company Disclosure Schedule sets forth, as of the date of this Agreement, an accurate and complete list of each Governmental Authorization secured under Environmental Law that is held by the Acquired Companies (or for which any of the Acquired Companies has applied) that relates to the business of, or any of the assets owned or used by, the Acquired Companies, all of which are valid and in full force and effect and, except as set forth in Part 2.19(b) of the Company Disclosure Schedule, will remain so following the Closing. The Governmental Authorizations listed in Part 2.19(b) of the Company Disclosure Schedule collectively constitute all the Governmental Authorizations secured under Environmental Law necessary to permit each Acquired Company to conduct its business, lawfully in the manner in which it currently conducts such business and to permit each Acquired Company to own and use its assets in the manner in which it owns and uses such assets.

(c) Except as set forth in Part 2.19(c) of the Company Disclosure Schedule, there is not nor has there been any Release of Materials of Environmental Concern at, on, about or under the Real Property, including, to the Knowledge of the Acquired Companies, any such Release that could have impacted any surrounding property, which could give rise to liability under any Environmental Law.

(d) Except as set forth in Part 2.19(d) of the Company Disclosure Schedule, none of the Acquired Companies has received at any time since January 1, 2005 any notice or other communication (in writing or otherwise), whether from a Governmental Body, citizens group, employee or otherwise, that alleges that any of the Acquired Companies is not in compliance with, or is liable under, any Environmental Law, and, to the Knowledge of the

Acquired Companies, there are no circumstances that may prevent or interfere with the Acquired Companies' compliance with any Environmental Law after the Closing Date.

(e) To the Knowledge of the Acquired Companies, no current or prior owner of any Real Property has received any notice or other communication (in writing or otherwise), whether from a Governmental Body, citizens group, employee or otherwise, that alleges that such current or prior owner or any of the Acquired Companies is not in compliance with, or has liability under, any Environmental Law.

(f) Except as set forth in Part 2.19(f) of the Company Disclosure Schedule, none of the Acquired Companies has entered into or agreed to enter into, nor has any present intent to enter into, any Order, and the Acquired Companies are not subject to any Order relating to Releases or Remediation of Materials of Environmental Concern under any applicable Environmental Law.

(g) Except as set forth in Part 2.19(g) of the Company Disclosure Schedule, none of the Acquired Companies has at any time been subject to any Legal Proceeding pursuant to, or paid any fines or penalties pursuant to, applicable Environmental Laws. Except as set forth in Part 2.19(g) of the Company Disclosure Schedule, the Acquired Companies are not subject to any Liabilities, loss, Damages or expense of any kind or nature whatsoever, contingent or otherwise, incurred or imposed or based upon any provision of any Environmental Law or arising out of any act or omission of the Acquired Companies or the Representatives thereof or arising out of the ownership, use, control or operation by the Acquired Companies of any plant, facility, site, area or Real Property (including any plant, facility, site, area or Real Property currently or previously owned or leased by the Acquired Companies) from a Release of any Material of Environmental Concern.

(h) Part 2.19(h) of the Company Disclosure Schedule sets forth, as of the date of this Agreement, a true, correct and complete list of all documents (whether in hard copy or electronic form) that contain any environmental reports, investigations and/or audits relating to the Real Property (whether conducted by or on behalf of the Acquired Companies or a third party, and whether done at the initiative of the Acquired Companies or directed by a Governmental Body or other third party) which were issued or conducted during the past five years and which any Acquired Company or the Seller has possession of or access to. A complete and accurate copy of each such document has been provided to Purchaser.

(i) Except as set forth in Part 2.19(i) of the Company Disclosure Schedule, no improvement or equipment included in the property or assets of the Acquired Companies contain any underground storage tanks, open or closed pits, sumps or other containers on or under any property or asset or to the Knowledge of the Acquired Companies, any asbestos or polychlorinated biphenyls. The Acquired Companies have not imported, received, manufactured, produced, processed, labeled, or shipped, stored, used, operated, transported, treated or disposed of any Materials of Environmental Concern other than in compliance with all Environmental Laws.

2.20 **Insurance**. Part 2.20 of the Company Disclosure Schedule sets forth an accurate and complete list of all certificates of insurance, binders for insurance policies and insurance maintained by the Acquired Companies, or under which the Acquired Companies have been the beneficiary of coverage at any time within the past five years. All premiums due and payable under such insurance policies have been paid. The Acquired Companies have no Knowledge of any threatened termination of, or material premium increase with respect to, any of those policies. Part 2.20 of the Company Disclosure Schedule further sets forth an accurate and complete list of all claims asserted by any of the Acquired Companies pursuant to any such certificate of insurance, binder or policy since January 1, 2005, and describes the nature and status of the claims. The Acquired Companies have not failed to give in a timely manner any notice of any claim that may be insured under any certificate of insurance, binder or policy required to be listed in Part 2.20 of the Company Disclosure Schedule and there are no outstanding claims which have been denied or disputed by the insurer. The certificates of insurance, binders and policies listed in Part 2.20 of the Company Disclosure Schedule (taken together) are of such types and in such amounts and for such risks, casualties and contingencies as is reasonably adequate to fully insure the Acquired Companies against insurable Damages to their respective businesses, properties, assets and operations. The Acquired Companies have never maintained, established, sponsored, participated in or contributed to any self-insurance program, retrospective premium program or captive insurance program.

2.21 Customers and Suppliers. Part 2.21 of the Company Disclosure Schedule sets forth an accurate and complete list of (a) each customer that accounted for more than $100,000 of revenue of the Acquired Companies during the 12-month period ended December 31, 2009 and the amount of revenues accounted for by each such customer during that period and (b) each supplier that is the sole supplier of any material product, service or other tangible or intangible property or license rights to any of the Acquired Companies. There exists no actual, and the Acquired Companies have no Knowledge of any threatened, termination, cancellation or material limitation of, or any material change in, the business relationship of any of the Acquired Companies with any customer, supplier, group of customers or group of suppliers listed in Part 2.21 of the Company Disclosure Schedule. No customer of the Acquired Companies has any right to any credit or refund for products sold or services rendered or to be rendered by the Acquired Companies pursuant to any Contract with or practice of any of the Acquired Companies other than pursuant to the normal course return policies of the Acquired Companies.

2.22 Product Warranty. Part 2.22 of the Company Disclosure Schedule lists all forms of guaranty, warranty, right of return, right of credit or other indemnity that legally bind the Acquired Companies in connection with any licenses, goods or services sold by the Acquired Companies. No product manufactured, sold, leased or delivered by the Acquired Companies is subject to any guaranty, warranty or other indemnity beyond the applicable standard terms and conditions of sale or lease listed in Part 2.22 of the Company Disclosure Schedule. Each product manufactured, sold, licensed, leased or delivered by the Acquired Companies at all times has been in conformity in all respects with all applicable contractual commitments and all express and implied warranties, and the Acquired Companies have no Liability (and no facts or circumstances exist that could reasonably be expected to give rise to any Legal Proceeding, claim or demand against any of them giving rise to any Liability) for replacement or repair thereof or other Damages in connection therewith, subject only to the reserve for product warranty claims set forth in the corresponding line item on the Interim

Balance Sheet, as adjusted for the passage of time through the Closing Date in the ordinary course, consistent with the past custom and practice of the Acquired Companies.

2.23 Relationships with Affiliates. Except as set forth in Part 2.23 of the Company Disclosure Schedule, no manager, director, officer or, to the Acquired Companies' Knowledge, any Affiliate of any of the Acquired Companies has, or since January 1, 2005 has had, any interest in any property (whether real, personal or mixed and whether tangible or intangible) used in or pertaining to the Acquired Companies' business. Except as set forth in Part 2.23 of the Company Disclosure Schedule, no manager, director or officer or, to the Acquired Companies' Knowledge, any Affiliate of any of the Acquired Companies owns, or since January 1, 2005 has owned (of record or as a beneficial owner), an equity interest or any other financial or profit interest in a Person that has (a) had business dealings or a financial interest in any transaction with the Acquired Companies or (b) engaged in competition with the Acquired Companies with respect to any line of the products or services of the Acquired Companies in any market presently served by the Acquired Companies, except for less than 1% of the outstanding capital stock of any competing business that is publicly traded on any recognized exchange or in the over-the-counter market. Except as set forth in Part 2.23 of the Company Disclosure Schedule, no equity owner, manager, director, officer or other Affiliate of any of the Acquired Companies is a party to any Contract with, or has any claim or right against, the Acquired Companies or the Acquired Limited Partnership Assets.

2.24 Agri-Energy L.P. and Seller Actions.

(a) The general partner of Agri-Energy, L.P. has duly approved this Agreement, the Related Agreements and the Contemplated Transactions. No vote of the limited partners of Agri-Energy L.P. is required to approve this Agreement, the Related Agreements or the Contemplated Transactions.

(b) As of the date hereof, this Agreement, the Related Agreements and the Contemplated Transactions have been duly approved by the affirmative vote of such members of the Seller as required by the MCL, the MBCA, other applicable Laws and the organizational documents of the Seller.

2.25 Manufacturing and Marketing Rights. The Acquired Companies have not granted rights to manufacture, produce, assemble, license, market or sell their products or services to any other Person and are not bound by any agreement that affects the Acquired Companies' exclusive right to develop, manufacture, assemble, distribute, market or sell their products and services.

2.26 Anti-Takeover Law. The board of directors or managers or the general partner, as applicable, of each Acquired Company and the Acquired Companies have taken all action necessary or required to render inapplicable to this Agreement, the Related Agreements and the Contemplated Transactions (a) any state takeover law that may purport to be applicable to this Agreement, the Related Agreements and the Contemplated Transactions, (b) any takeover provision in the Constituent Documents and (c) any takeover provision in any Contract to which any of the Acquired Companies is a party or by which it or its properties may be bound.

2.27 Finder's Fee. Except as set forth in Part 2.27 of the Company Disclosure Schedule, no broker, finder, investment banker, valuation firm or any other Person is entitled to any brokerage, finder's or other fee or commission in connection with the Contemplated Transactions based upon arrangements made by or on behalf of the Acquired Companies or the Seller.

2.28 Disclosure. Neither this Agreement, the Related Agreements, the Company Disclosure Schedule nor any other agreement, document, certificate, schedule or instrument delivered or executed in connection herewith or therewith: (a) contains any representation or warranty by the Acquired Companies or the Seller or information regarding the Acquired Companies or the Seller that is false or misleading with respect to any material fact; or (b) omits to state any material fact necessary in order to make the representations, warranties and information regarding the Acquired Companies or the Seller contained herein and therein, in light of the circumstances under which such representations, warranties and information were or will be made or provided, not false or misleading. The Acquired Companies do not have Knowledge of any fact that has specific application to any of the Acquired Companies (other than general economic or industry conditions) and that could have a Material Adverse Effect on any of the Acquired Companies that has not been set forth in this Agreement or the Company Disclosure Schedule.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to the Acquired Companies and the Seller as follows:

3.1 Corporate Existence and Power. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has full limited liability company power required to conduct its business as now conducted, and is duly qualified to do business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified would not have a material adverse effect on Purchaser's business, financial condition or results of operations.

3.2 Authority; Binding Nature of Agreement. Purchaser has the limited liability company right, power and authority to perform its obligations under this Agreement and the Related Agreements; and the execution, delivery and performance by Purchaser of this Agreement and the Related Agreements have been duly authorized by all necessary limited liability company action, including all necessary action on the part of Purchaser and its board of managers. No vote of holders of the membership interests of Purchaser is needed to adopt this Agreement or approve the Contemplated Transactions. This Agreement and the Related Agreements have been duly and validly executed and delivered by Purchaser and constitute the legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms, subject to (a) Laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (b) Laws governing specific performance, injunctive relief and other equitable remedies.

3.3 Non-Contravention; Consents. The execution and delivery by Purchaser of this Agreement and the Related Agreements and the consummation of the Contemplated Transactions by Purchaser (a) are not prohibited by, and will not violate or conflict with, any provision of the formation documents of Purchaser, and (b) are not prohibited by, and will not violate any Laws applicable to Purchaser. No filing with, notice to or consent from any Person is required in connection with (i) the execution, delivery or performance of this Agreement or the Related Agreements by Purchaser, or (ii) the consummation of the Contemplated Transactions.

3.4 Finder's Fee. No broker, finder, investment banker, valuation firm or any other Person is entitled to any brokerage, finder's or other fee or commission in connection with the Contemplated Transactions based upon arrangements made by or on behalf of Purchaser for which the Seller or the Acquired Companies will have any liability.

3.5 Financial Ability. Purchaser will have at Closing all funds or financing in place necessary to pay and deliver to the Seller and Agri-Energy L.P. all of the consideration due pursuant to this Agreement on the Closing Date.

3.6 Due Diligence. Purchaser has been granted access to the Real Property and the Improvements for purposes of conducting a due diligence investigation and inspection of such Real Property and the Improvements. Except as expressly set forth in this Agreement, the Related Agreements, the Company Disclosure Schedule or any certificate or instrument delivered pursuant to this Agreement or the Related Agreements, neither the Acquired Companies nor the Seller makes any representation or warranty of any kind, express or implied, regarding the Acquired Companies or the Acquired Limited Partnership Assets.

ARTICLE 4.
CERTAIN COVENANTS OF THE ACQUIRED COMPANIES

4.1 Access and Investigation. During the period from the date of this Agreement through the earlier of the Closing Date or the Termination Date (the "***Pre-Closing Period***"), each of the Acquired Companies will, and will cause each of their respective Representatives to (a) afford Purchaser and its Representatives full access during normal business hours to all of its properties (including access for conducting Phase I and II environmental site assessments and assessing the Acquired Companies' compliance with Environmental Laws), books, Contracts, personnel and records as Purchaser may reasonably request, (b) furnish promptly to Purchaser and its Representatives all other information concerning its business, properties, assets and personnel as Purchaser may reasonably request and (c) cooperate fully with Purchaser and Deloitte & Touche LLP in the preparation of audited financial statements of the Acquired Companies for the periods ended December 31, 2009, 2008 and 2007.

4.2 Operation of the Acquired Companies' Business.

(a) During the Pre-Closing Period (except with the prior written consent of Purchaser) each of the Acquired Companies shall:

(i) conduct its business and operations in the ordinary course of business consistent with past practice and comply with all applicable Laws and all Material

Contracts (which for the purpose of this Section 4.2 shall include any Contract that would be a Material Contract if existing on the date of this Agreement);

(ii) use commercially reasonable efforts to preserve intact its current business organization, keep available the services of its current officers and employees and maintain its relations and goodwill with all suppliers, customers, landlords, creditors, licensors, licensees, employees and other Persons having business relationships with the Acquired Companies; *provided*, *however*, that the Seller may make arrangements to terminate the Corn Delivery Agreements at Closing;

(iii) maintain the Real Property, including all of the Improvements, in substantially the same condition as of the date of this Agreement, ordinary wear and tear excepted, and shall not demolish or remove any of the existing Improvements, or erect new improvements on the Real Property or any portion thereof; and

(iv) keep in full force all insurance policies referred to in Section 2.20;

(b) During the Pre-Closing Period (except with the prior written consent of Purchaser), none of the Acquired Companies shall:

(i) declare, accrue, set aside or pay any dividend or make any other distribution in respect of any equity securities or similar interests or repurchase, redeem or otherwise reacquire any equity securities or similar interests;

(ii) issue, deliver, sell, pledge or otherwise encumber any equity securities or similar interests or voting interests or any securities convertible into, or exchangeable for, or any options, warrants, calls or rights to acquire or receive, any such equity securities or similar interests that are linked in any way to the price of the Company Units, the value of any of the Acquired Companies or any part thereof;

(iii) split, combine or reclassify any class of equity securities, membership units or partnership interests;

(iv) amend or propose to amend its organizational documents or effect or become a party to any merger, consolidation, share exchange, business combination, recapitalization or similar transaction;

(v) acquire by merger or consolidation, or by purchasing all or a substantial portion of the assets of, or by purchasing all or a substantial equity or voting interest in, or by any other manner, any Entity or division thereof;

(vi) acquire any material assets or a license therefor other than in the ordinary course of business consistent with past practices or incur any capital expenditures, or any obligations or liabilities in connection therewith, except pursuant to existing Contracts or that, in the aggregate, would not exceed $25,000 during any fiscal quarter;

(vii) enter into any lease or sublease of real property (whether as a lessor, sublessor, lessee or sublessee) or change, terminate or fail to exercise any right to renew any lease or sublease of real property;

(viii) with respect to the Owned Real Property, demolish or remove any of the existing improvements;

(ix) change in any material respect its existing policies or practices with respect to (a) inventory management, (b) the collection of accounts receivable or (c) the payment of accounts payable;

(x) sell, grant a license in, mortgage or otherwise encumber or subject to any Encumbrance or otherwise dispose of any of its material properties or assets other than the sale of inventory and the granting of licenses in the ordinary course of business consistent with past practices;

(xi) repurchase, prepay or incur any indebtedness or guarantee any indebtedness of another Person or issue or sell any debt securities or options, warrants, calls or other rights to acquire any debt securities of any Acquired Company, guarantee any debt securities of another Person, enter into any "keep well" or other agreement to maintain any financial statement condition of another Person or enter into any arrangement having the economic effect of any of the foregoing;

(xii) make any loans, advances or capital contributions to, or investments in, any other Person, other than the Acquired Companies and except for customary travel advances to employees;

(xiii) (A) pay, discharge, settle or satisfy any material claims or Liabilities (whether absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge, settlement or satisfaction in the ordinary course of business consistent with past practices or as required by their terms as in effect on the date of this Agreement of claims, Liabilities or obligations reflected or reserved against in the Interim Balance Sheet (for amounts not in excess of such reserves) or incurred since the date of such financial statements in the ordinary course of business consistent with past practices, (B) waive, release, grant or transfer any right of material value other than in the ordinary course of business consistent with past practices or (C) commence any Legal Proceeding;

(xiv) enter into any Material Contract (A) except in the ordinary course of business consistent with past practices, (B) if consummation of the Contemplated Transactions or compliance by the Acquired Companies with the provisions of this Agreement will conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time or both) under, or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation or a loss of a material benefit under, or result in the creation of any Encumbrance in or upon any of the properties or assets of any Acquired Company, or give rise to any increased, additional, accelerated or guaranteed rights or entitlements under, any provision of such Contract; or (C) containing any restriction on the ability of any Acquired Company to assign all or any portion of its rights, interests or obligations thereunder, unless such restriction expressly excludes any assignment to Purchaser and its Affiliates in connection with or following the consummation of the Contemplated Transactions;

(xv) change or terminate any Contract to which any Acquired Company is a party, or waive, release or assign any rights or claims thereunder, in each case in a manner materially adverse to any of the Acquired Companies;

(xvi) recognize any labor union or enter into any collective bargaining agreement or other labor union contract;

(xvii) dismiss any Employee, hire any new employee or independent contractor (except for employees or independent contractors having annual compensation less than $50,000 who are retained pursuant to offer letters that provide for “at will employment” with no severance benefits) or enter into or renew any employment or independent contractor agreement, or become obligated to take any of the foregoing actions;

(xviii) establish, adopt or amend any Employee Plan or collective bargaining agreement, pay any bonus or make any profit-sharing or similar payment to, or increase in any manner the accrual rate or amount of the wages, salary, commissions, fringe benefits (including vacation and other forms of paid leave) or other compensation, benefits, or remuneration payable to, any of its managers, directors, officers, independent contractors or Employees, or become obligated to take any of the foregoing actions;

(xix) except as required to comply with applicable Laws or any Contract or Employee Plan in effect on the date hereof, (A) pay to any equity owner, Employee, officer, manager, director or independent contractor any benefit not provided for under any Contract or Employee Plan in effect on the date hereof, (B) grant any awards under any Employee Plan, (C) take any action to fund or in any other way secure the payment of compensation or benefits under any Contract or Employee Plan, (D) take any action to accelerate the vesting or payment of any compensation or benefit under any Contract or Employee Plan or (E) make any material determination under any Employee Plan that is inconsistent with the ordinary course of business; make or rescind any Tax election, settle or compromise any Tax Liability or amend any Tax Return;

(xx) except as required by GAAP or applicable Laws, change its fiscal year, revalue any of its material assets or make any changes in financial or tax accounting methods, principles or practices;

(xxi) change any of its pricing policies, product return policies, product maintenance policies, service policies, product modification or upgrade policies, personnel policies or other business policies, in any material respect;

(xxii) take any action (or omit to take any action) if such action (or omission) would, or would be reasonably likely to result in (A) any representation and warranty of the Acquired Companies set forth in this Agreement that is qualified as to materiality becoming untrue (as so qualified) or (B) any such representation and warranty that is not so qualified becoming untrue in any material respect; or

(xxiii) authorize any of, or commit, resolve or agree to take any of, the foregoing actions.

4.3 No Negotiation.

(a) None of the Acquired Companies nor the Seller nor any of their respective Representatives shall directly or indirectly, (i) solicit, initiate, or knowingly encourage or induce the making, submission or announcement of any inquiries or the making of any proposal or offer related to an Acquisition Transaction or take any action that could reasonably be expected to lead to any such inquiries or the making of any such proposal or offer, (ii) furnish any information regarding the Acquired Companies to any Person in connection with or in response to an Acquisition Transaction or an inquiry or indication of interest that could reasonably be expected to lead to an Acquisition Transaction, (iii) engage in discussions or negotiations with any Person with respect to any Acquisition Transaction, (iv) approve, endorse or recommend any Acquisition Transaction, (v) make or authorize any statement, recommendation or solicitation in support of any possible Acquisition Transaction or (vi) enter into any letter of intent or similar document or any Contract having a primary purpose of effectuating, or which would effect, any Acquisition Transaction. Without limiting the generality of the foregoing, the Acquired Companies and the Seller acknowledge and agree that any violation of any of the restrictions set forth in the preceding sentence by any Representative of the Acquired Companies or the Seller, whether or not such Representative is purporting to act on behalf of the Acquired Companies or the Seller, shall be deemed to constitute a breach of this Section 4.3 by the Acquired Companies and the Seller.

(b) The Company shall promptly advise Purchaser in writing of any inquiry or proposal or offer received by the Acquired Companies, the Seller or any of their respective Representatives related to an Acquisition Transaction or any request for non-public information relating to the Acquired Companies (including the identity of the Person making or submitting such Acquisition Proposal or request, and the terms thereof) that is made or submitted by any Person during the Pre-Closing Period in connection with an Acquisition Proposal. The Company shall promptly notify Purchaser in writing of any material modification to any such inquiry, proposal or offer or request related to an Acquisition Transaction.

(c) The Acquired Companies and the Seller shall immediately cease and cause to be terminated any existing discussions with any Person that relate to any Acquisition Transaction. The Company will promptly request each Person that has executed, within 12 months prior to the date of this Agreement, a confidentiality, standstill or similar agreement in connection with its consideration of a possible Acquisition Transaction to return all confidential information heretofore furnished to such Person by or on behalf of the Acquired Companies or the Seller.

4.4 Closing Consideration Certificate. The Company and CORN-er Stone Management will prepare and deliver to Purchaser, not later than three Business Days prior to the Closing Date, a draft of the Closing Consideration Certificate.

4.5 Title Insurance and Survey. The Seller and the Acquired Companies shall use their reasonable best efforts to assist Purchaser in obtaining the Title Commitment, Title Policy and Survey in form and substance as set forth in Section 6.10, within the time periods set forth therein, including, without limitation, removing from title any Encumbrances which are not Permitted Encumbrances. The Seller shall provide the Title Company with any affidavit, indemnity or other assurances requested by the Title Company to issue the Title Policy, including a non-imputation affidavit in form and substance reasonably acceptable to the Title Company.

4.6 Release of Claims Against Company. Effective as of the Closing, each of the Seller, Agri-Energy L.P. and CORN-er Stone Management hereby releases and forever discharges the Company and its officers, managers, directors, governors, members and Affiliates, from any and all actions, causes of action, suits, debts, accounts, claims, contracts, demands, agreements, controversies, judgments, obligations, damages and liabilities of any nature whatsoever, in law or in equity, whether currently known or unknown, suspected or claimed, whether pursuant to contract, statute or otherwise, in each case, arising out of events prior to the Closing. Nothing herein shall deprive the Seller, Agri-Energy L.P. or CORN-er Stone Management of the right to pursue any remedy or otherwise to assert any claim arising out of this Agreement or the Contemplated Transactions.

4.7 Transfer of Cash from Seller to the Company. Immediately prior to the Closing, the Seller shall cause to be transferred to the Company all cash held by the Seller other than any cash received in connection with any Excluded Assets.

ARTICLE 5.
ADDITIONAL COVENANTS OF THE PARTIES

5.1 Reasonable Efforts; Cooperation. Subject to the other provisions hereof, each party shall use its reasonable, good faith efforts to perform its obligations hereunder and to take, or cause to be taken, and do, or cause to be done, all things necessary, proper or advisable under applicable Laws to (a) cause the conditions set forth in Article 7, in the case of the Acquired Companies and the Seller, and in Article 6, in the case of Purchaser, to be satisfied as soon as practicable prior to the Termination Date, and (b) take, or cause to be taken, all actions reasonably necessary to consummate the Contemplated Transactions and make effective the Contemplated Transactions as soon as practicable prior to the Termination Date, including the following:

(a) Each party shall promptly make its filings and submissions and shall take all actions necessary, proper or advisable under applicable Laws to obtain any required approval of any Governmental Body with jurisdiction over the Contemplated Transactions (except that no party shall have any obligation to take or consent to the taking of any action required by any such Governmental Body that could adversely affect the business or assets of the Acquired Companies or the Contemplated Transactions). The Acquired Companies shall furnish to Purchaser all information required for any application or other filing to be made by the Acquired Companies or Purchaser pursuant to any applicable Laws in connection with the Contemplated Transactions;

(b) Each party shall promptly notify the other parties of (and provide written copies of) any communications from or with any Governmental Body in connection with the Contemplated Transactions;

(c) In the event any Legal Proceeding by any Governmental Body or other Person is commenced that questions the validity or legality of the Contemplated Transactions or seeks Damages in connection therewith, the parties shall (i) cooperate and use all reasonable efforts to defend against such claim, action, suit, investigation or other proceeding, (ii) in the event an injunction or other order is issued in any such action, suit or other proceeding, use all reasonable efforts to have such injunction or other order lifted and (iii) cooperate reasonably regarding any other impediment to the consummation of the Contemplated Transactions; and

(d) The Acquired Companies shall give all notices to third parties and use its best efforts (in consultation with Purchaser) to obtain all third-party Consents (i) necessary, proper or advisable to consummate the Contemplated Transactions, (ii) required to be given or obtained or (iii) required to prevent a Material Adverse Effect, whether prior to, on or following the Closing Date, including but not limited to the notices and Consents identified on Parts 2.6(c) and 2.6(d) of the Company Disclosure Schedule).

5.2 Notification.

(a) Each of the parties will give prompt notice to the other parties of (i) the occurrence, or non-occurrence, of any event, the occurrence or non-occurrence of which would reasonably be expected to cause any representation or warranty of such party contained in this Agreement or the Related Agreements to be untrue or inaccurate, in each case at any time during the Pre-Closing Period and (ii) any failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party under this Agreement or the Related Agreements. No notification pursuant to this Section 5.2(a) will be deemed to amend or supplement the Company Disclosure Schedule, prevent or cure any misrepresentation, breach of warranty or breach of covenant, or limit or otherwise affect any rights or remedies available to the party receiving notice.

(b) Prior to the Closing, Agri-Energy L.P. will notify Parent of any changes to Part 1.2 of the Company Disclosure Schedule to reflect the Acquired Limited Partnership Assets as of the Closing Date.

5.3 Confidentiality.

(a) Each party agrees not to issue any press release or make any other public announcement relating to this Agreement or the Related Agreements without the prior written approval of the other parties, except that each of Purchaser and its Affiliates may, without the prior consent of the Acquired Companies or the Seller, make any public disclosure it believes in good faith is required by applicable securities laws or securities listing standards.

(b) Each party agrees to continue to abide by that certain Mutual Nondisclosure Agreement dated May 1, 2010 (the "***Confidentiality Agreement***"), the terms of which are incorporated by reference in this Agreement and which terms will survive until the

Closing, at which time the Confidentiality Agreement will terminate; *provided, however*, that if this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement will continue in full force and effect.

5.4 Employment Matters.

(a) Prior to the Closing, Purchaser, on behalf of the Company, shall make written offers of full-time "at-will" employment to all current employees of CORN-er Stone Management; *provided*, *however*, that such offers shall provide that employment with the Company will be conditioned upon: (i) the Closing having occurred; (ii) the individual remaining employed in good standing with CORN-er Stone Management through the Closing; and (iii) satisfactory completion of standard employment screening consistent with Purchaser's normal course of business (e.g., Form I-9s, background checks, etc). The current employees of CORN-er Stone Management who accept such offers of employment are referred to as the "New Purchaser Employees". Effective as of the Closing Date, CORN-er Stone Management shall terminate the employment of each New Purchaser Employee and shall pay each New Purchaser Employee the value of any vacation time accrued while employed with CORN-er Stone Management but unused as of the Closing Date.

(b) Neither Purchaser nor any of its Affiliates shall be liable or otherwise responsible for any accrued or unaccrued liability (including any liability for accrued vacation and any underfunding, penalties, excise taxes or otherwise) or other obligation, either existing currently or accrued or discovered in the future, with respect to any Employee Plan.

5.5 Tax Matters. Purchaser shall prepare and file, or cause to be prepared and filed, with the appropriate authorities all Tax Returns reflecting income from the Acquired Limited Partnership Assets after the Closing Date. If, in order to properly prepare the Tax Returns of any party to this Agreement, it is necessary that a party be furnished with additional information, documents or records, both the Seller and Purchaser agree to use reasonable efforts to furnish or make available such non-privileged information at the recipient's request, cost and expense.

5.6 Ethanol Producer Payments. After the Closing, the Company shall remit to the Seller any ethanol producer payments actually received by the Company from the State of Minnesota pursuant to Section 41A.09 of the Minnesota Statutes as a result of ethanol produced by the Acquired Companies prior to the Closing, less the amount of any Taxes owed at any time after the Closing Date by the Company or its Affiliates in connection with the receipt of such ethanol producer payments; *provided*, *however*, that neither the Company nor its Affiliates shall have any obligation to request or otherwise pursue any benefit or payment from the State of Minnesota or any other Person.

5.7 Bulk Sales Laws. Each of Purchaser and the Seller hereby waives compliance by the other with the so-called "bulk sales law" and any similar Laws in any applicable jurisdiction in respect of the Contemplated Transactions.

ARTICLE 6.
CONDITIONS PRECEDENT TO OBLIGATIONS OF PURCHASER

The obligations of Purchaser to effect the Purchase and otherwise consummate the Contemplated Transactions are subject to the satisfaction or written waiver, at or prior to the Closing, of each of the following conditions:

6.1 Accuracy of Representations. The representations and warranties of the Acquired Companies and the Seller contained in Section 2.4 shall have been accurate in all respects as of the date of this Agreement and shall be accurate in all respects as of the Closing Date as if made on and as of the Closing Date, except for de minimis inaccuracies. All other representations and warranties of the Acquired Companies and the Seller contained in this Agreement (a) that are qualified by materiality or Material Adverse Effect will be true and correct and (b) that are not qualified by materiality or Material Adverse Effect will be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing Date with the same force and effect as if they had been made on the Closing Date (except for any such representations or warranties that, by their terms, speak only as of a specific date or dates, in which case such representations and warranties that are qualified by materiality or Material Adverse Effect will be true and correct, and such representations and warranties that are not qualified by materiality or Material Adverse Effect will be true and correct in all material respects, as of such specified date or dates).

6.2 Performance of Covenants. All of the covenants and obligations that the Acquired Companies and the Seller are required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all material respects.

6.3 Seller Approval. This Agreement shall have been duly approved by the members of the Seller as required by applicable Laws, the applicable Constituent Documents and the Seller's organizational documents.

6.4 Consents. All notices required to have been delivered in connection with the Contemplated Transactions to any Person or Governmental Body shall have been delivered in accordance with all requirements of any applicable Contract or Law, and all Consents required to be obtained in connection with the Contemplated Transactions from any Person or Governmental Body shall have been obtained and shall be in full force and effect, including but not limited to the notices and Consents identified on Parts 2.6(c) and 2.6(d) of the Company Disclosure Schedule.

6.5 Agreements and Documents. Purchaser shall have received the following agreements and documents, each of which shall be in full force and effect:

(a) an assignment of the Company Units executed by the Seller and a copy of the membership ledger evidencing the assignment of the Company Units in favor of Purchaser;

(b) an Escrow Agreement in the form of ***Exhibit C***, executed by the Seller and the Escrow Agent;

(c) a certificate, dated as of the Closing Date, signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company representing and warranting after reasonable investigation that the conditions set forth in Section 6.1 and Section 6.2 have been duly satisfied (the "***Company Compliance Certificate***");

(d) the Closing Consideration Certificate;

(e) a payoff letter, in form and substance reasonably satisfactory to Purchaser, from Heartland to Purchaser, the Seller and the Acquired Companies setting forth the amount necessary to repay in full all of the obligations of Seller and the Acquired Companies owing to Heartland and including a release of all of the Encumbrances existing in favor of Heartland in and to the assets of the Seller and the Acquired Companies (the "***Heartland Payoff Letter***"), together with termination statements and other documentation evidencing the termination by Heartland of its Encumbrances in and to the properties and assets of the Seller and the Acquired Companies.

(f) a legal opinion of Cutler & Donahoe, LLP, in substantially the form attached hereto as ***Exhibit D***;

(g) FIRPTA documentation, including FIRPTA Notification Letters, in substantially the form attached hereto as ***Exhibit E-1*** and ***Exhibit E-2***, dated as of the Closing Date and executed by the Seller and Agri-Energy L.P., respectively;

(h) the bills of sale and other documents referenced in Section 1.6(b);

(i) evidence that the Second Member Control Agreement of the Company dated August 19, 2003 shall have been terminated with no liability to the Company;

(j) evidence that all Contracts between the Company and any other Acquired Company or the Seller shall have been terminated with no liability or obligation to the Company;

(k) an Amended and Restated Operating Agreement of the Company in the form attached hereto as ***Exhibit F***;

(l) Written Action of the Board of Governors of the Company authorizing this Agreement, the Related Agreements and the Contemplated Transactions;

(m) Written Action of Seller as sole member of the Company authorizing this Agreement, the Related Agreements and the Contemplated Transactions;

(n) documentation necessary, in Purchaser's sole discretion, to confirm that the Seller owns 100% of the equity interests of the Company; and

(o) such other documents, instruments and certificates as Purchaser may reasonably request no later than five Business Days prior to the Closing for the purpose of consummating the Contemplated Transactions.

6.6 Financial Statements. Deloitte & Touche LLP shall have completed its audit of the financial statements of the Acquired Companies for the fiscal years ended December 31, 2009, 2008 and 2007.

6.7 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the Contemplated Transactions shall have been threatened or issued by any Governmental Body and remain in effect, and there shall not be any Law enacted or deemed applicable to the Contemplated Transactions that makes consummation of the Contemplated Transactions illegal or unduly burdensome to Purchaser.

6.8 No Litigation. There shall not be pending or threatened any Legal Proceeding, and neither Purchaser nor the Acquired Companies shall have received any communication from any Person in which such Person indicates the possibility of commencing any Legal Proceeding or taking any other action: (a) challenging or seeking to restrain or prohibit the consummation of the Contemplated Transactions; (b) relating to the Contemplated Transactions and seeking to obtain from Purchaser or any of its Subsidiaries, or the Acquired Companies, any Damages or other relief that may be material to Purchaser; (c) seeking to prohibit or limit in any material respect Purchaser's ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to the equity interests of the Acquired Companies; (d) which would materially and adversely affect the right of Purchaser or the Acquired Companies or any Subsidiary of Purchaser to own the assets or operate the business of the Acquired Companies; or (e) which could reasonably be expected to have a Material Adverse Effect on Purchaser or the Acquired Companies.

6.9 Absence of Changes. There shall not have occurred any change or event that has had or could reasonably be expected to have a Material Adverse Effect on the Acquired Companies.

6.10 Real Property Matters.

(a) Purchaser shall have obtained no later than 10 days prior to the Closing, a commitment for an ALTA Owner's Title Insurance Policy 2006 Form (or other form of policy acceptable to Purchaser) for the Owned Real Property, issued by a title insurance company satisfactory to Purchaser (the "***Title Company***"), together with a copy of all documents referenced therein (the "***Title Commitment***"). At Closing, Purchaser shall have obtained a title insurance policy from the Title Company (which may be in the form of a mark-up of a pro forma of the Title Commitment) in accordance with the Title Commitment, insuring the Company's fee simple title to the Owned Real Property as of the Closing Date (including all recorded appurtenant easements insured as separate legal parcels) with gap coverage from the Company through the date of recording, subject only to Permitted Encumbrances, in such amount as Purchaser and the Company reasonably determine to be the value of the Real Property insured thereunder (the "***Title Policy***"). The Title Policy shall include an extended coverage endorsement (insuring over the general or standard exceptions), ALTA Form 3.1 zoning (with parking and loading docks), non-imputation, and all other endorsements reasonably requested by Purchaser, in form and substance reasonably satisfactory to Purchaser and the Title Company. The […***…] Seller shall provide to

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Purchaser and the Title Company, a non-imputation affidavit, in form and substance reasonably acceptable to the Title Company.

(b) Purchaser shall have obtained no later than 10 days prior to the Closing, a survey for the Owned Real Property, dated no earlier than the date of this Agreement, prepared by a licensed surveyor satisfactory to Purchaser, and conforming to 2005 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Survey, including Table A Items Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(1), 7(c), 8, 9, 10, 11(b), 13, 14, 15, 16, 17, 18 and 19 and such other standards as the Title Company and Purchaser require as a condition to the removal of any survey exceptions from the Title Policy, and certified to Purchaser, Purchaser's lender, if any, the Company, and the Title Company, in a form satisfactory to each of such parties (the "***Survey***"). The Survey shall not disclose any encroachment from or onto the Owned Real Property or any portion thereof or any other survey defect which has not been cured or, provided the Title Company will issue a further assurance endorsement with respect to such defect, insured over to Purchaser's satisfaction prior to the Closing.
[…***…]

ARTICLE 7.
CONDITIONS PRECEDENT TO OBLIGATIONS OF THE ACQUIRED COMPANIES AND THE SELLER

The obligations of the Acquired Companies and the Seller to effect the Purchase and otherwise consummate the Contemplated Transactions are subject to the satisfaction or written waiver, at or prior to the Closing, of the following conditions:

7.1 Accuracy of Representations. The representations and warranties of Purchaser set forth in this Agreement (a) that are qualified by materiality or Material Adverse Effect will be true and correct and (b) that are not qualified by materiality or Material Adverse Effect will be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing Date with the same force and effect as if they had been made on the Closing Date (except for any such representations and warranties that, by their terms, speak only as of a specific date or dates, in which case such representations and warranties that are qualified by materiality or Material Adverse Effect will be true and correct, and such representations and warranties that are not qualified by materiality or Material Adverse Effect will be true and correct in all material respects, on and as of such specified date or dates).

7.2 Performance of Covenants. All of the covenants and obligations that Purchaser is required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all material respects.

7.3 Documents. The Company shall have received the following documents:

(a) the Assumption Agreement, executed by Purchaser;

(b) an Escrow Agreement in the form of ***Exhibit C***, executed by Purchaser and the Escrow Agent; and

(c) a certificate, dated as of the Closing Date, signed on behalf of Purchaser by the Chief Executive Officer and the Chief Financial Officer of Purchaser

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representing and warranting that the conditions set forth in Section 7.1 and Section 7.2 have been duly satisfied.

7.4 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the Contemplated Transactions shall have been threatened or issued by any Governmental Body and remain in effect, and there shall not be any Law enacted or deemed applicable to the Contemplated Transactions that makes consummation of the Contemplated Transactions illegal.

7.5 No Governmental Litigation. There shall not be pending or threatened any Legal Proceeding in which a Governmental Body is or is threatened to become a party or is otherwise involved, and neither Purchaser nor the Acquired Companies shall have received any communication from any Governmental Body in which such Governmental Body indicates the possibility of commencing any Legal Proceeding or taking any other action challenging or seeking to restrain or prohibit the consummation of the Contemplated Transactions.

7.6 Consents. All Consents set forth in Part 7.6 of the Company Disclosure Schedule shall have been obtained and shall be in full force and effect, except for any Consent the receipt of which has been waived by Purchaser as a condition to its obligation to consummate the Purchase. No waiver by Purchaser pursuant to this Section 7.6 shall limit or otherwise affect any other rights or remedies available to Purchaser.

7.7 Heartland. At or prior to the Closing, Heartland shall have released (a) each of the Seller, Agri-Energy L.P. and CORN-er Stone Management from all liabilities under the Credit Agreement, and (b) all liens granted or created by the Seller, Agri-Energy L.P. and CORN-er Stone Management pursuant to the Credit Agreement.

ARTICLE 8.
TERMINATION

8.1 Termination Events. This Agreement may be terminated prior to the Closing, whether before or after approval of this Agreement by the Agri-Energy Partners:

(a) by mutual written consent of Purchaser and the Seller;

(b) by either Purchaser or the Seller, if there shall be any Law enacted or deemed applicable to the Contemplated Transactions that makes consummation of the Contemplated Transactions illegal, or if any Order by any Governmental Body of competent jurisdiction preventing or prohibiting consummation of the Contemplated Transactions shall have become final and nonappealable; *provided, however*, that the party seeking to terminate this Agreement pursuant to this Section 8.1(b) must have used all reasonable efforts to remove any such Order prior to the Termination Date;

(c) by Purchaser, if there has been a material inaccuracy of any representation or warranty, or a failure to comply with or perform any covenant or agreement contained in this Agreement or the Related Agreements on the part of the Acquired Companies or the Seller which inaccuracy or failure causes any of the conditions set forth in Article 6 to not be satisfied; *provided, however*, that Purchaser may not terminate this Agreement under this

Section 8.1(c) on account of an inaccuracy in the Acquired Companies' or the Seller's representations and warranties, or on account of a failure to comply with or perform a covenant by the Acquired Companies or the Seller, if such inaccuracy or failure is curable by the Acquired Companies or the Seller, unless the Acquired Companies or the Seller fail to cure such inaccuracy or breach within 15 days after receiving written notice from Purchaser of such inaccuracy or failure;

(d) by the Seller, if there has been a material inaccuracy of any representation or warranty, or a failure to comply with or perform any covenant or agreement contained in this Agreement or the Related Agreements on the part of Purchaser, which inaccuracy or failure causes any of the conditions set forth in Article 7 to not be satisfied; *provided, however*, that the Seller may not terminate this Agreement under this Section 8.1(d) on account of an inaccuracy in Purchaser's representations and warranties, or on account of a failure to comply with or perform a covenant by Purchaser, if such inaccuracy or failure is curable by Purchaser, unless Purchaser fails to cure such inaccuracy or breach within 15 days after receiving written notice from the Seller of such inaccuracy or failure; or

(e) by Purchaser or the Seller, if the Closing has not taken place on or before November 30, 2010 (the "***Termination Date***") (other than as a result of any failure on the part of the terminating party to comply with or perform any of its covenants or obligations set forth in this Agreement).

8.2 Termination Procedures. If either party wishes to terminate this Agreement pursuant to Section 8.1, it shall deliver to the other party a written notice stating that it is terminating this Agreement and setting forth a brief description of the basis on which it is terminating this Agreement.

8.3 Effect of Termination. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the parties under this Agreement and the Related Agreements shall terminate; *provided, however*, that: (a) neither the Acquired Companies, the Seller nor Purchaser shall be relieved of any obligation or Liability arising from any prior breach by such party of any representation, warranty, covenant or other provision of this Agreement; (b) the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Article 10; (c) the Acquired Companies shall, in all events, remain bound by and continue to be subject to Section 5.3; and (d) no party shall be liable for any consequential or punitive Damages.

ARTICLE 9.
INDEMNIFICATION, ETC.

9.1 Survival of Representations, Etc.

(a) The representations and warranties of the Acquired Companies and the Seller contained in this Agreement, the Related Agreements, the Company Disclosure Schedule or any other document, certificate, schedule or instrument delivered or executed in connection herewith (including the representations and warranties set forth in Article 2 and the representations set forth in the Company Compliance Certificate) shall survive the Closing and shall expire at 11:59 p.m. Eastern Time on […***…]; *provided*, *however*, that (i) the representations and warranties of the Acquired Companies and the Seller set forth in […***…] (collectively, the "***Fundamental Representations***") shall survive until 60 days following the expiration of the applicable statute of limitations; and (ii) if, at any time prior to the expiration of the Escrow Period, any Purchaser Indemnitee delivers to the Seller a written notice alleging the existence of an inaccuracy in or a breach of any of the representations or warranties of the Acquired Companies or the Seller (and setting forth in reasonable detail the basis for such Purchaser Indemnitee's belief that such an inaccuracy or breach may exist) and asserting a claim for recovery under Section 9.2 based on such alleged inaccuracy or breach, then the representation or warranty underlying the claim asserted in such notice shall survive the end of the Escrow Period until such time as such claim is fully and finally resolved. All of the covenants, agreements and obligations of the parties contained in this Agreement shall survive (A) until fully performed or fulfilled, unless non-compliance with such covenants, agreements or obligations is waived in writing by the party or parties entitled to such performance or (B) if not fully performed or fulfilled, until the expiration of the relevant statute of limitations. All representations and warranties made by Purchaser shall survive the Closing and shall expire at 11:59 p.m. Eastern Time on the final day of the Escrow Period.

(b) The representations, warranties, covenants and obligations of each party, and the rights and remedies that may be exercised by the Purchaser Indemnitees, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of, any of such parties. The parties recognize and agree that the representations and warranties also operate as bargained for promises and risk allocation devices and that, accordingly, any party's knowledge, and the waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, shall not affect the right to indemnification or payment of Damages pursuant to this Article 9, or other remedy based on such representations, warranties, covenants, and obligations.

(c) Notwithstanding anything herein to the contrary, the representations and warranties of the Acquired Companies and the Seller contained in this Agreement shall, for purposes of the indemnifying parties' obligations pursuant to this Article 9, be deemed to be made as of the date of this Agreement and as of the Closing Date (except to the extent any such representation or warranty expressly speaks of an earlier date) without regard to any exceptions set forth in the Company Compliance Certificate.

9.2 Indemnification by the Seller and Agri-Energy L.P.

(a) The Seller and Agri-Energy L.P. will indemnify and hold harmless each Purchaser Indemnitee from and against any Damages which are directly or indirectly suffered or incurred by any Purchaser Indemnitee or to which any Purchaser Indemnitee may otherwise become subject (regardless of whether or not such Damages relate to any third-party claim) and which arise from or as a result of, or are directly or indirectly connected with:

(i) any inaccuracy in, breach or alleged breach of any representation or warranty of the Acquired Companies or the Seller set forth in this Agreement,

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any Related Agreement, the Company Disclosure Schedule, the Company Compliance Certificate or any other document, certificate, schedule or instrument delivered or executed in connection herewith, in each case, without giving effect to any materiality, "Material Adverse Effect" or any similar qualification contained or incorporated directly or indirectly in such representation or warranty (other than any such representation or warranty set forth in Section 2.18);

(ii) any breach or alleged breach of any covenant or obligation of the Acquired Companies or the Seller (including the covenants set forth in Articles 4 and 5);

(iii) the amount of any Company Indebtedness or Company Capital Lease Obligations not deducted from the Company Purchase Price;

(iv) any Adjustments Deficiency;

(v) any liability or obligation of Agri-Energy L.P. of any nature whatsoever other than the Assumed Liabilities;

(vi) any matter disclosed on Part 2.13(a) to the Company Disclosure Schedule; and

(vii) any Legal Proceeding relating to any matter referred to in clauses (i) through (vii) above (including any Legal Proceeding commenced by any Purchaser Indemnitee for the purpose of enforcing any of its rights under this Article 9).

(b) After Closing, Purchaser may conduct a Phase II Environmental Site Assessment of the Real Property to investigate potential Releases of Materials of Environmental Concern arising from the October 2009 denatured ethanol release listed in the Minnesota SPILLS Database No. 57572966 and any "recognized environmental condition" identified in the Phase I Environmental Site Assessment dated July 2010 prepared by ENVIRON International Corporation (together, the "***Special Environmental Condition***"). The Seller and Agri-Energy L.P. acknowledge receipt of said Phase I Environmental Site Assessment. The Seller and Agri-Energy L.P. will indemnify and hold harmless each Purchaser Indemnitee from and against any Damages which are directly or indirectly suffered or incurred by any Purchaser Indemnitee or to which any Purchaser Indemnitee may otherwise become subject (regardless of whether or not such Damages relate to any third party claim) and which arise from or as a result of, or are directly or indirectly connected with, any such investigation and resulting Remediation in accordance with Environmental Law (including, but not limited to, any additional investigation activities beyond the Phase II Environmental Site Assessment performed by Purchaser) of the Special Environmental Condition to secure the appropriate Governmental Body's determination that "no further action" is necessary with respect to the Special Environmental Condition.

(c) In the event any Acquired Company suffers, incurs or otherwise becomes subject to any Damages as a result of or in connection with any inaccuracy in, breach or alleged breach of any representation, warranty, covenant or obligation, then (without limiting any of the rights of any Acquired Company as a Purchaser Indemnitee) Purchaser shall also be deemed, by virtue of its ownership of the equity interests of the Acquired Companies, to have incurred Damages as a result of and in connection with such inaccuracy or breach but in either case the total amount that Purchaser and the Acquired Companies may recover shall not exceed the amount of actual Damages.

(d) Purchaser will indemnify and hold harmless the Seller and Agri-Energy, L.P. from and against any Damages which are directly or indirectly suffered or incurred by Seller or Agri-Energy, L.P. or to which the Seller or Agri-Energy, L.P. may otherwise become subject (regardless of whether or not such Damages relate to any third-party claim) and which arise from or as a result of, or are directly or indirectly connected with:

(i) any inaccuracy in, breach or alleged breach of any representation or warranty of Purchaser set forth in this Agreement, any Related Agreement, or any other document, certificate, schedule or instrument delivered or executed in connection herewith;

(ii) any breach or alleged breach of any covenant or obligation of Purchaser (including the covenants set forth in Article 5);

(iii) any amounts by which the Final Working Capital exceeds Estimated Working Capital; and

(iv) any Legal Proceeding relating to any matter referred to in clauses (i) through (iii) above (including any Legal Proceeding commenced by the Seller or Agri-Energy, L.P. for the purpose of enforcing any of its rights under this Article 9).

9.3 Threshold. No Indemnitee shall be entitled to indemnification pursuant to Section 9.2(a)(i) or Section 9.2(d)(i) until such time as the total amount of all Damages that have been directly or indirectly suffered or incurred by any one or more of the Indemnitees, or to which any one or more of the Indemnitees has or have otherwise become subject, exceeds […***…] (the "***Threshold***") in the aggregate. Furthermore, if the total amount of such Damages exceeds the Threshold, then any Indemnitee that has suffered or incurred any Damages shall be entitled to be held harmless, indemnified against and compensated, reimbursed and paid for only such Damages which exceed the Threshold; *provided, however,* that Damages directly or indirectly resulting from or arising out of fraud, willful breach or intentional misrepresentation, any amounts due in connection with the purchase and sale of the Working Capital or any failure of the Fundamental Representations to be true and correct shall not be subject to the Threshold.

9.4 No Contribution. The Seller shall not have and shall not exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or other right or remedy against any Acquired Company in connection with any indemnification obligation or any other Liability to which the Seller may become subject, to or in connection with this Agreement or any Related Agreement.

9.5 Defense of Third Party Claims.

(a) Except as otherwise provided in Section 9.6, in the event of the assertion or commencement by any Person of any claim or Legal Proceeding (whether against

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the Acquired Companies, against Purchaser or against any other Person) with respect to which any party may be entitled to indemnification or any other remedy pursuant to this Article 9, the party against whom such claim or Legal Proceeding has been asserted or commenced shall promptly give the opposite party and the Escrow Agent written notice of such claim or Legal Proceeding (a "***Claim***"); *provided*, *however*, that any failure to so notify shall not limit any party's rights to indemnification under this Article 9 (except to the extent such failure materially prejudices the defense of such Legal Proceeding).

(b) Within 10 days of delivery of such written notice, the party obligated to indemnify may elect (by written notice delivered to the opposite party) to take all necessary steps to properly contest any Claim involving third parties or to prosecute such Claim to conclusion or, subject to Section 9.5(d), settlement. If the indemnifying party makes the foregoing election, an Indemnitee will have the right to participate at its own expense in all proceedings. If the indemnifying party does not make such election within such period or fails to diligently contest such Claim after such election, then the Indemnitee shall be free to handle the prosecution or defense of any such Claim, and will take all necessary steps to contest the Claim involving third parties or to prosecute such Claim to conclusion or settlement, and will notify the indemnifying party of the progress of any such Claim, will permit the indemnifying party, at the sole cost of the indemnifying party, to participate in such prosecution or defense and will provide the indemnifying party with reasonable access to all relevant information and documentation relating to the Claim and the prosecution or defense thereof. In any case, the party not in control of the Claim will reasonably cooperate with the other party in the conduct of the prosecution or defense of such Claim.

(c) Notwithstanding the foregoing, if a Claim includes Damages equal to an amount in excess of the value of the Indemnity Escrow Fund on the date of the Claim, or relates to any Taxes, Proprietary Rights or other intellectual property issues, or involves any action by any Governmental Body, Purchaser shall have the right, at its election, to proceed with the defense of such Claim on its own, subject to Section 9.5(d).

(d) Neither party will compromise or settle any such Claim without the written consent of either Purchaser (if the Seller defends the Claim) or the Seller (if a Purchaser Indemnitee defends the Claim). Notwithstanding anything in this Agreement to the contrary, either party may withhold its consent to any settlement that does not include a full general release of all the claims against such party and its Affiliates from all parties to the litigation or that requires such party or any of its Affiliates to perform any covenant or refrain from engaging in any activity.

9.6 […***…]

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[…***…]

9.7 Tax Treatment. The parties shall report any indemnification payment made pursuant to this Article 9 as a purchase price adjustment unless otherwise required by applicable Laws.

ARTICLE 10.
MISCELLANEOUS PROVISIONS

10.1 Dispute Resolution; Arbitration.

(a) The parties agree that if any dispute or controversy, other than a matter for which a party is entitled to specific performance or injunctive relief, arises out of this Agreement or any Related Agreement or the performance, breach, validity, interpretation or enforcement thereof, it is in the best interests of the parties for such dispute or controversy to be resolved in the shortest time and with the lowest cost of resolution practicable. Consequently, the parties agree to resolve any dispute or controversy, other than a matter for which a party is entitled to specific performance or injunctive relief, without resort to the courts. If any dispute or controversy arises (other than disputes regarding Working Capital which shall be resolved according to the procedures described in Section 1.9), the parties will comply with the following procedures: (i) the party believing a dispute to exist will give the other parties prompt written notice thereof, setting forth in reasonable detail the facts alleged to give rise to such dispute, any relevant contractual provisions, the nature of any claimed default or breach and a statement of the manner in which such party believes the dispute should be resolved; (ii) within 20 days after receipt of such notice, each party against whom relief is sought in connection with such dispute will deliver a written response, setting forth in reasonable detail its views of the facts alleged to give rise to such dispute, any relevant contractual provisions, the nature of the claimed default or breach and a statement of the manner in which such party believes the dispute should be resolved; and (iii) if the parties do not agree on the manner in which the dispute should be resolved, they will arrange to hold a meeting within 10 days after delivery of the response. Each party shall have in attendance at such meeting a representative with the authority to resolve such dispute. At the meeting (and any adjournments thereof), the parties will negotiate in an attempt to agree as to whether a dispute exists, the exact nature of the dispute and the manner in which the dispute should be resolved. If deemed appropriate by the parties, a professional mediator may be engaged to assist in resolving the dispute. Any resolution of the dispute will be evidenced by a written agreement setting forth in reasonable detail the actions to be taken by each party. If no such written agreement is reached within 20 days after the first meeting (the "***Negotiation Period***"), a party may pursue binding arbitration with respect to such dispute pursuant to Section 10.1(b).

(b) **Binding Arbitration**. To the extent that the dispute resolution procedures set forth in Section 10.1(a) are unsuccessful, all disputes and controversies arising out

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of or relating to this Agreement, the Related Agreements or any of the other documents to be delivered hereunder, or the performance, breach, validity, interpretation or enforcement thereof, will be resolved by binding arbitration in accordance with Title 9 of the U.S. Code (United States Arbitration Act) and the Commercial Arbitration Rules (the "***Rules***") of the AAA, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(c) Notice; Selection of Arbitrators. A party may initiate arbitration by sending written notice of its intention to arbitrate to the other parties and to the AAA office located in Dallas, Texas (the "***Arbitration Notice***") within five Business Days after expiration of the Negotiation Period. The Arbitration Notice will contain a description of the dispute and the remedy sought. The arbitration will be conducted at the offices of the AAA in Chicago, Illinois before three independent and impartial arbitrators. Each party will be entitled to select one arbitrator, and the two individuals so selected will select the third arbitrator.

(d) Procedures. Except as otherwise specifically provided herein, the arbitration and any discovery conducted in connection therewith will be conducted in accordance with the Rules. The arbitrators' authority to make any award will be based on and limited by the Laws of the State of Delaware and the terms and conditions of this Agreement and the Related Agreements. The arbitrators will deliver their decision in writing, together with a summary of the reasons for their decision, including citations to legal authority to the extent appropriate. The decision of the arbitrators will be final and binding on all parties and their successors and permitted assignees. A judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The parties intend that this agreement to arbitrate be irrevocable.

(e) Hearings; Decisions. The panel of arbitrators will be selected no later than 45 days after the date of the Arbitration Notice. The parties will request that the arbitration hearing commence no later than three months after the panel of arbitrators is selected and that the arbitrators render their decision no later than 30 days after the close of the hearing, in accordance with AAA Rules.

(f) Fees and Costs of Arbitration. The arbitrators' fees and costs will conform to the then current AAA fee schedule and will be borne equally by Purchaser and the Seller.

10.2 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the Contemplated Transactions.

10.3 Attorneys' Fees. If any action or proceeding relating to this Agreement or the enforcement of any provision of this Agreement is brought against any party hereto, each party shall bear its own attorneys' fees, costs and disbursements.

10.4 Notices. Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received (a) when received if hand delivered, (b) on the first Business Day of confirmation by sender of receipt if sent by facsimile or (c) on the first Business Day after being sent by registered overnight mail, return receipt requested, by overnight courier or by overnight express delivery service, to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other parties hereto):

the Acquired Companies (before the Closing):

Agri-Energy, LLC
502 S. Walnut Ave.
Luverne, MN 56156
Attention: Norman Smeenk
Fax no.: (507) 283-0001
E-mail address: jsommers@agrienergy.com

with a mandatory copy to
(which copy shall not constitute notice):

Cutler & Donahoe, LLP
100 N. Phillips Ave., 9th Floor
Sioux Falls, SD 57104
Attention: Ryan J. Taylor
Fax no.: (605) 335-4961
E-mail address: ryant@cutlerlawfirm.com

Seller:

CORN-er Stone Farmers’ Cooperative
c/o Cutler & Donahoe, LLP
100 N. Phillips Ave., 9th Floor
Sioux Falls, SD 57104
Attention: Ryan J. Taylor
Fax no.: (605) 335-4961
E-mail address: david.kolsrud@dakrenewableenergy.com

with a mandatory copy to
(which copy shall not constitute notice):

Cutler & Donahoe, LLP
100 N. Phillips Ave., 9th Floor
Sioux Falls, SD 57104
Attention: Ryan J. Taylor
Fax no.: (605) 335-4961
E-mail address: ryant@cutlerlawfirm.com

Purchaser:

c/o Gevo, Inc.
345 Inverness Drive South
Building C, Suite 310
Englewood, CO 80112
Attention: General Counsel
Fax no.: (303) 858-8431

with a mandatory copy to (which copy shall not constitute notice):

Paul, Hastings, Janofsky & Walker LLP
4747 Executive Drive, 12th Floor
San Diego, California 92121
Attention: Deyan P. Spiridonov, Esq.
Fax no.: (858) 458-3144
E-mail address: spiri@paulhastings.com

10.5 Time of the Essence. Time is of the essence of this Agreement.

10.6 Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

10.7 Governing Law. This Agreement and the Related Agreements shall be governed by and interpreted and enforced in accordance with the Laws of the State of Delaware, without giving effect to any choice of Law or conflict of Laws rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

10.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns (if any). Prior to the Closing, neither party shall assign this Agreement or any rights or obligations hereunder (by operation of law or otherwise) to any Person without the consent of the other party, which consent may not be unreasonably withheld or delayed. Anything in this Agreement or any Related Agreement to the contrary notwithstanding, Purchaser shall have the right (without the prior written consent of any of the Acquired Companies or the Seller), at any time, and in its sole discretion, to assign for security interest purposes any or all of its rights under this Agreement and any Related Agreement to any lender providing financing to Purchaser, any of Purchaser’s permitted assigns, or any Affiliates of Purchaser or Purchaser’s permitted assigns (Purchaser, such assigns, and such Affiliates, collectively, the “***Purchaser Parties***”) and, upon the occurrence and during the continuance of any event of default under the financing agreements between any such lender and any of the Purchaser Parties, such lender may exercise any or all of the rights, interests, and remedies of any of the Purchaser Parties under this Agreement or any Related Agreement.

10.9 Remedies Cumulative; Specific Performance. The rights and remedies of the parties hereto shall be cumulative (and not alternative). The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. The parties accordingly agree that, in addition to any other remedy to which they are entitled at law or in equity, the parties are entitled to injunctive relief to prevent breaches of this Agreement and otherwise to enforce specifically the provisions of this Agreement. Each party expressly waives any requirement that any other party obtain any bond or provide any indemnity in connection with any action seeking injunctive relief or specific enforcement of the provisions of this Agreement.

10.10 Waiver. No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

10.11 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of all of the parties hereto.

10.12 Severability. In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

10.13 Parties in Interest. None of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties hereto, the Indemnitees and their respective successors and assigns (if any). No Employees or others may rely on this Agreement as the basis for any breach of contract claim against Purchaser, the Acquired Companies or any related Entity. Nothing in this Agreement shall be deemed or construed to require Purchaser, the Acquired Companies or any related Entity to employ any particular employee for any period of time. Nothing in this Agreement shall be deemed or construed to limit Purchaser’s, the Acquired Companies’ or any related Entity’s right to terminate the employment of any employee, and nothing in this Agreement shall modify or amend any Employee Plan or other agreement, plan, program or document unless this agreement explicitly states that the provision “amends” such Employee Plan or other agreement, plan, program or document.

10.14 Entire Agreement. This Agreement, the Related Agreements and the Confidentiality Agreement set forth the entire understanding of the parties hereto relating to the subject matter hereof and thereof and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter hereof and thereof.

10.15 Construction; Interpretation. Any reference in this Agreement to an “Article,” “Section,” “Exhibit” or “Schedule” refers to the corresponding Article, Section, Exhibit or Schedule of or to this Agreement, unless the context indicates otherwise. The table of contents and the headings of Articles and Sections are provided for convenience only and are not intended to affect the construction or interpretation of this Agreement. All words used in this Agreement should be construed to be of such gender or number as the circumstances require. The term “including” means “including, without limitation” and is intended by way of example and not limitation. Any reference to a statute is deemed also to refer to any amendments or successor legislation, and all rules and regulations promulgated thereunder, as in effect at the relevant time. Any reference to a Contract or other document as of a given date means the Contract or other document as amended, supplemented and modified from time to time through such date. The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no provision of this Agreement will be interpreted for or against any party because that party or its attorney drafted the provision.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The parties hereto have caused this Agreement to be executed and delivered as of the date first set forth above.

GEVO DEVELOPMENT, LLC
a Delaware limited liability company

By: /s/ Patrick R. Gruber
Name: Patrick R. Gruber
Title: Executive Chairman

AGRI-ENERGY, LLC
a Minnesota limited liability company

By: /s/ Norman Smeenk
Name: Norman Smeenk
Title: Chairman

CORN-ER STONE FARMERS COOPERATIVE
a Minnesota cooperative association

By: /s/ Norman Smeenk
Name: Norman Smeenk
Title: Chairman

AGRI-ENERGY LIMITED PARTNERSHIP
a Minnesota limited partnership

By: CORN-er Stone Ethanol
Management, Inc., its general partner

By: /s/ Norman Smeenk
Name: Norman Smeenk
Title: Chairman

CORN-ER STONE ETHANOL MANAGEMENT, INC.
a Minnesota corporation

By: /s/ Norman Smeenk
Name: Norman Smeenk
Title: Chairman

[SIGNATURE PAGE TO ACQUISITION AGREEMENT]

EXHIBIT A

CERTAIN DEFINITIONS

For purposes of the Agreement (including this ***Exhibit A***):

"***Accrued Vacation Liabilities***" has the meaning specified in Section 1.7(c).

"***Acquired Companies***" has the meaning specified in the Preamble.

"***Acquired Limited Partnership Assets***" has the meaning specified in Section 1.2.

"***Acquisition Proposal***" means any bona fide, unsolicited, written proposal (which is not withdrawn) contemplating or otherwise relating to any Acquisition Transaction.

"***Acquisition Transaction***" means any transaction or series of transactions (other than the Contemplated Transactions) involving: (a) any merger, consolidation, share exchange, business combination, issuance of securities, direct or indirect acquisition of securities, recapitalization, tender offer, exchange offer or other similar transaction in which (i) any Acquired Company is a constituent corporation or is otherwise involved, (ii) a Person or "group" (as defined in the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder) of Persons directly or indirectly acquires beneficial or record ownership of securities representing more than 5% of the outstanding securities of any class of voting securities of any Acquired Company, or (iii) any Acquired Company issues securities representing more than 5% of the outstanding securities of any class of voting securities of such Acquired Company; (b) any direct or indirect sale, lease, exchange, transfer, license, acquisition or disposition of any business or businesses or of assets or rights that constitute or account for 10% or more of the consolidated net revenues, net income or assets of any Acquired Company; or (c) any liquidation or dissolution of any Acquired Company.

"***Adjustments Deficiency***" has the meaning specified in Section 1.9(e).

"***Adjustments Escrow Amount***" has the meaning specified in Section 1.8(b).

"***Adjustments Escrow Fund***" has the meaning specified in Section 1.10.

"***Affiliate***" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by or under common control with such Person.

"***Agreement***" means the Acquisition Agreement to which this Exhibit A is attached (including the Company Disclosure Schedule), as it may be amended from time to time.

"***Agri-Energy L.P.***" has the meaning specified in the Preamble.

"***Agri-Energy L.P. Purchase Price***" has the meaning specified in Section 1.7(b).

"***Agri-Energy Partner***" means a holder of any partnership interest of Agri-Energy L.P.

"***Arbitration Notice***" has the meaning specified in Section 10.1(c).

"***Asset Purchase***" has the meaning specified in the Recitals.

"***Assumed Contracts***" means those Contracts to which Agri-Energy L.P. is a party and which relate to the business of Agri-Energy L.P.; *provided*, *however*, that the Assumed Contracts shall not include any Contract which is an Excluded Asset.

"***Assumed Liabilities***" has the meaning specified in Section 1.4(b).

"***Assumption Agreement***" has the meaning specified in Section 1.7(b).

"***Aventine Bankruptcy Proceedings***" means the Legal Proceedings identified on Part 2.13(a) and Part 2.13(b) of the Company Disclosure Schedule.

"***Balance Sheet***" has the meaning specified in Section 2.7(a).

"***Business Day***" means a day other than Saturday or Sunday and on which commercial banks are permitted by applicable Laws to be open for business in New York, New York.

"***Claim***" has the meaning specified in Section 9.5(a).

"***Closing***" has the meaning specified in Section 1.6(a).

"***Closing Balance Sheet***" has the meaning specified in Section 1.9(b).

"***Closing Consideration Certificate***" means a certificate executed by the Chief Financial Officer of each of the Company and CORN-er Stone Management dated as of the Closing Date, certifying the amount of Company Indebtedness, Company Capital Lease Obligations, Transaction Expenses and Accrued Vacation Liabilities.

"***Closing Date***" has the meaning specified in Section 1.6(a).

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Company***" has the meaning specified in the Preamble.

"***Company Capital Lease Obligations***" has the meaning specified in Section 1.7(c)(ii).

"***Company Compliance Certificate***" has the meaning specified in Section 6.5(c).

"***Company Contract***" means any Contract, including any amendment or supplement thereto: (a) to which any of the Acquired Companies is a party; (b) by which any of the Acquired Companies or any of their assets are or may become bound or under which any of the Acquired Companies has, or may become subject to, any obligation; or (c) under which any of the Acquired Companies has or may acquire any right or interest.

“***Company Disclosure Schedule***” means the schedule (dated as of the date of this Agreement and modifying the representations and warranties of the Acquired Companies and the Seller in Article 2) delivered to Purchaser on behalf of the Acquired Companies and the Seller on the date of this Agreement.

“***Company Financial Statements***” has the meaning specified in Section 2.7(a).

“***Company Indebtedness***” has the meaning specified in Section 1.7(c)(iii).

“***Company Product(s)***” means each and all of the products of the Acquired Companies (including without limitation all software products), whether currently being manufactured or distributed, currently under development, or otherwise anticipated to be distributed under any product “road map” of the Acquired Companies.

“***Company Proprietary Right(s)***” means any Proprietary Rights owned by or licensed to any of the Acquired Companies or otherwise used in the business of the Acquired Companies.

“***Company Purchase Price***” has the meaning specified in Section 1.7(a).

“***Company Returns***” has the meaning specified in Section 2.16(a).

“***Company Source Code***” means any source code, or any portion, aspect or segment of any source code, relating to any Proprietary Rights owned by or licensed to any of the Acquired Companies or otherwise used by the Acquired Companies.

“***Company Units***” has the meaning specified in the Recitals.

“***Confidentiality Agreement***” has the meaning specified in Section 5.3(b).

“***Consent***” means any approval, consent, ratification, permission, waiver or authorization (including any Governmental Authorization).

“***Constituent Documents***” has the meaning specified in Section 2.2.

“***Contemplated Transactions***” means the transactions contemplated by this Agreement and each of the Related Agreements.

“***Contract***” means any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, license, sublicense, insurance policy, benefit plan or legally binding commitment or undertaking of any nature, whether express or implied.

“***Copyrights***” means all copyrights, copyrightable works, semiconductor topography and mask work rights, and applications for registration thereof, including all rights of authorship, use, publication, reproduction, distribution, performance transformation, moral rights and rights of ownership of copyrightable works, semiconductor topography works and mask works, and all rights to register and obtain renewals and extensions of registrations, together with all other interests accruing by reason of international copyright, semiconductor topography and mask work conventions.

“***Corn Delivery Agreement***” has the meaning specified in Section 2.15(a).

“***CORN-er Stone Common Stock***” has the meaning specified in Section 2.4(b).

“***CORN-er Stone Management***” has the meaning specified in the Preamble.

“***Credit Agreement***” means that certain Credit Agreement, dated July 17, 2006, as amended, among Heartland, the Seller and the Acquired Companies.

“***Damages***” shall include any loss, damage, injury, decline in value, lost opportunity, liability, claim, demand, settlement, judgment, award, fine, penalty, Tax, fee (including reasonable attorneys’ fees and other professionals’ and experts’ fees), charge, cost (including costs of investigation and court or arbitration costs) or expense of any nature.

“***Employee***” means each current or former employee of the Acquired Companies.

“***Employee Plan***” means each domestic or foreign plan, fund, program, agreement, arrangement or scheme, including each plan, fund, program, agreement, arrangement or scheme maintained or required to be maintained under applicable laws, that is at any time sponsored, maintained or administered or required to be sponsored, maintained or administered by, the Acquired Companies or any ERISA Affiliate, or to which the Acquired Companies or any ERISA Affiliate makes or has made or has or has had an (or has a contingent) obligation to make contributions, that provides benefits to the current or former employees, directors, managers, officers, consultants, independent contractors, contingent workers or leased Employees or any of the ERISA Affiliates or the dependents or beneficiaries of any of them (whether written or oral), or with respect to which the Acquired Companies or any of the ERISA Affiliates has any liability or obligation, including (a) each salary, deferred compensation, bonus, incentive compensation, pension, retirement, employee stock ownership, stock purchase, stock option, restricted stock, restricted stock unit, profit sharing or deferred profit sharing, stock appreciation, phantom stock plan and other equity compensation plan, “welfare” plan (within the meaning of Section 3(1) of ERISA, determined without regard to whether such plan is subject to ERISA), (b) each “pension” plan (within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is either subject to ERISA or is tax qualified under the Code), (c) each severance plan or agreement, and each other plan providing health, vacation, supplemental unemployment benefit, hospitalization insurance, medical, dental, disability, life insurance, death or survivor benefits, fringe benefits or legal benefits, and (d) each other employee benefit plan, fund, program, agreement or arrangement.

“***Encumbrance***” means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature affecting property, real or personal, tangible or intangible, including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset, any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset, any lease in the nature thereof and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute of any jurisdiction); *provided, however*, that the term

"Encumbrance" shall not include (a) statutory liens for Taxes, which are not yet delinquent or are being contested by appropriate proceedings, (b) statutory or common law liens to secure landlords, lessors or renters under leases or rental agreements, (c) deposits or pledges made in connection with, or to secure payment of, workers compensation, unemployment insurance, old age pension or other social security programs, (d) statutory or common law liens in favor of carriers, warehousemen, mechanics and materialmen to secure claims for labor, materials or supplies and other like liens and (e) such minor restrictions, defects, irregularities or imperfections of title or Encumbrances as do not materially adversely effect the use or value of the subject property or asset.

"***Entity***" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

"***Environmental Law***" means any federal, state, local or foreign Law relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including any law or regulation relating to Releases or threatened Releases of Materials of Environmental Concern, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern.

"***Equity Purchase***" has the meaning specified in the Recitals.

"***ERISA***" has the meaning specified in Section 2.17(a).

"***ERISA Affiliate***" means any Person that is, was or would be treated as a single employer with any of the Acquired Companies under Section 414 of the Code.

"***Escrow Agent***" has the meaning specified in Section 1.10.

"***Escrow Agreement***" has the meaning specified in Section 1.10.

"***Escrow Period***" has the meaning specified in Section 1.10.

"***Estimated Working Capital***" has the meaning specified in Section 1.9(a).

"***Excluded Assets***" has the meaning specified in Section 1.3.

"***Excluded Liabilities***" has the meaning specified in Section 1.5.

"***Final Working Capital***" has the meaning specified in Section 1.9(e).

"***FIRPTA***" means the Foreign Investment in Real Property Tax Act of 1980, as amended.

"***Fundamental Representations***" has the meaning specified in Section 9.1(a).

"***GAAP***" means United States generally accepted accounting principles, applied on a basis consistent with the basis on which the Company Financial Statements were prepared.

"***Governmental Authorization***" means any: (a) approval, permit, license, certificate, franchise, permission, clearance, registration, qualification or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law; or (b) direct or indirect right under any Contract with any Governmental Body.

"***Governmental Body***" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; or (c) governmental, self-regulatory or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or Entity and any court or other tribunal).

"***Heartland***" has the meaning specified in Section 1.8(c).

"***Heartland Payoff Letter***" has the meaning specified in Section 6.4(e).

"***HMO***" has the meaning specified in Section 2.17(e).

"***Improvements***" has the meaning specified in Section 2.18(e).

"***Indebtedness***" has the meaning specified in Section 2.7(c).

"***Indemnitee***" shall mean any Purchaser Indemnitee or Seller Indemnitee.

"***Indemnity Escrow Amount***" has the meaning specified in Section 1.8(a).

"***Indemnity Escrow Fund***" has the meaning specified in Section 1.10.

"***Interim Balance Sheet***" has the meaning specified in Section 2.7(a).

"***Issued Patents***" means all issued, reissued or reexamined patents, revivals of patents, utility models, certificates of invention, registrations of patents and extensions thereof, regardless of country or formal name, issued by the United States Patent and Trademark Office and any other applicable Governmental Body.

"***Knowledge***" An individual shall be deemed to have "***knowledge***" of a particular fact or other matter if:

(a) such individual is actually aware of such fact or other matter;

(b) such individual would have had knowledge of such fact following a reasonable investigation, if under the circumstances a reasonable person would have determined such investigation was required or appropriate in the normal course of fulfillment of such individual's duties; or

(c) such individual would reasonably be expected to have Knowledge of such fact or matter given the individual's title, position and day-to-day responsibilities with the Acquired Companies.

The Acquired Companies shall be deemed to have "**knowledge**" of a particular fact or other matter if the Seller or any Person listed in Part 2.1(c) of the Company Disclosure Schedule has Knowledge of such fact or other matter.

"***Law***" means any federal, state, local, municipal, foreign or international, multinational or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

"***Leased Real Property***" means all leasehold or subleasehold estates, granting any of the Acquired Companies the right to use or occupy, any land, buildings, structures, improvements, fixtures or other interest in real property, including the right to all security deposits and other amounts and instruments deposited by or on behalf of any Acquired Company thereunder.

"***Legal Proceeding***" means any ongoing or threatened action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Body or any arbitrator or arbitration panel.

"***Liabilities***" means any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP, and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

"***Material Adverse Effect***" An event, violation, inaccuracy, circumstance or other matter will be deemed to have a "***Material Adverse Effect***" on the Acquired Companies if, individually or in the aggregate, such event, violation, inaccuracy, circumstance or other matter (considered together with all other matters that would constitute exceptions to the representations and warranties set forth in the Agreement but for the presence of "**Material Adverse Effect**" or other materiality or knowledge, qualifications, or any similar qualifications, in such representations and warranties) had or could reasonably be expected to have or give rise to a material adverse effect on (a) the business, financial condition, prospects, capitalization, assets, liabilities, operations or financial performance of the Acquired Companies, taken as a whole, (b) the ability of each of the Acquired Companies to consummate the Contemplated Transactions or to perform any of its obligations under this Agreement or the Related Agreements prior to the Termination Date, (c) Purchaser's ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to the equity interests of the Acquired Companies; […***…]

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[…***…]. An event, fact, violation, inaccuracy, circumstance or other matter will be deemed to have a "***Material Adverse Effect***" on Purchaser if such event, fact, violation, inaccuracy, circumstance or other matter had or could reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the Contemplated Transactions.

"***Material Contracts***" has the meaning specified in Section 2.15(b).

"***Materials of Environmental Concern***" include chemicals, pollutants, contaminants, wastes, toxic substances, petroleum and petroleum products and any other substance that is now or hereafter regulated by any applicable Environmental Law or that is otherwise a danger to health, reproduction or the environment.

"***MBCA***" has the meaning specified in the Recitals.

"***MCL***" has the meaning specified in the Recitals.

"***Negotiation Period***" has the meaning specified in Section 10.1(a).

"***Order***" means any writ, decree, injunction, order, judgment or similar action.

"***Owned Real Property***" means all land, together with all buildings, structures, improvements and fixtures located thereon, and all easements and other rights and interests appurtenant thereto, owned by any or the Acquired Companies.

"***Owned Real Property Lease***" means all leases, licenses or other agreements (written or oral) pursuant to which any of the Acquired Companies conveys or grants to any Person a leasehold estate in, or the right to use or occupy, any Owned Real Property or portion thereof, including the right to all security deposits and other amounts and instruments deposited by or on behalf of any Acquired Company thereunder.

"***Partnership Interest***" means each partnership interest of Agri-Energy L.P.

"***Patent Applications***" means all published or unpublished non-provisional and provisional patent applications, and reexamination proceedings.

"***Patents***" means Issued Patents and Patent Applications.

"***Permitted Encumbrances***" means any Encumbrance with respect to the Owned Real Property that is the following: (a) real estate taxes, assessments and other governmental levies, fees or charges imposed with respect to the Owned Real Property which are not due and payable as of the Closing Date; (b) zoning, building codes and other land use Laws regulating the use occupancy of the Owned Real Property or the activities conducted thereon, which are imposed by any governmental authority having jurisdiction over the Owned Real Property, which are not violated by use or occupancy of such Real Property or the operation of the Business thereon; and (c) easements, covenants, conditions, restrictions and other similar matters of record affecting

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title to the Owned Real Property which do not or would not materially impair the use of the Owned Real Property in the operation of the Company's business conducted thereon.

"***Person***" means any individual, Entity or Governmental Body.

"***Pre-Closing Period***" has the meaning specified in Section 4.1.

"***Proprietary Rights***" means any (a)(i) Issued Patents, (ii) Patent Applications, (iii) Trademarks, fictitious business names and domain name registrations, (iv) Copyrights, (v) Trade Secrets, (vi) all other ideas, inventions, designs, manufacturing and operating specifications, technical data, software, firmware, and other intangible assets, intellectual properties and rights (whether or not appropriate steps have been taken to protect, under applicable law, such other intangible assets, properties or rights); and (b) any right to use or exploit any of the foregoing in any jurisdiction throughout the world.

"***Purchase***" has the meaning specified in the Recitals.

"***Purchaser***" has the meaning specified in the Preamble.

"***Purchaser Indemnitees***" means the following Persons: (a) Purchaser; (b) Purchaser's current and future Affiliates; (c) the respective Representatives of the Persons referred to in clauses "(a)" and "(b)" above; and (d) the respective successors and assigns of the Persons referred to in clauses "(a)," "(b)" and "(c)" above.

"***Real Property***" shall mean the Leased Real Property, if any, and the Owned Real Property, collectively.

"***Real Property Laws***" has the meaning specified in Section 2.18(f).

"***Registered Copyrights***" means all Copyrights for which registrations have been obtained or applications for registration have been filed in the United States Copyright Office and any other applicable Governmental Body.

"***Registered Trademarks***" means all Trademarks for which registrations have been obtained or applications for registration have been filed in the United States Patent and Trademark Office and any other applicable Governmental Body.

"***Related Agreements***" means the Escrow Agreement and Assumption Agreement collectively, or each of such documents singularly, and any documents or instruments contemplated by or executed in connection with any of them or with any of the Contemplated Transactions.

*"**Release**"* means any spilling, leaking, pumping, emitting, emptying, pouring, discharging, depositing, injecting, escaping, leaching, migrating, dumping, or disposing of Materials of Environmental Concern (including the abandonment or discarding of barrels, containers or other receptacles containing Materials of Environmental Concern) into the environment.

"***Remediation***" means any remedial action, response or removal as those terms are defined in 42 U.S.C. § 9601; any "corrective action" as that term has been construed by a Governmental Body pursuant to 42 U.S.C. § 6924; or any measures or actions required or undertaken pursuant to Environmental Law or Order by a Governmental Body to investigate, monitor, clean up, remove, treat, contain or otherwise remediate the presence or Release of any Materials of Environmental Concern.

"***Representatives***" means officers, directors, employees, agents, attorneys, accountants, financial and other advisors and representatives.

"***Review Period***" has the meaning specified in Section 1.9(c).

"***Rules***" has the meaning specified in Section 10.1(b).

"***Seller***" has the meaning specified in the Preamble.

"***Seller Indemnitees***" means the Seller and Agri-Energy L.P.

"***Special Environmental Condition***" has the meaning specified in Section 9.2(b).

"***Specified Assets***" has the meaning specified in Section 1.9(a).

"***Specified Liabilities***" has the meaning specified in Section 1.9(a).

"***Subsidiary***" Any Entity shall be deemed to be a "***Subsidiary***" of another Person if such Person directly or indirectly (a) has the power to direct the management or policies of such Entity or (b) owns, beneficially or of record, (i) an amount of voting securities or other interests in such Entity that is sufficient to enable such Person to elect at least a majority of the members of such Entity's board of directors or other governing body, or (ii) at least 50% of the outstanding equity or financial interests of such Entity.

"***Survey***" has the meaning specified in Section 6.10(b).

"***Tax***" *or* "***Taxes***" means (a) taxes, charges, fees, imposts, levies, or other assessments or fees of any kind, including, but not limited to, income, corporate, capital, excise, property, sales, use, turnover, value added and franchise taxes, deductions, withholdings and customs duties, imposed by any Governmental Authority, (b) all interest, penalties, fines, additions to tax or additional amounts imposed by any Governmental Authority in connection with any item described in clause (a) or for failure to file any Tax Return, (c) any successor or transferee liability in respect of any items described in clauses (a) and/or (b) under Treasury Regulation 1502-6 (or any similar provision of state, local or foreign law) and (d) any amounts payable under any tax sharing agreement or contractual arrangements.

"***Tax Purchase Price***" means the Total Consideration plus the Assumed Liabilities plus any liabilities of the Company as of the Closing Date.

"***Tax Return***" means any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax.

"***Termination Date***" has the meaning specified in Section 8.1(e).

"***Third-Party Software***" has the meaning specified in Section 2.14(t).

"***Threshold***" has the meaning specified in Section 9.3.

"***Title Commitment***" has the meaning specified in Section 6.10(a).

"***Title Company***" has the meaning specified in Section 6.10(a).

"***Title Policy***" has the meaning specified in Section 6.10(a).

"***Total Consideration***" means the sum of the Agri-Energy L.P. Purchase Price and the Company Purchase Price.

"***Trade Secrets***" means all product specifications, data, know-how, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, research and development, manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code), computer software and database technologies, systems, structures and architectures (and related processes, formulae, composition, improvements, devices, know-how, inventions, discoveries, concepts, ideas, designs, methods and information), and any other information, however documented, that is a trade secret within the meaning of the applicable trade-secret protection law.

"***Trademarks***" means all (a) trademarks, service marks, logos, insignias, designs, names or other symbols, whether or not registered or applied for registration, (b) applications for registration of trademarks, service marks, logos, insignias, designs, names or other symbols, (c) trademarks, service marks, logos, insignias, designs, names or other symbols for which registration has been obtained.

"***Transaction Expenses***" has the meaning specified in Section 1.7(c)(iv).

"***Transfer Taxes***" has the meaning specified in Section 1.11.

"***Treasury Laws***" means the Treasury Laws (including temporary laws) promulgated by the United States Department of Treasury with respect to the Code or other United States federal Tax statutes.

"***ULPA***" means the Uniform Limited Partnership Act 2001, Chapter 321 of the Minnesota Statutes.

"***WARN Act*"**" has the meaning specified in Section 2.17(p).

“***Welfare Plan***” means any “welfare plan” (within the meaning of Section 3(1) of ERISA, determined without regard to whether such plan is subject to ERISA).

*“**Withholding Payee**”* has the meaning specified in Section 2.16(g).

“***Working Capital***” has the meaning specified in Section 1.9(a).

“***Working Capital Statement***” has the meaning specified in Section 1.9(b).

“***Working Capital Target***” has the meaning specified in Section 1.7(c)(v).

ACQUISITION AGREEMENT

among:

GEVO DEVELOPMENT, LLC,
a Delaware limited liability company;

AGRI-ENERGY, LLC,
a Minnesota limited liability company;

AGRI-ENERGY LIMITED PARTNERSHIP,
a Minnesota limited partnership;

CORN-ER STONE ETHANOL MANAGEMENT, INC.,
a Minnesota corporation;

and

CORN-ER STONE FARMERS COOPERATIVE,
a Minnesota cooperative association

Dated as of August 5, 2010

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***Confidential Treatment Requested**

EXHIBITS

Exhibit A	–	Certain Definitions
Exhibit B	–	Form of Assumption Agreement
Exhibit C	–	Form of Escrow Agreement
Exhibit D	–	Form of Legal Opinion of Cutler & Donahoe, LLP
Exhibit E-1	–	Form of FIRPTA Notification Letter from the Seller
Exhibit E-2	–	Form of FIRPTA Notification Letter from Agri-Energy L.P.
Exhibit F	–	Form of Amended and Restated Operating Agreement
Schedule 1.12	–	Allocation of Value

Exhibit 5.1

[LETTERHEAD OF PAUL, HASTINGS, JANOFSKY & WALKER LLP]

, 2010

Gevo, Inc.
345 Inverness Drive South
Building C, Suite 310
Englewood, CO 80112

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to Gevo, Inc., a Delaware corporation (the "Company"), in connection with the preparation and filing with the U.S. Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), of the Registration Statement on Form S-1 (File No. 333-168792) of the Company (as amended through the date hereof and including all exhibits thereto, the "Registration Statement"), including a related prospectus filed with the Registration Statement (the "Prospectus"), relating to the proposed underwritten public offering (the "Offering") of up to an aggregate of shares (the "Shares") of the Company's common stock, par value $0.01 per share (the "Common Stock"), to be sold by the Company, which includes up to shares of Common Stock that may be sold by the Company upon exercise of the over-allotment option granted to the underwriters of the Offering.

As such counsel and for purposes of our opinion set forth below, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, resolutions, certificates and instruments of the Company, certificates of public officials and such other instruments and documents as we have deemed necessary or appropriate as a basis for the opinion set forth below, including, without limitation: (i) the Registration Statement; (ii) the Prospectus; (iii) the Company's Amended and Restated Certificate of Incorporation, as currently in effect, filed as Exhibit 3.1 to the Registration Statement; (iv) the Company's Amended and Restated Bylaws, as currently in effect, filed as Exhibit 3.3 to the Registration Statement; (v) the Company's Amended and Restated Certificate of Incorporation, to become effective upon completion of the Offering, filed as Exhibit 3.2 to the Registration Statement; (vi) the Company's Amended and Restated Bylaws, to become effective upon completion of the Offering, filed as Exhibit 3.4 to the Registration Statement; and (vii) the Underwriting Agreement to be entered into by and among the Company and UBS Securities LLC and Goldman, Sachs & Co., as representatives of the several underwriters, filed as Exhibit 1.1 to the Registration Statement (the "Underwriting Agreement").

In addition to the foregoing, we have made such investigations of law as we have deemed necessary or appropriate as a basis for the opinion set forth herein.

In such examination and in rendering the opinion expressed below, we have assumed, without independent investigation or verification: (i) the genuineness of all signatures on all agreements, instruments, corporate records, certificates and other documents submitted to us; (ii) the legal capacity and authority of all persons or entities executing all agreements, instruments, corporate records, certificates and other documents submitted to us; (iii) the authenticity and completeness of all agreements, instruments, corporate records, certificates and other documents submitted to us as originals; (iv) that all agreements, instruments, corporate records, certificates and other documents submitted to us as certified, electronic, facsimile, conformed, photostatic or other copies conform to authentic originals thereof, and that such originals are authentic and complete; (v) the due authorization, execution and delivery of all agreements, instruments, certificates and other documents by all parties thereto; (vi) that the statements contained in the certificates and comparable documents of public officials, officers and representatives of the Company and other persons on which we have relied for the purposes of this opinion set forth below are true and correct; and (vii) that the officers and directors of the Company have properly exercised their fiduciary duties. As to all questions of fact material to the opinion and as to the materiality of any fact or other matter referred to herein, we have relied (without independent investigation) upon certificates or comparable documents of officers and representatives of the Company. We also have assumed that the Shares will be sold for a price per share not less than the par value per share of the Common Stock, and that the Shares will be issued and sold as described in the Registration Statement and the Underwriting Agreement.

Based upon the foregoing, and in reliance thereon, and subject to the limitations, qualifications and exceptions set forth herein, we are of the opinion that the Shares, when sold and issued in accordance with the Registration Statement and the Prospectus, with payment received by the Company in the manner described in the Underwriting Agreement, will be validly issued, fully paid and nonassessable.

Without limiting any of the other limitations, exceptions and qualifications stated elsewhere herein, we express no opinion with regard to the applicability or effect of the law of any jurisdiction other than, as in effect as of the date of this letter, the Delaware General Corporation Law, the applicable provisions of the Delaware Constitution and reported judicial decisions interpreting these laws.

This opinion letter deals only with the specified legal issues expressly addressed herein, and you should not infer any opinion that is not explicitly stated herein from any matter addressed in this opinion letter.

This opinion letter speaks as of the date hereof and we assume no obligation to advise you or any other person with regard to any change after the date hereof in the circumstances or the law that may bear on the matters set forth herein, even though the change may affect the legal analysis, a legal conclusion or other matters in this opinion letter.

We consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the reference to our firm under the caption “Legal Matters” in the Prospectus. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

Exhibit 10.3

***** Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4)
and 203.406

DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is effective as of October 16, 2008 (the "Effective Date") by and between ICM, Inc., a Kansas corporation with its principal place of business at 310 N. First Street, Colwich, KS 67030 ("ICM") and Gevo, Inc., a Delaware corporation with offices at 345 Inverness Drive South, Building C, Suite 310, Englewood, CO 80112 ("Gevo") (Gevo and ICM are collectively referred to as the "Parties" and each individually as a "Party"). As used in this Agreement, the term "Affiliates" means and refers to any entity that controls, or is controlled by, or is under common control with, that entity.

WHEREAS, Gevo owns or has rights to certain technology, which allows for the development and production of butanol, propanol, pentanol and their respective isomers (the "Process");

WHEREAS, ICM has pilot plant facilities for ethanol production and the capability to modify the pilot plant to perform commercial-scale isobutanol production trials in those facilities; and

WHEREAS, the Parties desire to set forth certain parameters of a commercial relationship between them beyond the plant trial; and

WHEREAS, Gevo and ICM desire to enter into an agreement for such isobutanol plant trial and such commercial relationship as further described below.

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants set forth herein, the Parties hereto agree as follows:

1. Plant Trial Project. The Parties agree to perform the work described in the Plant Trial Protocol attached as Appendix I intending to meet the stated objectives outlined in the Plant Trial Protocol (the "Project"). The Parties agree to conduct the Project using competent and trained personnel, proper equipment, safe procedures and conditions at all times in the conduct of such work. Gevo will provide ICM with process technology and suitable quantities of microorganisms (the "Test Materials") as described in Appendix I. ICM will use the Test Materials solely for the Project and will not provide the Test Materials to any third party without the prior written consent of Gevo. Because the Test Materials have not received the appropriate regulatory approval, ICM agrees that the Test Materials, and any residues, by-products or co-products from the Test Materials (including, but not limited to distiller's dried grains with solubles), will not be commercially sold or used by ICM but will be disposed of as directed by Gevo at Gevo's cost, pursuant to Section 7 hereof. The Project will be conducted at ICM's St. Joseph, Missouri, pilot plant facility (the "Plant"). During the Project Term (as defined in Section 9), (i) ICM shall provide Gevo with reasonable access to areas of the Plant where the Project is being performed, subject, however, to ICM's site security and safety procedures; and (ii) ICM will not allow any third parties access to the area of the Plant where the Project is being conducted unless they are necessary to perform the Project or unless ICM receives the Gevo Project Leader's consent. ICM will conceal or cover the Equipment (as defined in Section 23.2), using a mutually agreeable method, at all times when the Project is not being conducted.

2. Data. ICM shall provide Gevo with all data generated in connection with this Project including, but not limited to, process data and analytical results for this Project and as further described in the Plant Trial Protocol ("Data"). Data will be provided to Gevo when it is recorded and will be deemed at all times to be the sole property of Gevo, subject to ICM's rights as described in Sections 10.2 and 11. Nothing in this Agreement shall prevent ICM from maintaining the Data as part of its historical database, provided that ICM complies with the provisions of this Agreement, including but not limited to Section 10 hereof.

3. Scheduling. The Parties shall perform the Project in accordance with the scheduling described in the Plant Trial Protocol. The schedule can be modified as needed by mutual written agreement of the Parties.

4. Dispute Resolution. Except for any payment obligations hereunder, if an unresolved dispute arises out of or relates to this Agreement, or breach thereof, either Party may refer such dispute to the Chief Executive Officer of ICM and Gevo's Chief Executive Officer or their nominees for good faith negotiation toward a resolution. If such dispute is not resolved within forty-five (45) days after such referral, then either Party may thereafter pursue other remedies.

5. Project Leader. Each Party will appoint a project leader ("Project Leader") to coordinate its part of the Project. The Project Leaders will be the primary contacts between the Parties with respect to the pilot plant modifications and the subsequent research conducted under the Project. Either Party may change its Project Leader upon written notice to the other Party. It is anticipated that a certain amount of training and technical transfer may be required to facilitate the effectuation of the Project. The Project Leaders will facilitate this training and technical transfer. The Project Leader for Gevo will be […***…] and the Project Leader for ICM will be […***…].

6. Excusable Delays. Except for any payment obligations hereunder, neither Party shall be liable to the other for any delay or failure in performance on its part if and to the extent such failure or delay is due to circumstances beyond such party's reasonable control, including but not limited to, acts of God, strikes, slow-downs, errors in manufacture of materials, fire, shortage of materials, shortage of labor, government orders, or changes to the Project or its protocols hereunder which are not approved in advance by such Party, and such Party shall not be liable in any event for consequential or special damages on account of any such delay or failure in performance. ICM shall be excused from continued performance of the Project for the duration of any such delay, and the period of performance shall be extended as may be necessary to enable ICM to perform after the cause of the delay has been removed.

7. Ownership and Disposal of Test Materials. All Test Materials are the sole property of Gevo, and any unused Test Materials shall be returned to Gevo or destroyed (at Gevo's cost and election and as communicated to ICM in writing by Gevo) upon the conclusion of the Project. Gevo shall own all isobutanol process streams, distiller's dried grains with solubles, and waste materials. In performing the Project, ICM shall comply with all applicable local, state, and federal rules and regulations, including but not limited to those required by the USDA and FDA.

8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado, without reference to its conflict of laws principles.

9. Project Term. With respect to the Project, this Agreement is effective as of the Effective Date set forth above and will terminate on December 31, 2010 (the "Project Term"), unless otherwise agreed by the Parties in writing. Gevo may terminate the Project without cause at any time, with termination effective thirty (30) days after Gevo's delivery to ICM of written notice of termination. Gevo or ICM also may terminate the Project immediately upon the other party's material breach of Article 10 ("Confidentiality") or Article 11 ("Intellectual Property") or any time prior to the start of the Project. If Gevo terminates this Agreement prior to the start of the Project, or at any time during the Project Term, it will remain responsible to pay to ICM all amounts owed pursuant to Section 23 as of the effective date of such termination, including but, not limited to, all costs incurred by ICM for construction and modification of the Plant for purposes of the Project.

10. Confidentiality.

10.1 General. The confidentiality provisions set forth on Appendix III shall govern the transfer of information between the Parties with respect to the transactions contemplated by this Agreement.

10.2 License Agreement. Gevo hereby grants a perpetual, non-exclusive and fully paid up license to ICM to use and disclose any data that ICM uses, maintains, and/or records on a regular or routine basis to manage, operate, supervise and or modify ICM's Plant related to […***…], that would otherwise be deemed "Confidential Information" of Gevo, provided that (a) Gevo has consented in writing to any such specific disclosure (which consent will not be unreasonably withheld) and (b) any third party to whom ICM desires to disclose such information after the termination of this Agreement has, prior to such disclosure, consented in writing to be bound by the specific confidentiality provisions of this Section 10, in each instance to the benefit of the Parties hereto.

11. Intellectual Property Developed During Project. Right, title and interest to any intellectual property, including intellectual property rights to Test Materials, Data, any invention, know-how, data and information developed by ICM in connection with the Process at the Plant during the Project Term and while performing the Project shall accrue to the benefit of Gevo (the "Gevo IP"). Gevo will control, in its sole discretion, the preparation, filing, prosecution, maintenance and enforcement of all intellectual property rights in the Gevo IP.

The Parties agree that intellectual property jointly developed during the Project Term, beyond the scope of the Project, will be jointly owned (the "Project Joint IP"). To the extent that joint inventorship or joint ownership of Project Joint IP does not automatically vest jointly in both Parties by operation of law, each Party does hereby assign to the other Party joint rights in all Project Joint IP. Each Party shall disclose promptly in writing to the other any Project Joint IP of which it becomes aware.

*** Confidential Treatment Requested**

In the event that a Party desires to seek a patent or other governmental registration for any of the Project Joint IP, the Parties shall promptly meet to discuss and determine whether to seek any such registration. If the Parties decide to seek such registration(s), then Gevo shall have the primary obligation to prepare, file, prosecute, and maintain any applications and registrations in such jurisdictions and using counsel selected by Gevo and agreed to by ICM, such agreement not to be unreasonably withheld, or conditioned. Gevo shall consult with and give ICM a reasonable opportunity to review and comment on the text of any application for registration before filing, shall reasonably consider and address any such comments as ICM may supply, and shall supply ICM with a copy of each such application as filed, together with notice of its filing date and application number. Gevo shall keep ICM advised of the status of the actual and prospective filings with respect to any applications or registrations (including, without limitation, administrative office actions, comment, and requirements, the filing of interferences or other third-party proceedings, and the grant of any patents or other registrations), shall consult with and provide ICM with a reasonable opportunity to comment on all correspondence received from and all proposed submissions to be made to any government patent office or authority related to the filing, prosecution, and maintenance of such patent filings, and shall reasonably consider and address any such comments, all to be conducted and accomplished using Gevo's reasonable commercial efforts.

ICM shall reimburse Gevo for […***…] incurred by Gevo in connection with preparing, filing, prosecuting, and maintaining such applications and registrations (other than out-of-pocket expenses for inventorship and ownership determinations and disputes as between the Parties), which reimbursement will be made within thirty (30) days of receiving invoices, such invoices to be submitted by Gevo no more often than once per calendar quarter. Upon request, Gevo shall provide ICM with supporting documentation demonstrating and detailing the expenses so incurred.

If Gevo elects not to file an application for registration for any such Project Joint IP, or to cease the prosecution and/or maintenance of any such applications or registrations (except for abandonment of a patent application in favor of a patent application subsequently filed for purposes of continuing the prosecution of patent rights claiming the inventions included in the abandoned patent application), Gevo shall provide ICM with written notice immediately upon the decision to not file or continue the prosecution or maintenance of such applications or registrations. In such event, Gevo shall permit ICM, at ICM's sole discretion, to file and/or continue prosecution and/or maintenance of such applications and/or registrations at ICM's own expense. If ICM elects to continue such prosecution or maintenance, Gevo shall do such things that are reasonably necessary to enable ICM to continue such prosecution or maintenance.

12. Representations and Warranties. While performing their respective obligations under the Project, ICM and Gevo represent and warrant that they will comply with all applicable state and governmental regulatory requirements, the Plant Trial Protocol, any written standard operating procedures mutually agreed upon by the Parties, and the terms of this Agreement. Each Party represents and warrants to the other Party that it has the legal power, authority and right to enter into this Agreement and to perform its respective obligations set forth herein. Each Party represents and warrants that as of the Effective Date neither it nor any of its Affiliates is a

*** Confidential Treatment Requested**

party to any agreement or arrangement with any third party or under any obligation or restriction, including pursuant to its organizational documents which in any way limits or conflicts with its ability to fulfill any of its obligations under this Agreement, and that none of them shall enter into any such agreement, or so modify any existing agreement, during the term of this Agreement which would conflict with its ability to fulfill any of its obligations under this Agreement.

13. Press Release. Neither Party shall issue any press release or public announcement relating to the subject matter of this Agreement prior to obtaining the written consent of the other Party as to the content and making of such release. Such consent shall not be unreasonably withheld.

14. Liability. Excluding breaches of Article 10 (Confidentiality), in no event shall any Party be liable to any other Party for any loss of profits, downtime costs, loss of use of equipment or facilities, lost business revenue or for any special incidental, indirect or consequential damages directly or indirectly related to this Agreement, whether such claim for damages is based in contract, tort (including negligence) or at equity.

15. Disclaimer of Warranties. Except for the warranties set forth in Section 12 of this Agreement, neither Party makes any warranties, written, oral, express or implied, with respect to its performance under this Agreement or the results thereof. EACH PARTY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT.

16. Indemnification. ICM shall indemnify, defend and hold Gevo, its employees, contractors and/or agents (together “Gevo’s Agents”) harmless from any claims, demands, liabilities, damages, penalties, costs and expenses, including reasonable attorney’s fees and costs which may be incurred by Gevo as a result of or related to (a) a breach by ICM of any representation and warranty set forth in Section 12, or (b) the negligence or willful misconduct of ICM, its employees, contractors and/or agents (together “ICM’s Agents”) related to ICM’s duties under this Agreement; provided, however, that Gevo shall not be entitled to indemnification for any damages incurred to the extent they result from the negligent acts, willful misconduct or omissions of Gevo or Gevo’s Agents.

Gevo shall indemnify, defend and hold ICM, its employees and ICM’s Agents harmless from any claims, demands, liabilities, damages, penalties, costs and expenses, including reasonable attorney fees and costs, which may be incurred by ICM as a result of or related to (a) a breach by Gevo of any representation and warranty set forth in Section 12, (b) the negligence or willful misconduct of Gevo or Gevo’s Agents related to Gevo’s duties under this Agreement, or (c) which are based on any claims that the Gevo technology used in the Process infringes on any third party rights, including patent, trade secret, or other intellectual property rights; provided, however, that ICM shall not be entitled to indemnification for any damages incurred to the extent they result from the negligent acts, willful misconduct, or omissions of ICM or ICM’s Agents.

17. Status of Parties. The Parties acknowledge and agree that the relationship between the Parties is not that of agent and principal or employer and employee, but rather the Parties are each independent contractors.

18. Injunctive Relief. The obligations under Sections 10, 11, 12 and 24 of this Agreement are of a unique character that gives them particular value; breach of any of such obligations will result in irreparable and continuing damage for which there is no adequate remedy at law; and, in the event of such breach, the non-breaching Party will be entitled to injunctive relief and/or a decree for specific performance, and such other and further relief as may be proper.

19. Unenforceability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect its other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

20. Assignment. This Agreement may not be assigned by either Party without the expressed prior written consent of the other Party. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may assign or otherwise transfer any and all rights and obligations under this Agreement to any successor in interest of over fifty percent (50%) of its entire business or its Affiliates at such Party's sole discretion, without the prior consent of the other Party. Any successor in interest under this Agreement will assume and be bound by the same obligations and responsibilities the assigning Party has assumed herein. Any attempted assignment in violation of this Section 20 shall be null and void.

21. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous negotiations, communications, and other agreements whether written or verbal, between the Parties. This Agreement and the Plant Trial Protocol shall not be modified without the prior written consent of each Party. In the event that the terms of the Plant Trial Protocol are inconsistent with the terms of this Agreement, this Agreement shall control, unless otherwise explicitly agreed to in writing by the Parties. All appendices are incorporated herein by reference and made a part of this Agreement.

22. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given (a) on receipt, if delivered personally or by facsimile transmission (receipt verified), (b) three days after deposit, if mailed by registered or certified mail (return receipt requested), postage prepaid, or (b) the next business days, if sent by nationally recognized express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to Gevo: Brett K.E. Lund, J.D, M.B.A.
Vice President & General Counsel
Gevo, Inc.
345 Inverness Drive South
Building C, Suite 310
Englewood, Colorado 80112

Telefacsimile: (303) 858-8431

If to ICM: ICM, Inc.
Attn: General Counsel
310 N. First Street
Colwich, KS 67030
Telefacsimile (316) 796-0570

23. Project Costs. The Parties agree to share the costs of the Project as follows:

23.1 Engineering Fees. ICM agrees to provide the engineering services necessary for the Project at a rate of […***…]. A schedule of ICM's current standard rates is attached hereto as Appendix II. Gevo will pay ICM such engineering fees […***…].

23.2 Equipment. Any additional equipment required for the Project will be ordered and installed in the Plant by ICM (the "Equipment"). The Equipment will be installed on skids or such other mutually agreeable manner as to facilitate its removal at the conclusion of the Project. Gevo will pay all costs associated with the purchase, shipping and installation of the Equipment and will own all right, title and interest in the Equipment. Gevo will remove the Equipment at the conclusion of the Project and pay all costs associated with its removal and shipping.

23.3 Plant Modification Costs. ICM shall be responsible for any necessary modifications to the Plant for purposes of the Project. The costs of any such modifications shall be paid entirely by Gevo, at […***…]. For purposes of this provision, the Parties agree that the term "cost" shall include, but not be limited to, the following: (i) the actual third party invoices to ICM for services, labor, equipment, material and suppliers, at the agreed billing rate between ICM and each services provider, subcontractor, and supplier; (ii) the applicable billing rate for ICM labor and expenses; and (iii) the sales/use tax owed pursuant to applicable law on all materials and equipment incorporated in the Project.

23.4 Project Fee. Gevo will pay to ICM a project fee ("Project Fee") that will be based on […***…]. […***…] At the inception of each plant trial run or experiment, the ICM and Gevo Project Leaders will determine the labor, equipment, and material resources required for a particular experiment, and agree to an expense plan ("Expense Plan") to go along with the experimental plan. ICM will invoice Gevo based on the Expense Plan; provided that the Expense Plan shall be modified for stopping an experiment early, extending an experiment during progress, altering the experimental scope, use of raw materials in different quantities than planned, or for other events that are not specifically contemplated when the Expense Plan was set. All modifications will be based on the actual resources utilized using the Appendix IV rates.

23.5 Payment. Gevo agrees to pay all Project Costs described in Sections 23.1, 23.2, 23.3 and 23.4 within thirty (30) days after receiving an invoice from ICM. The Project Fee described in

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Section 23.4 will be paid by Gevo to ICM at the beginning of each week with the necessity of ICM providing Gevo with an invoice. If any payment owed by Gevo to ICM is not paid when due, ICM, at its option, may charge Gevo interest on such past due amount at the rate of […***…].

24. Headings. Headings are for convenience only and shall not affect the interpretation of this Agreement.

25. Survival. Sections 2, 4, 7, 8, 10-12, 14-16, 18, 22-23 and 25 shall survive the termination or expiration of this Agreement (except in each case to the extent such provisions are self-limiting in duration).

26. Counterparts. This Agreement may be executed in multiple counterparts, which together shall constitute one agreement. Signatures received by facsimile shall be considered original signatures.

27. Interpretation. The interpretation of this Agreement shall be governed by the following rules:

(A) all dollar figures shall mean the lawful currency of the U.S.A., unless expressly stated otherwise;

(B) words importing the singular include the plural, and vice versa;

(C) words importing the masculine gender, include the feminine and neuter, and vice versa;

(D) where a reference is made to a “day”, “week”, “month” or “year”, the reference is to the calendar period;

(E) in the calculation of time, the first day shall be excluded and the last day shall be included;

(F) a reference in this Agreement to an article or section shall mean an article or section of this Agreement, as the case may be. Article and section headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; and

(G) the word “including” means without limitation; and the words “herein”, “hereof”, “hereby”, “hereto” and “hereunder” refer to this Agreement as a whole.

28. Drafted Jointly. The Parties have participated jointly in the negotiations and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, there shall be no presumption or burden of proof which arises favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

ICM, Inc.

By: /s/ Christopher M. Mitchell
Christopher M. Mitchell,
Vice-President

Gevo, Inc.

By: /s/ Patrick Gruber
Patrick Gruber,
Chief Executive Officer

Appendix I: Plant Trial Protocol

INTRODUCTION

Gevo, Inc.'s industry focus is on the next generation of advanced biofuels. To create advanced biofuels, GEVO has developed a proprietary process to convert sugars based on crops and agricultural waste products into different types of renewable, alcohol-based, liquid fuels. A pilot plant for the production of iso-Butanol has been installed in the Englewood, CO facility and GEVO is now looking at installing their proprietary process for producing iso-Butanol in an ICM 1 million gallon per year corn drying ethanol demonstration facility.

SCOPE OF WORK

ICM will lead Engineering, Procurement, General Construction Management and Qualification / Startup activities. Delivery of a complete engineering package including equipment sizing, specifications, and drawings will be delivered to Gevo at the end of the construction phase after as-built drawings are completed.

Additionally ICM will supply operations support including operators and technicians in conjunction with Gevo technical staff to operate the facility during the demonstration run activities.

Gevo will supply process technology information, engineering, design, and startup support as necessary to meet project objectives. Gevo personnel will be present to lead demonstration trials.

Gevo will need to maintain ownership during the trials and will be responsible for the cost of removing the equipment.

PILOT EQUIPMENT REQUIRED FOR GEVO's PROCESS

Below is a table outlining the major equipment required to integrate the Gevo butanol process into a corn dry mill ethanol facility. As engineering details are developed additional equipment will be indentified and detailed. Included at the end of this appendix is an Equipment Specification working document that will be used to communicate equipment design criteria and comments.

Major Equipment Summary

Description	Quantity	Comments
[…***…]	[…***…]	[…***…]

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MILESTONES & SCHEDULE

Gevo desires to have the demonstration facility operational in 2009 to support commercialization activities. Ideally the schedule would be:

This proposed schedule will be adjusted as required by the Project Managers. Gevo desires to engineer, procure & install the equipment as soon as is practically feasible.

Activity Schedule for 1 Million Gallon Demonstration Facility	**Planned Start**	**Planned Completion**
Basic Design completed (P&ID's, control loops, major equipment sized)	7/15/2008	11/7/2008
Detailed Design	11/8/2008	12/15/2008
Major equipment specification sheets completed	10/13/2008	10/27/2008
Major equipment quotes received	11/3/2008	11/28/2008
Major equipment orders placed	11/24/2008	12/7/2008
Major equipment orders placed	11/24/2008	1/20/2009
Construction	TBD	TBD
Mechanical Completion		3/20/2009
Qualification and Water Batch Startup	3/21/2009	4/5/2009
Demonstration Operational		4/5/09

PLANT TRIAL PROTOCAL

2. Operation of Fermentation and Recovery in Semi-commercial scale equipment	**Planned Start**	**Planned Completion**	**Biocatalyst**	**Carbohydrate Source**
[…***…]	[…***…]	[…***…]	[…***…]	[…***…]

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2. Operation of Fermentation and Recovery in Semi-commercial scale equipment	Planned Start	Planned Completion	Biocatalyst	Carbohydrate Source
[…***…]	[…***…]	[…***…]	[…***…]	[…***…]

The schedule and timing for all trials is subject to the agreement of the ICM pilot plant manager. The details for each trial shall be mutually agreed upon by the Gevo and ICM pilot plant managers.

GEVO, INC. – ISOBUTANOL PROCESS EQUIPMENT DESCRIPTION
CONFIDENTIAL INFORMATION
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4. FERMENTATION

4.1 E-COLI
4.2 YEAST

[…***…]

[….***…]

13. MATERIAL OF CONSTRUCTION

14. STERILIZATION

15. STORAGE TANKS

16. CONTROLS

1. Executive Summary

Gevo, Inc.'s industry focus is on the next generation of advanced biofuels. To create advanced biofuels, GEVO has developed a proprietary process to convert sugars based on crops and agricultural waste products into different types of renewable, alcohol-based, liquid fuels. A pilot plant for the production of iso-Butanol has been installed in the Englewood, CO facility and GEVO is now looking at installing their proprietary process for producing iso-Butanol in a HOST FACILITY 1 million gallon per year corn drying ethanol demonstration facility.

2. Document Description

This document describes the overall conceptual design of the Corn Drying Ethanol Demonstration Facility and specifically the equipment required to produce iso-Butanol. The specification will include equipment that is required for iso-Butanol production and also equipment that GEVO assumes is installed for ethanol production at the host facility. It will also list general utilities that are required at the site.

In addition to providing the general equipment requirements, this document will also outline equipment required for various feed stocks and fermenting microorganisms.

3. Feed Stock Variations

3.1 Corn

It is anticipated that the Corn Starch Pretreatment process block will include liquefaction utilizing a mixing box and liquefaction slurry tank and/or loop producing corn mash with enzymes suitable for Simultaneous Saccharification and Fermentation (SFF).

It is assumed that the host facility process to be installed for corn pretreatment is suitable as is for the Gevo process.

3.2 Fructose / Sucrose / Dextrose / Other Liquid Sugars

It is desirable to install equipment that would allow for fermentation using alternate liquid based sugars. The proposal is to modify one of the four 10,000 gallon fermentors to allow for liquid sugar feed. Sterilization would be done with filtration or in-vessel sterilization (depending on costs and existing equipment capability).

Sugars to be delivered by tank trucks and pumped to (1) dedicated 10,000 gallon fermentor via an unloading pipeline. Length and size of line TBD. Transfer material to second fermentor which is outfitted for the sugar source feed. Alternately the sugar could be fed directly from the tanker to the fermentation vessel, but demurrage charges will apply. Simple batch or fed batch fermentations are adequate to demonstrate the feasibility.

Alternate liquid based sugars to be processed may include cane molasses, dextrose, fructose, cellulose hydrolizate, or other available biomass based liquid carbohydrate sources. Gevo is responsible for identifying the source and supplying the alternate liquid based sugars.

[…***…]

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[…***…]

8. Beer Still

The existing HOST FACILITY beer still will be utilized.

Beer still feed streams will be from fermentor and liquid / liquid separator #1.

Size: to be reviewed.

Temperature: to be reviewed.

Pressure: to be reviewed.

[…***…]

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[…***…]

14. Storage Tanks

Feed stock – from tankers or hold in 10,000 gallon fermentor.

Media: TBD

Microorganisms: TBD

Iso-Butanol product: TBD

[…***…]

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Appendix II: ICM Standard Rate Schedule

[SEE ATTACHED]

PROFESSIONAL SERVICES SCHEDULE

Effective January 1, 2008

310 N. First Street
P.O. Box 397
Colwich, KS 67030 USA

Phone: (316) 796-0900
Fax: (316) 796-0570
www.icminc.com

This document contains confidential and proprietary information and constitutes a trade secret under federal and state law. © 2008 ICM, Inc. All rights reserved.

This Professional Services Schedule (“Schedule”) is effective for charges incurred on and after January 1, 2008. All amounts are quoted in U.S. dollars and are to be paid in U.S. dollars by ACH or wire transfer. Unless changed in a written notification from an executive officer of ICM, Inc. (“ICM”), ICM’s wire transfer instructions are as follows: **Institution:** Intrust Bank; **ABA Routing Number:** 101100029; **Account Name:** Operating Account; **Account Number**: […***…]. All wire transfer instructions must reference the invoice number(s) being paid.

PERSONNEL RATES

All personnel are charged to each ICM project for actual time spent in direct support of the project. ICM’s invoice will list the specific individuals who have worked on the project and the number of hours worked by each listed individual. Labor charged to projects is invoiced based upon personnel classification. A listing of individuals within each classification will be provided at the Owner’s request. The rate per hour for each classification follows.

Expert Witness	[…***…]
Consultant II	
Consultant I	
Principal III	
Principal II	
Principal I	
Project Manager III	
Project Manager II	
Project Manager I	
Engineer/Associate/Specialist V	
Engineer/Associate/Specialist IV	
Engineer/Associate/Specialist III	
Engineer/Associate/Specialist II	
Engineer/Associate/Specialist I	
General Superintendent	
Superintendent	
Shutdown Coordinator	
Programmer II	
Programmer I	
Trainer IV	
Trainer III	
Trainer II	
Trainer I	
Maintenance II	
Maintenance I	
Safety II	
Safety I	
Field Representative	
Field Support	
Designer III	
Designer II	
Designer I	
Principal Scientist	
Scientist	
Lab Technician	
Pilot Plant Operator	
Administrative	
Craftsman III	
Craftsman II	
Craftsman I	

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AIRCRAFT RATES

The use of ICM’s privately owned aircraft is invoiced at […***…]. Current rates will be provided at the Owner’s request.

OTHER PROJECT COSTS

Other project costs are invoiced at […***…], unless a different fee is specified in a separate written agreement between ICM and the invoiced party. These costs may include, but are not limited to, the following:

- Travel expenses, including commercial airfare, lodging, ground transportation, meals and incidentals related to the foregoing.
- Priority mail, delivery/courier service, express mail and regular postage.
- Third party legal services and other professional services.
- Rent of offices other than ICM’s corporate offices.
- Outside reproduction, blueprint, printing, photographic supplies and services.
- Additional insurance coverage limits beyond the standard limits and coverages provided by ICM. Coverages and limits will be provided at the Owner’s request.
- Losses not covered by insurance maintained to jointly protect Owner and ICM.
- Permits, licenses, inspections and other fees.
- All amounts paid pursuant to subcontracts.
- All costs incurred for rental equipment and tools, including delivery, set-up and demobilization expenses.
- Utilities incurred at the project site.
- Specialty manufacturing supplies and small tools.

Equipment purchased by ICM for a particular project will be invoiced at the rate specified in a separate written agreement between ICM and the invoiced party.

TAXES

Taxes on labor, materials or services assessed by any taxing authority will be invoiced as a separate line item […***…].

INVOICING

Invoices for project costs under this Schedule will generally be issued monthly and/or at the completion of the project.

SCHEDULE REVISIONS

This Schedule is subject to revision at ICM’s discretion, unless otherwise provided by written agreement.

This document contains confidential and proprietary information and constitutes a trade secret under federal and state law.
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Appendix IV: Expense Plan Rates

1. **Labor Rates:**

Operators	[…***…]
Lab Technicians	
Scientist	
Plant Manager	
DCS – Software Controls	
Engineer 1	
Principal Scientist	

2. **Facilities Fee:** […***…] per day

   The Facilities Fee is based on the usage of 100% of the pilot plant for 24 hours of operation and includes costs for equipment and utilities. The Facilities Fees may be prorated as agreed in the Expense Plan.

3. **Raw Materials and Consumables:**

   Raw materials and consumables supplied by ICM will be charged to Gevo on a […***…] basis. […***…]. The raw materials and consumables expected to be used in the experiment shall be listed in the Expense Plan. Only raw materials and consumables actually used will be included in the ICM invoices.

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Exhibit 10.6

***** Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4)
and 203.406

LICENSE AGREEMENT

THIS AGREEMENT is effective as of the 12th day of July, 2005 (the "Effective Date"), between **CALIFORNIA INSTITUTE OF TECHNOLOGY**, 1200 East California Boulevard, Pasadena, CA 91125 ("Caltech") and Methanotech, Inc. ("Licensee"), a Delaware corporation having a place of business at Pasadena, California.

Whereas, the research group of Professor Frances H. Arnold has been engaged for several years in directed evolution of […***…];

WHEREAS, Licensee is desirous of obtaining, and Caltech wishes to grant to Licensee, an exclusive license to certain Exclusively Licensed Patent Rights and to the Improvement Patent Rights, and a nonexclusive license under the Technology, all relating to the aforementioned research and as further defined below;

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 **"Affiliate"** means any corporation, limited liability company or other legal entity which directly or indirectly controls, is controlled by, or is under common control with Licensee. For the purpose of this Agreement, "control" shall mean the direct or indirect ownership of greater than 50 percent (>50%) of the outstanding shares on a fully diluted basis or other voting rights of the subject entity to elect directors, or if not meeting the preceding, any entity owned or controlled by or owning or controlling at the maximum control or ownership right permitted in the country where such entity exists. In addition, a party's status as an Affiliate of License shall terminate if and when such control ceases to exist.

1.2 **"Exclusively Licensed Patent Rights"** means all patent rights under: (a) all patents and patent applications listed in Exhibit A attached hereto; (b) any patents issuing therefrom; and (c) any patents or patent applications claiming a right of priority thereto (including reissues, reexaminations, renewals, extensions, divisionals, continuations, continued prosecution applications, continuations-in-part and foreign counterparts of any of the foregoing).

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1.3 **“Technology”** means any technology existing as of the Effective Date, including all proprietary information, know-how, procedures, methods, prototypes, and designs, which is (a) specifically listed in Exhibit B, or (b) disclosed in the patent applications and patents listed in Exhibit A, or (c) retained in the unaided memory of any person who becomes employed by Licensee after prior affiliation with Caltech. Such Technology does not include rights to any patent application or patent owned or controlled by Caltech, other than those listed on Exhibit A. Technology may also include other items of non-patented proprietary information developed within three years from the Effective Date in the laboratory of Prof. Frances Arnold, but only if Caltech and Prof. Arnold consent to the addition of such items, in which case those items shall be set forth in an updated Exhibit B which will be initialed by the parties. This clause shall not be construed to give Licensee a right to review laboratory notebooks or other materials produced in Prof. Arnold’s laboratory after the Effective Date, without her consent, which may be withheld in her discretion.

1.4 **“Caltech Technology”** means the Exclusively Licensed Patent Rights, Improvement Patent Rights, and the Technology.

1.5 **Reserved**.

1.6 **“Effective Date”** has the meaning set forth in the preamble.

1.7 **“Field”** means […***…].

1.8 **“Improvement Patent Rights”** means Caltech’s rights under: (a) all patents and patent applications with claims directed to Improvements which have been elected on in writing by Licensee after timely disclosure by Caltech of such Improvements; (b) any patents issuing therefrom; and (c) any patents or patent applications claiming a right of priority thereto (including reissues, reexaminations, renewals, extensions, divisionals, continuations, continued prosecution applications, continuations-in-part and foreign counterparts of any of the foregoing).

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1.9 **"Improvements"** means any future invention conceived and reduced to practice or otherwise developed solely in the laboratory of Prof. Frances Arnold at Caltech, either solely or jointly with Licensee in the Field for a period of three (3) years from the Effective Date, and which are dominated by a Valid Claim under Exclusively Licensed Patent Rights.

1.10 **"Licensed Product"** means any product, device, system, article of manufacture, composition of matter, or process or service in the Field that is covered by, or is made by a process covered by, any Valid Claim or that utilizes Technology in material part.

1.11 **"Subsidiary"** means any corporation, limited liability company or other legal entity of which the direct or indirect ownership of greater than 50 percent (>50%) of the outstanding shares on a fully diluted basis or other voting rights of the subject entity to elect directors or managers, are owned by Licensee (whether existing as of the date hereof or in the future).

1.12 **"Valid Claim"** means:

(a) a claim of an issued patent within the Exclusively Licensed Patent Rights or Improvement Patent Rights that has not:

(i) expired or been canceled,

(ii) been finally adjudicated to be invalid or unenforceable by a decision of a court or other appropriate body of competent jurisdiction (and from which no appeal is or can be taken),

(iii) been admitted to be invalid or unenforceable through reissue, disclaimer or otherwise, or

(iv) been abandoned in accordance with or as permitted by the terms of this Agreement or by mutual written agreement; or

(b) a claim included in a pending patent application within the Exclusively Licensed Patent Rights or Improvement Patent Rights, which claim is being actively prosecuted in accordance with this Agreement and which has not been:

(i) canceled,

(ii) withdrawn from consideration,

(iii) finally determined to be unallowable by the applicable governmental authority (and from which no appeal is or can be taken), or

(iv) abandoned in accordance with or as permitted by the terms of this Agreement or by mutual written agreement.

ARTICLE 2
LICENSE GRANT

2.1 **Grant of Rights**. Caltech hereby grants to Licensee and any Subsidiary of Licensee the following licenses:

(a) an exclusive, paid-up license under the Exclusively Licensed Patent Rights and the Improvement Patent Rights to make, have made, import, use, sell, and offer for sale Licensed Products in the Field throughout the world; and

(b) a nonexclusive, paid up license under the Technology to make, have made, import, use, sell, offer for sale, reproduce, distribute, display, perform, create derivative works of, and otherwise exploit Licensed Products in the Field throughout the world.

These licenses are personal to and nontransferable by Licensee, except as provided in Section 14.9. In connection with exercise of its rights under this Agreement, Methanotech shall be permitted to transfer the materials listed in Exhibit B from the laboratory of Professor Frances H. Arnold to Methanotech.

Rights not explicitly granted herein are reserved by Licensor.

2.2 **Reservation of Rights; Government Rights**. These licenses are subject to: (a) the reservation of Caltech’s right to make, have made, import, use, sell and offer for sale Licensed Products for noncommercial educational and research purposes, but not for commercial sale or other commercial distribution to third parties; and (b) any existing right of the U.S. Government under Title 35, United States Code, Section 200 et seq. and under 37 Code of Federal Regulations, Section 401 et seq., including but not limited to the grant to the U.S. Government of a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced any invention conceived or first actually reduced to practice in the performance of work for or on behalf of the U.S. Government throughout the world.

Caltech has disclosed to Licensee the possibility that Licensed Products may be required to be substantially manufactured in the United States under 35 U.S.C. Section 204. If requested by Licensee, Caltech will make or cooperate in a request to any Federal agency under whose funding agreement any invention subject to this Agreement was made, for a waiver of that requirement. Licensee shall have an option to convert the licenses established under this Agreement from exclusive to non-exclusive, and shall be entitled to exercise such right selectively on a patent-by-patent basis upon written notice to Caltech. The parties agree that Licensee’s failure to substantially manufacture Licensed Products in the United States in accordance with 35 U.S.C. Section 204 is not a breach of this Agreement.

2.3 **Sublicensing**. Licensee has the right hereunder to grant sublicenses to third parties, but sublicensees shall not have the right to grant further sublicenses without the express written consent of Caltech (such consent not to be unreasonably withheld), and the sublicenses may be of no greater scope than the licenses under Sections 2.1.

2.4 **No Other Rights Granted**. The parties agree that neither this Agreement, nor any action of the parties related hereto, may be interpreted as conferring by implication, estoppel or otherwise, any license or rights under any intellectual property rights of Caltech other than as expressly and specifically set forth in this Agreement, regardless of whether such other intellectual property rights are dominant or subordinate to the Exclusively Licensed Patent Rights.

2.5 […***…]

ARTICLE 3
DISCLOSURE AND DELIVERY

3.1 **Exclusively Licensed Patent Rights**. Within one month of the Effective Date, Caltech shall disclose and deliver to Licensee copies of all patent applications and issued patents within the Exclusively Licensed Patent Rights.

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ARTICLE 4
PROSECUTION OF PATENT APPLICATIONS AND
PAYMENT OF PATENT COSTS

4.1 **Prosecution by Caltech**. Caltech shall use reasonable efforts, consistent with its normal practices, to: (a) prosecute any and all patent application(s) in connection with the Exclusively Licensed Patent Rights; and (b) file and prosecute Improvement Patent Rights licensed hereunder for which Caltech or Licensee deems it beneficial to obtain additional coverage. Licensee may recommend patent counsel for this purpose. Caltech shall permit Licensee to review all patent applications and claims made therein, and Caltech shall make reasonable efforts to implement modifications thereto as may be requested by Licensee prior to filing. Caltech shall promptly disclose Improvements to Licensee and Licensee shall elect within thirty (30) days whether such Improvements shall be included within the Improvement Patent Rights, at its expense. Caltech will have no obligation to prosecute patent applications that may constitute Improvements that are not elected by Licensee. Upon written election by Licensee, the parties will amend Exhibit A hereto to include inventions within the Exclusively Licensed Patent Rights, in a timely manner.

4.2 **Prosecution by Licensee**. If Caltech declines to file, prosecute or maintain. Exclusively Licensed Patent Rights or Improvement Patent Rights, then Licensee may elect to assume responsibility for such filing, prosecution or maintenance at its expense in Caltech's name. Caltech agrees to fully cooperate with Licensee in filing, prosecuting, and maintaining any such patent applications and patents, and Caltech agrees to execute any documents as shall be necessary for such purpose, and not to impair in any way the patentability of any of the foregoing.

4.3 **Patent Costs**. Except as specified in the next paragraph, Licensee shall reimburse Caltech for all reasonable past and future expenses (including attorneys' fees) incurred by Caltech for the filing, prosecution and maintenance, interference or reexamination proceedings, of Exclusively Licensed Patent Rights and Improvement Patent Rights. All amounts owed by Licensee for the reimbursement of past patent expenses shall be due within twenty-four (24) months of the Effective Date of this Agreement. The amounts of past patent expenses for which Caltech has received invoices through June 20, 2004 are shown on Exhibit C. All other patent expenses owed are due within thirty (30) days following receipt by Licensee from Caltech of an invoice covering such fees.

Licensee may elect not to pay the foregoing patent costs and fees with respect to a particular patent application or patent. In the event that Licensee elects not to pay any of the forgoing costs and fees with respect to a particular application or patent, Caltech, may, at its option, continue such prosecution or maintenance, although any patent or patent application resulting from such prosecution or maintenance will thereafter no longer be subject to the licenses granted in Section 2.1 hereunder.

ARTICLE 5
ROYALTIES

Caltech's compensation for the licenses granted under this Agreement consist exclusively of the equity interests provided under Article 6, and no cash royalty shall apply.

ARTICLE 6
LICENSEE EQUITY INTEREST

6.1 **Common Stock Grant**. Licensee agrees to irrevocably issue to Caltech, in consideration of Licensee's receipt of the licenses granted under this Agreement, that number of shares of common stock, representing […***…] percent ([…***…]%) of the outstanding common and preferred shares on a fully diluted basis, of Licensee pursuant to an agreed upon Stock Issuance and Stockholder's Rights Agreement between Licensee and Caltech. The Stock Issuance and Stockholder's Rights Agreement will contain provisions protecting Caltech against dilution of its equity interest in the event the valuation of the post-money Series A-3 round is less than eight million seven hundred fifty thousand dollars ($8,750,000.00), and it will also contain a provision for the piggy-back registration of common shares with any other class of stock in the first public offering of Licensee in which other Licensee stockholders sell shares. […***…] In the event of any inconsistency between this Agreement and the Stock Issuance and Stockholder's Rights Agreement with respect to such equity interest, the Stock Issuance and Stockholder's Rights Agreement will control.

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6.2 **Transfer Restrictions**. Caltech agrees that, if this Section 6.2 is invoked by action of the Board of Directors of Licensee in the event of any underwritten or public offering of securities of Licensee or an Affiliate, Caltech shall, during a period of time specified by Licensee but not to exceed 180 days following the effective date of a registration statement filed under the Securities Act of 1933, not directly or indirectly, sell, offer to sell, contract to sell, grant any option to purchase or otherwise transfer any securities of Licensee held by Caltech, other than securities, if any, that are included in such registration, nor short sell or enter into derivative transactions that are economically equivalent to a sale of such securities. If requested to do so by Licensee, Caltech will execute a letter agreement directly with the managing underwriter of a public offering restating the foregoing commitment. Other than the foregoing, and the generally applicable right of first refusal set forth in Section 5 of Licensee's bylaws, Caltech shall not be restricted from transferring its equity interest to any entity in any manner not prohibited by law.

ARTICLE 7
DUE DILIGENCE

7.1 **Commercialization**. Licensee agrees to use its best efforts to commercially introduce its first Licensed Product in the Field as soon as practicable. Licensee shall be deemed to have satisfied its obligations under this Section 7.1 if Licensee has an ongoing and active research, development or marketing program, directed primarily toward commercial production and use of its first Licensed Product. Any efforts of Licensee's Affiliates or sublicensees shall be considered efforts of Licensee for the sole purpose of determining Licensee's compliance with its obligation under this Section 7.1.

7.2 **Reporting**. On each yearly anniversary of the Effective Date, Licensee shall issue to Caltech a detailed written report on its progress in introducing commercial Licensed Product(s); such obligation shall terminate following the report that discloses introduction of Licensee's first commercial Licensed Product. Such reports shall be considered confidential information of Licensee subject to Article 11.

7.3 **Failure to Commercialize**. If Licensee is not fulfilling its obligations under Section 7.1 with respect to the Field in any country, and Caltech so notifies Licensee in writing, Caltech and Licensee shall negotiate in good faith any additional efforts to be taken by Licensee. If the parties do not reach agreement within thirty (30) days of Caltech's written notice, the parties shall submit the issue to arbitration as provided in Article 12.

ARTICLE 8
LITIGATION

8.1 **Enforcement**. Both Caltech and Licensee agree to promptly notify the other in writing should either party become aware of possible infringement by a third party of the Exclusively Licensed Patent Rights or Improvement Patent Rights. If Licensee has supplied Caltech with evidence of infringement of Exclusively Licensed Patent Rights or Improvement Patent Rights, Licensee may by notice request Caltech to take steps to enforce the Exclusively Licensed Patent Rights or Improvement Patent Rights. If Caltech does not, within sixty (60) days of the receipt of such notice, initiate an action against the alleged infringer in the Field, Licensee may upon notice to Caltech initiate such an action at Licensee's expense, either in Licensee's name or in Caltech's name if so required by law. Licensee shall be entitled to control any such action initiated by it.

8.2 **Other Defensive Litigation**. If a declaratory judgment action alleging invalidity, unenforceability or noninfringement of any of the Exclusively Licensed Patent Rights or Improvement Patent Rights is brought against Licensee and/or Caltech, Licensee may elect to control the defense of such action, and if Licensee so elects it shall bear all the costs of the action. If mutually agreed between the parties, Licensee may also undertake the defense of any interference, opposition or similar procedure with respect to the Exclusively Licensed Patent Rights or Improvement Patent Rights, providing that Licensee bears all the costs thereof.

8.3 **Cooperation**. In the event either party takes control of a legal action or defense pursuant to Sections 8.1 or 8.2, (thus becoming the Controlling Party) the other party shall fully cooperate with and supply all assistance reasonably requested by the Controlling Party, including by: (a) using commercially reasonable efforts to have its employees consult and testify when requested; (b) making available relevant records, papers, information, samples, specimens, and the like; and (c) joining any such action in which it is an indispensable party. The Controlling Party shall bear the reasonable expenses (including salary and travel costs) incurred by the other party in providing such assistance and cooperation. Each party shall keep the other party reasonably informed of the progress of the action or defense, and the other party shall be entitled to participate in such action or defense at its own expense and using counsel of its choice. As a condition of controlling any action or defense involving the Exclusively Licensed Patent Rights pursuant to Sections 8.1 or 8.2, Licensee shall use its best efforts to preserve the validity and enforceability thereof.

8.4 **Settlement**. If Licensee controls any action or defense under Section 8.1 or 8.2, then Licensee shall have the right to settle any claims thereunder, but only upon terms and conditions that are reasonably acceptable to Caltech. Should Licensee elect to abandon such an action or defense other than pursuant to a settlement with the alleged infringer that is reasonably acceptable to Caltech, Licensee shall give timely advance notice to Caltech who, if it so desires, may continue the action or defense.

8.5 **Recoveries**. Any amounts paid to Licensee or Caltech by third parties as the result of an action or defense pursuant to Sections 8.1 or 8.2 (including in satisfaction of a judgment or pursuant to a settlement) shall first be applied to reimbursement of the unreimbursed expenses (including attorneys' fees and expert fees) incurred by each party. Any remainder shall be payable to Licensee.

8.6 **Reserved**.

8.7 **Marking**. Licensee agrees to mark the Licensed Products with the numbers of applicable issued patents within the Exclusively Licensed Patent Rights, unless such marking is commercially infeasible in accordance with normal commercial practices in the Field, in which case the parties shall cooperate to devise a commercially reasonable alternative to such marking.

8.8 **Expiration or Abandonment**. In a case where one or more patents or particular claims thereof within the Licensed Patent Rights expire, or are abandoned, or are declared invalid or unenforceable by a court of last resort or by a lower court from whose decree no appeal is taken, or certiorari is not granted within the period allowed therefore, then the effect thereof hereunder shall be:

(a) that such patents or particular claims shall, as of the date of expiration or abandonment or final decision as the case may be, cease to be included within the Licensed Patent Rights for the purpose of this Agreement; and

(b) that such construction so placed upon the Licensed Patent Rights by the court shall be followed from and after the date of entry of the decision.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

9.1 **Representations and Warranties of Caltech**. Caltech hereby represents and warrants to Licensee that as of the Effective Date:

(a) Caltech is the sole and exclusive owner of all right, title and interest in and to the Exclusively Licensed Patent Rights;

(b) there are no outstanding licenses, options or agreements of any kind relating to the Exclusively Licensed Patent Rights, other than pursuant to this Agreement herein; and

(c) Caltech has the power to grant the rights, licenses and privileges granted herein and can perform as set forth in this Agreement without violating the terms of any agreement that Caltech has with any third party.

9.2 **Exclusions**. The parties agree that nothing in this Agreement shall be construed as, and CALTECH HEREBY DISCLAIMS, ANY EXPRESS OR IMPLIED REPRESENTATION, WARRANTY, COVENANT, OR OTHER OBLIGATION:

(a) THAT ANY PRACTICE BY OR ON BEHALF OF LICENSEE OF ANY INTELLECTUAL PROPERTY LICENSED HEREUNDER IS OR WILL BE FREE FROM INFRINGEMENT OF RIGHTS OF THIRD PARTIES;

(b) AS TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT OF THIRD PARTY RIGHTS, WITH RESPECT TO ANY TECHNOLOGY PROVIDED BY CALTECH TO LICENSEE HEREUNDER.

9.3 **Indemnification by Caltech**. Caltech shall indemnify, defend and hold harmless Licensee from and against any and all losses, damages, costs and expenses (including attorneys' fees) arising out of a material breach by Caltech of its representations and warranties ("Indemnification Claims"), except to the extent involving or relating to a material breach by Licensee of its representations and warranties, provided that: (a) Caltech is notified promptly of any Indemnification Claims; (b) Caltech has the sole right to control and defend or settle any litigation within the scope of this indemnity; and (c) all indemnified parties cooperate to the extent necessary in the defense of any Indemnification Claims.

9.4 **Indemnification by Licensee**. Licensee shall indemnify, defend and hold harmless Caltech, its trustees, officers, agents and employees from and against any and all losses, damages, costs and expenses (including reasonable attorneys' fees) arising out of third party claims brought against Caltech relating to the manufacture, sale, licensing, distribution or use of Licensed Products by or on behalf of Licensee or its Affiliates, except to the extent involving or relating to a material breach by Caltech of its representations and warranties; provided that: (a) Licensee is notified promptly of any Indemnification Claims; (b) Licensee has the sole right to control and defend or settle any litigation within the scope of this indemnity; and (c) all indemnified parties cooperate to the extent necessary in the defense of any Indemnification Claims.

9.5 **Certain Damages**. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGES ARISING OUT OF THIS AGREEMENT, HOWEVER CAUSED, UNDER ANY THEORY OF LIABILITY.

ARTICLE 10
TERM AND TERMINATION

10.1 **Term**. This Agreement and the rights and licenses hereunder shall take effect on the Effective Date and continue until the expiration, revocation, invalidation, or unenforceability of the Exclusively Licensed Patent Rights and Improvement Patent Rights licensed to Licensee hereunder, unless earlier terminated pursuant to the terms of this Agreement.

10.2 **Termination for Monetary Breach**. Caltech shall have the right to terminate this Agreement and the rights and licenses hereunder if Licensee fails to make any payment due such as patent expenses hereunder and Licensee continues to fail to make the payment, (either to Caltech directly or by placing any disputed amount into an interest-bearing escrow account to be released when the dispute is resolved) for a period of thirty (30) days after receiving written notice from Caltech specifying Licensee's failure. Upon any such termination, (a) Licensee shall have six (6) months to complete the manufacture of any Licensed Products that are then works in progress for sale and to sell its inventory of Licensed Products, and (b) any sublicenses shall survive termination in accordance with Section 2.3.

10.3 **Non-Monetary Termination for Breach**. If Section 7.3 of this Agreement is materially breached by either party, the non-breaching party may elect to give the breaching party written notice describing the alleged breach. If the breaching party has not cured such breach within thirty (30) days after receipt of such notice, the notifying party will be entitled, in addition to any other rights it may have under this Agreement, to terminate this Agreement and the rights and licenses hereunder.

10.4 **Reserved**.

10.5 **Accrued Liabilities**. Termination of this Agreement for any reason shall not release any party hereto from any liability which, at the time of such termination, has already accrued to the other party or which is attributable to a period prior to such termination, nor preclude either party from pursuing any rights and remedies it may have hereunder or at law or in equity which accrued or are based upon any event occurring prior to such termination.

10.6 **Survival**. The following shall survive any expiration or termination (in whole or in pat) of this Agreement: (a) any provision plainly indicating that it should survive; and (b) Sections or Articles 6.2, 9.2, 9.3, 9.4, 9.5, 10.4, 11, 12, 13.1 & 14.

ARTICLE 11
CONFIDENTIALITY

11.1 **Nondisclosure and Nonuse**. Confidential Information is defined as the

Technology, the specification of any unpublished patent application, except to the extent (if at all) the foregoing is inherently disclosed in the normal course of use of a Licensed Product, and the terms of this Agreement or any reports due thereunder. During the term of this Agreement, Caltech agrees not to disclose any confidential information of Licensee to any third party without the prior written consent of Licensee, or to use any such confidential information for any purpose other than as contemplated by this Agreement. Notwithstanding anything to the contrary, confidential information of Licensee shall not include any information which: (a) is independently developed, without access to that party’s confidential information, by Caltech; (b) is acquired by Caltech from a third party who has the right to disclose such information; or (c) is or becomes part of the public domain (e.g., by publication of a patent or by any other means) except via an unauthorized act or omission by Caltech.

11.2 **Permitted Disclosures**. Notwithstanding the foregoing, Caltech may disclose: (a) confidential information as required by applicable laws or pursuant to governmental proceedings, provided that Caltech gives advance written notice to Licensee and reasonably cooperates therewith in limiting the disclosure to only those third parties having a need to know; and (b) the fact that Licensee has been granted a license under the Exclusively Licensed Patent Rights and Improvement Patent Rights.

ARTICLE 12
DISPUTE RESOLUTION

12.1 No issue of the validity of any of the Licensed Patents, enforceability of any of the Licensed Patents, infringement of any of the Licensed Patents, the scope of any of the claims of the Licensed Patents and/or any dispute that includes any such issue, shall be subject to arbitration under this Agreement unless otherwise agreed by the Parties in writing.

12.2 Except for those issues and/or disputes described in Section 12.2, any dispute between the Parties concerning the interpretation, construction or application of any terms, covenants or conditions of this Agreement shall be resolved by arbitration.

12.3 Arbitration shall be in accordance with the CPR Institute For Dispute Resolution (CPR) Rules for Non-Administered Arbitration of Patent and Trade Secret Disputes or Rules for Non-Administered Arbitration, as appropriate, in effect on the Effective Date by a sole Arbitrator who shall be appointed in accordance with the applicable CPR rules. Any other choice of law clause to the contrary in this Agreement notwithstanding, the arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Section 1-16.

12.4 Any award made (i) shall be a bare award limited to a holding for or against a party and affording such remedy as is within the scope of the Agreement; (ii) shall be accompanied by a brief statement (not to exceed ten (10) pages) of the reasoning on which the award rests; (iii) shall be made within four (4) months of the appointment of the Arbitrator; (iv) may be entered in any court of competent jurisdiction; and (v) any award pertaining to a patent which is subsequently determined to be invalid or unenforceable or otherwise precluded from being enforced, in a judgment rendered by a court of competent jurisdiction from which no appeal can or has been taken, may be modified as it relates to such patent by any court of competent jurisdiction upon application by any party to the arbitration, however, under no circumstances shall Caltech be required to refund any monies paid, or forego any amounts accrued, under the terms of this Agreement.

12.5 The requirement for arbitration shall not be deemed a waiver of any right of termination under this Agreement and the Arbitrator is not empowered to act or make any award other than based solely on the rights and obligations of the Parties prior to any such termination.

12.6 Each party shall bear its own expenses incurred in connection with any attempt to resolve disputes hereunder, but the compensation and expenses of the Arbitrator shall be borne equally.

12.7 The Arbitrator shall not have authority to award punitive or other damages in excess of compensatory damages, and each party irrevocably waives any claim thereto.

ARTICLE 13
PRODUCT LIABILITY

13.1 **Indemnification**. Licensee agrees that Caltech (including its trustees, officers, faculty and employees) shall have no liability to Licensee, its Affiliates, their customers or any third party, for any claims, demands, losses, costs, or other damages which may result from personal injury, death, or property damage related to the Licensed Products ("Product Liability Claims"). Licensee agrees to defend, indemnify, and hold harmless Caltech, its trustees, officers, faculty and employees from any such Product Liability Claims, provided that: (a) Licensee is notified promptly of any Product Liability Claims; (b) Licensee has the sole right to control and defend or settle any litigation within the scope of this indemnity; and (c) all indemnified parties cooperate to the extent necessary in the defense of any Claims.

13.2 **Insurance**. Prior to such time as Licensee begins to manufacture, sell, license, distribute or use Licensed Products, Licensee shall at its sole expense, procure and maintain policies of comprehensive general liability insurance in amounts not less than […***…], and naming those indemnified under Section 13.1 as additional insureds. Such comprehensive general liability insurance shall provide: (a) product liability coverage; and (b) broad form contractual liability coverage for Licensee's indemnification of Caltech under Section 13.1. In the event the aforesaid product liability coverage does not provide for occurrence liability, Licensee shall maintain such comprehensive general liability insurance for a reasonable period […***…]. Licensee shall provide Caltech with written evidence of such insurance upon request of Caltech.

13.3 **Loss of Coverage**. Licensee shall provide Caltech with notice at least fifteen (15) days prior to any cancellation, non-renewal or material change in such insurance, to the extent Licensee receives advance notice of such matters from its insurer. If Licensee does not obtain replacement insurance providing comparable coverage within sixty (60) days following the date of such cancellation, non-renewal or material change, Caltech shall have the right to terminate this Agreement effective at the end of such sixty (60) day period without any additional waiting period; provided that if Licensee provides credible written evidence that is has used reasonable efforts, but is unable, to obtain the required insurance, Caltech shall not have the right to terminate this Agreement, and Caltech instead shall cooperate with Licensee to either (at Caltech's discretion) grant a limited waiver of Licensee's obligations under this Article or assist Licensee in identifying a carrier to provide such insurance or in developing a program for self- insurance or other alternative measures.

ARTICLE 14
MISCELLANEOUS

*** Confidential Treatment Requested**

14.1 **Notices**. All notice, requests, demands and other communications hereunder shall be in English and shall be given in writing and shall be: (a) personally delivered; (b) sent by telecopier, facsimile transmission or other electronic means of transmitting written documents with confirmation of receipt; or (c) sent to the parties at their respective addresses indicated herein by registered or certified mail, return receipt requested and postage prepaid, or by private overnight mail courier services with confirmation of receipt. The respective addresses to be used for all such notices, demands or requests are as follows:

(a) If to CALTECH, to:
California Institute of Technology
1200 East California Boulevard
Mail Code 210-85
Pasadena, CA 91125
ATTN: Director, Technology Transfer
Phone No.: (626) 395-3288
Fax No.: (626) 356-2486

Or to such other person or address as Caltech shall furnish to Licensee in writing.

(b) If to LICENSEE, to:
Methanotech, Inc.
c/o Matthew Peters
385 S. Catalina Ave. #128
Pasadena, CA 91106
Phone No.: 626-744-0591

If personally delivered, such communication shall be deemed delivered upon actual receipt by the “attention” addressee or a person authorized to accept for such addressee; if transmitted by facsimile pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission, provided that sender has a transmission confirmation sheet indicating successful receipt at the receiving facsimile machine; if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt by the “attention” addressee or a person authorized to accept for such addressee; and if sent by mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section 14.1.

14.2 **Entire Agreement**. This Agreement sets forth the complete agreement of the parties concerning the subject matter hereof. No claimed oral agreement in respect thereto shall be considered as any part hereof. No amendment or change in any of the terms hereof subsequent to the execution hereof shall have any force or effect unless agreed to in writing by duly authorized representatives of the parties.

14.3 **Waiver**. No waiver of any provision, of this Agreement shall be effective unless in writing. No waiver shall be deemed to be, or shall constitute, a waiver of a breach of any other provision of this Agreement, whether or not similar, nor shall such waiver constitute a continuing waiver of such breach unless otherwise expressly provided in such waiver.

14.4 **Severability**. Each provision contained in this Agreement is declared to constitute a separate and distinct covenant and provision and to be severable from all other separate, distinct covenants and provisions. It is agreed that should any clause, condition or term, or any part thereof, contained in this Agreement be unenforceable or prohibited by law or by any present or future legislation then: (a) such clause, condition, term or part thereof, shall be amended, and is hereby amended, so as to be in compliance therewith the legislation or law; but (b) if such clause, condition or term, or part thereof, cannot be amended so as to be in compliance with the legislation or law, then such clause, condition, term or part thereof shall be severed from this Agreement all the rest of the clauses, terms and conditions or parts thereof contained in this Agreement shall remain unimpaired.

14.5 **Construction**. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof. Unless expressly noted, the term “include” (including all variations thereof) shall be construed as merely exemplary rather than as a term of limitation.

14.6 **Counterparts/Facsimiles**. This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one original. Facsimile signatures shall be deemed original.

14.7 **Governing Law**. This Agreement, the legal relations between the parties and any action, whether contractual or non-contractual, instituted by any party with respect to matters arising under or growing out of or in connection with or in respect of this Agreement shall be governed by and construed in accordance with the internal laws of the State of California, excluding any conflict of law or choice of law rules that may direct the application of the laws of another jurisdiction.

14.8 **No Endorsement**. Licensee agrees that it shall not make any form of representation or statement which would constitute an express or implied endorsement by Caltech of any Licensed Product, and that it shall not authorize others to do so, without first having obtained written approval from Caltech, except as may be required by governmental law, rule or regulation.

14.9 **Transferability**.

(a) This Agreement shall be binding upon and inure to the benefit of any successor or assignee of Caltech.

(b) Licensee may assign this Agreement without the consent of Caltech as part of a sale, regardless of whether such a sale occurs through an asset sale, stock sale, merger or other combination, or any other transfer of: (i) substantially all of Licensee's business; or (ii) that part of Licensee's business that exercises all rights granted under this Agreement; provided, however, that (x) Licensee gives Caltech written notice of the assignment, 30 days' prior to the assignment if practicable and otherwise as promptly as reasonably practicable, including the assignee's contact information, (y) the assignee agrees in writing to be bound by this Agreement, and (z) Caltech has received an assignment fee equal to […***…]. If requested by Licensee, Caltech will enter into good faith negotiations regarding Caltech's potential waiver of the $[…***…] transfer fee in exchange for […***…], such waiver to be in Caltech's discretion and to take the form of a written amendment to this Agreement providing also for the agreed cash royalty. If Caltech has once received $[…***…] for its equity holdings or as a payment under this Section 14.9, the fee provided under this paragraph shall not apply to any subsequent assignment.

(c) Licensee may assign the Agreement to any Subsidiary, without paying the

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fee or complying with the other requirements provided for in clause (b) immediately above, provided that it gives reasonably prompt written notice to Caltech before or after the assignment, including the assignee's contact information, and the Subsidiary agrees in writing to become bound by this Agreement as if it were the original Licensee.

(d) Any attempt by Licensee to assign this Agreement, without the consent of Caltech, except as expressly permitted under Section 14.9(b) or 14.9(c) is prohibited, null and void.

(e) Upon a permitted assignment of this Agreement pursuant to this Section, Licensee will be released of liability under this Agreement and the term "Licensee" in this Agreement will mean the assignee. Any permitted transferee of Licensee shall succeed to all of the rights and obligations of Licensee under this Agreement.

14.10 **Export Regulations**. This Agreement is subject in all respects to the laws and regulations of the United States of America, including the Export Administration Act of 1979, as amended, and any regulations thereunder. Licensee or its sublicensees will not in any form export, re-export, resell, ship, divert, or cause to be exported, re-exported, resold, shipped, or diverted, directly or indirectly, any product or technical data or software of the other party, or the direct product of such technical data or software, to any country for which the United States Government or any agency thereof requires an export license or other governmental approval without first obtaining such license or approval

14.11 **Force Majeure**. Neither party shall lose any rights hereunder or be liable to the other party for damages or losses (except for payment obligations) on account of failure of performance by the defaulting party if the failure is occasioned by war, strike, fire, Act of God, earthquake, flood, lockout, embargo, governmental acts or orders or restrictions, failure of suppliers, or any other reason where failure to perform is beyond the reasonable control and not caused by the negligence or intentional conduct or misconduct of the nonperforming party, and such party has exerted all reasonable efforts to avoid or remedy such force majeure; provided, however, that in no event shall a party be required to settle any labor dispute or disturbance.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed:

CALIFORNIA INSTITUTE OF TECHNOLOGY (Caltech)

Date: July 12, 2005	By: /s/ Lawrence Gilbert Name: Lawrence Gilbert Title: Sr. Director, Office of Technology Transfer
Date: July 12, 2005	**Methanotech, Inc.** By: /s/ Matthew Peters Name: Matthew Peters Title: President

Exhibit A

Exclusively Licensed Patent Rights

[…***…]

***   Confidential Treatment Requested**

Exhibit B

Technology

[…***…]

*** Confidential Treatment Requested**

Exhibit C

Accrued Patent Expenses

Estimated to be less than $[…***…] for all patents in Exhibit A.

***   Confidential Treatment Requested**

AMENDMENT #1

TO

EXCLUSIVE LICENSE AGREEMENT

This Amendment #1 (this "Amendment"), is entered into this 6th day of June, 2007 ("Amendment Date"), by and between California Institute of Technology, an educational institution located at 1200 E. California Boulevard, Pasadena, California 91125 ("Caltech"), and Gevo, Inc. ("Licensee"), a Delaware Corporation having a place of business at Pasadena, California.

WHEREAS, Caltech and Licensee entered into that certain Exclusive License Agreement (as amended herein, the "Agreement") dated as of July 12, 2005 ("Agreement Date") pursuant to which Licensee obtained an exclusive license under certain Licensed Patent Rights and Technology (as defined in the Agreement);

WHEREAS, Caltech and the Licensee desire to make certain amendments to the Agreement as set forth herein.

NOW THEREFORE, for an in consideration of the covenants, conditions, and undertakings hereinafter set forth, it is agreed by and between the Parties as follows:

1. General

This Amendment shall be effective as of the Amendment date.

2. Definitions

2.1 Article I, paragraph 1.7, Field, add "and including […***…]".

2.2 Article I, paragraph 1.8, Improvement Patent Rights shall be redefined as follows:

"Improvement Patent Rights" means Caltech's rights under: (a) all patent and patent applications to Improvements which have been elected in writing by Licensee after timely disclosure by Caltech of such Improvements; (b) any patents issuing from the applications described in Section 1.8(a); and (c) any patents or patent applications claiming a right of priority thereto (including reissues, reexaminations, renewals).

2.3 Article I, paragraph 1.7, Improvements shall be redefined as follows:

"Improvements" means any future invention in the Field conceived and reduced to practice or otherwise developed solely in the laboratory of Prof. Arnold at Caltech, for a period of four (4) years from the Effective Date.

3. Consideration

3.1 In consideration for extending the term for Improvements an additional one (1) year and for other valuable considerations, Gevo grants to Caltech twelve thousand (12,000) shares of Gevo common stock, to be issued within ninety (90) days of the Amendment Date.

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3.2 Gevo shall make a gift payable to Caltech of one hundred thousand U.S. dollars ($100,000.00) payable upon execution of this Amendment. Payment to Caltech should be sent to Corporate Relations, […***…], 1200 E. California Blvd., […***…], Pasadena, CA 91125 ("for use by the Arnold lab in the field of bio fuels").

4. Agreement Otherwise in Effect. Except as set forth in this Amendment, all other provisions of the original Agreement remain unchanged. In the event of any conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall prevail.

5. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITHNESS WHEREOF, the Parties have caused this Amendment #1 to be duly executed and delivered in duplicate originals as of the Amendment Date.

CALIFORNIA INSTITUTE OF TECHNOLOGY ("CALTECH")

By: /s/ Lawrence Gilbert
Typed: Lawrence Gilbert
Title: Sr. Director, Technology Transfer

GEVO, INC.
(LICENSEE)

By: /s/ Matthew W. Peters
Typed: Matthew W. Peters
Title: Chief Science Officer

AMENDMENT #2

TO

EXCLUSIVE LICENSE AGREEMENT

This Amendment #2 (this “Amendment”), is entered into this 9th day of January 2009 (“Amendment Date”), by and between California Institute of Technology, an educational institution located at 1200 E. California Boulevard, Pasadena, California 91125 (“Caltech”), and Gevo, Inc. (“Licensee”), a Delaware Corporation having a place of business at Englewood, Colorado.

WHEREAS, Caltech and Licensee entered into that certain Exclusive License Agreement (as amended herein, the “Agreement”) dated as of July 12, 2005 (“Agreement Date”) pursuant to which Licensee obtained an exclusive license under certain Licensed Patent Rights and Technology (as defined in the Agreement):

WHEREAS, Caltech and the Licensee desire to make certain amendments to the Agreement as set forth herein.

NOW THEREFORE, for an in consideration of the covenants, conditions, and undertakings hereinafter set forth. it is agreed by and between the Parties as follows:

1. General

This Amendment shall be effective as of the Amendment date.

2. Definitions

2.1 Article I, paragraph 1.7, Field, shall be redefined as follows:

“**Field**” means […***…].

3. Agreement Otherwise in Effect. Except as set forth in this Amendment, all other provisions of the original Agreement remain unchanged. In the event of any conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall prevail.

4.Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

***   Confidential Treatment Requested**

IN WITHNESS WHEREOF. the Parties have caused this Amendment #1 to be duly executed and delivered in duplicate originals as of the Amendment Date.

CALIFORNIA INSTITUTE OF TECHNOLOGY ("CALTECH")	**GEVO, INC. (LICENSEE)**
By: /s/ Lawrence Gilbert	By: /s/ David Glassner
Typed: Lawrence Gilbert	Typed: David Glassner
Title: Sr. Director, Technology Transfer	Title: Vice President

AMENDMENT #3

TO

EXCLUSIVE LICENSE AGREEMENT

This Amendment #3 (this "Amendment"), is entered into this 27th day of May 2009 ("Amendment Date"), by and between California Institute of Technology, an educational institution located at 1200 E. California Boulevard, Pasadena, California 91125 ("Caltech"), and Gevo. Inc. ("Licensee"), a Delaware Corporation having a place of business at Englewood, Colorado.

WHEREAS, Caltech and Licensee entered into that certain Exclusive License Agreement (as previously amended June 6, 2007 and January 9, 2009 and as amended herein, the "Agreement") dated as of July 12, 2005 ("Agreement Date") pursuant to which Licensee obtained an exclusive license under certain Licensed Patent Rights and Technology (as defined in the Agreement);

WHEREAS, Caltech and the Licensee desire to make certain amendments to the Agreement as set forth herein.

NOW THEREFORE, for an in consideration of the covenants, conditions, and undertakings hereinafter set forth, it is agreed by and between the Parties as follows:

1. General

This Amendment shall be effective as of the Amendment date.

2. Definitions

2.1 Article I, paragraph 1.7, Field, shall be redefined as follows:

"**Field**" means […***…].

2.2 Article I, paragraph 1.7, Improvements shall be redefined as follows:

"**Improvements**" means any future invention in the Field conceived and reduced to practice or otherwise developed solely in the laboratory of Prof. Frances Arnold at Caltech, for a period of six (6) years from the Agreement Date.

3. Consideration

Gevo shall make a gift payable to Caltech in the amount of twenty thousand dollars ($20,000.00), payable upon execution of this Amendment, to support research in the area of biofuels in Frances Arnold's laboratory, including support of students and staff, supplies, and related research expenses. Specifically, the gift will support […***…].

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4. Agreement Otherwise In Effect. Except as set forth in this Amendment, all other provisions of the original Agreement remain unchanged. In the event of any conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall prevail.

5. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Amendment #3 to be duly executed and delivered in duplicate originals as of the Amendment Date.

CALIFORNIA INSTITUTE OF TECHNOLOGY ("CALTECH")	**GEVO, INC.** **(LICENSEE)**
By: /s/ Lawrence Gilbert	By: /s/ Brett Lund
Typed: Lawrence Gilbert	Typed: Brett Lund
Title: Sr. Director, Technology Transfer	Title: Vice President & General Counsel

Matthew W. Peters
Chief Scientific Officer

August 27, 2007

California Institute of Technology
1200 East California Boulevard
Mail Code 210-85
Pasadena, CA 91125
ATTN: Larry Gilbert, Senior Director of Technology Transfer

Dear Larry,

Gevo has decided to no longer pursue prosecution of the patent applications listed in attached document. According to Section 4.3. of the License Agreement with Caltech dated July 12, 2005, Gevo elects to no longer pay the foregoing patent costs and fees with respect to these patent applications and acknowledges that these patent applications are no longer subject to the licenses granted in Section 2.1.

Notwithstanding, the remainder of the license, including improvement rights to inventions in the field in Prof. Arnold’s laboratory remains in full effect.

With Best Regards,

/s/ Matthew W. Peters
Matthew W. Peters

[…***…]

Exhibit 10.7

***** Text Omitted and Filed Separately
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4)
and 203.406**

SUBLEASE

THIS SUBLEASE (this "**Sublease**") between LUZENAC AMERICA, INC., a Delaware corporation ("**Sublandlord**") and GEVO, INC., a Delaware corporation ("**Subtenant**"), is dated as of November 28, 2007 (the "**Effective Date**").

RECITALS

A. On April 29, 2003, Sublandlord and SVN-345 INVERNESS, LLC, C. MENTOR INVERNESS, LLC, GBSKI INVERNESS, LLC and V. ROSICH INVERNESS, LLC, each a Delaware limited liability company (successor in interest to Today Denver Technology Park, L.P.) (collectively, the "**Landlord**"), executed a Lease as amended by that certain (i) First Amendment dated September 1, 2003, (ii) Lease Addendum dated effective April 1, 2004 and (iii) Certificate of Acceptance dated October 28, 2003 (collectively, the "**Prime Lease**"), under which Landlord leased to Sublandlord Suite 310 (the "**Prime Premises**") in the building commonly known as 345 Inverness Drive South, Building C, at 345 Inverness Drive South, Building C, Englewood, Colorado 80112, consisting of approximately 29,865 square feet (the "**Prime Lease Space**"), for a term ending on August 31, 2013 unless sooner terminated (the "**Termination Date**").

B. A copy of the Prime Lease is attached to this Sublease as Exhibit A and incorporated into this Sublease.

C. Subtenant desires to sublease from Sublandlord and Sublandlord desires to sublease to Subtenant all of the Prime Lease Space (the "**Premises**"), all upon the terms and subject to the conditions and provisions of this Sublease.

AGREEMENTS

In consideration of the foregoing and of the mutual covenants and promises contained in this Sublease and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, Sublandlord and Subtenant agree as follows:

1. Sublease. Subject to Section 5, Sublandlord subleases to Subtenant, and Subtenant subleases from Sublandlord, the Premises upon the terms and conditions set forth in this Sublease.

2. Use. Subtenant may use the Premises for only those purposes permitted under applicable law and the Prime Lease.

3. Term. Subject to Section 5, the term of this Sublease (the "**Term**") will commence on December 1, 2007 (the "**Commencement Date**") and, unless sooner terminated pursuant to the provisions of the Prime Lease or this Sublease, will expire on July 31, 2013.

4. Possession. At any time after Sublandlord notifies Subtenant that it has received Landlord's Consent (defined in Section 5 below), Subtenant may take possession of the Premises to install its furniture, fixtures and equipment therein, and to perform any other work necessary to prepare the Premises for Subtenant's intended use thereof ("**Subtenant Work**"). Subtenant's

Work must be in accordance with plans and specifications approved by Landlord and Sublandlord and the requirements of the Prime Lease and this Sublease. Sublandlord will not unreasonably withhold or delay its approval. If Subtenant takes possession of the Premises before the Commencement Date, Subtenant will be bound by all terms and provisions of this Sublease and the Prime Lease, except those requiring the payment of Rent. Subtenant shall notify Sublandlord of Subtenant's intent to possess the Premises prior to the Commencement Date no less than 3 business days prior to Subtenant's intended date of possession (the "**Possession Date**").

5. Consent of Landlord. This Sublease and the obligations of the parties under this Sublease are conditioned upon Sublandlord obtaining and delivering to Subtenant on or before the Commencement Date, Landlord's consent to the Sublease, which shall include a specific consent to the uses Subtenant intends to make of the Premises ("**Landlord's Consent**"). Sublandlord's inability to obtain Landlord's Consent shall not constitute a default by Sublandlord under this Sublease. Subtenant will promptly deliver to Sublandlord any information reasonably requested by Landlord (in connection with Landlord's approval of this Sublease) with respect to the nature and operation of Subtenant's business or the financial condition of Subtenant. If Sublandlord does not obtain Landlord's Consent on or before the Commencement Date, then this Sublease shall automatically terminate without action by either party and neither party shall have any liability to the other under this Sublease, and any security deposit, letter of credit or other deposit made by Subtenant to Sublandlord shall be immediately returned to Subtenant.

6. Square Footage. Notwithstanding the number of square feet contained within the Premises as set forth in Recital A above: (i) for the period from the Commencement Date to and including November 30, 2008, Base Rent shall be calculated on the basis of only 20,000 square feet of the Premises, and (ii) beginning on December 1, 2008 and continuing thereafter during the Term, Base Rent shall be calculated on the basis of 29,865, in each case as set forth in Section 7.A below. Despite the square footage used in connection with the calculation of Base Rent, this Sublease covers the entire Premises and Subtenant shall be entitled to occupy, possess and use all of the Premises for the entire Term.

7. Rent. Subtenant will pay to Sublandlord at […***…], or at another place that Sublandlord designates in a written notice to Subtenant, the following amounts at the following times, without set-off or deduction, all of which (together with all other amounts that Subtenant owes to Sublandlord) is "Rent" under this Sublease:

A. Base Rent. During the Term, Subtenant will pay rent ("**Base Rent**") to Sublandlord monthly in advance, no later than the day that is 2 days before the first day of each calendar month. The Base Rent will be as follows:

Period	Per Square Foot	Annual Amount	Monthly Amount
Commencement Date through July 31, 2008			
August 1, 2008 through November 30, 2008		[…***…]	
December 1, 2008 through July 31, 2009			
August 1, 2009 through July 31, 2010			
August 1, 2010 through July 31, 2011			
August 1, 2011 through July 31, 2012			
August 1, 2012 through July 31, 2013			

B. Additional Rent and Operating Expenses.

(i) If required by the Prime Lease, Subtenant will obtain directly from the service provider all required electrical, gas, fuel, sewer, telephone, trash removal, janitorial, and other utilities and services not provided by Landlord under the Prime Lease and, beginning on the Commencement Date, will pay the cost of those services directly to the service providers.

(ii) Subject to the terms of this Sublease, Subtenant will pay to Sublandlord all other amounts payable by Sublandlord under the Prime Lease that are attributable to the Premises or attributable to the actions or inactions of Subtenant, its agents, employees, customers, or invitees. By way of example and not by way of limitation, such amounts include any charges authorized under the Primes Lease by Landlord for furnishing air conditioning or heating to the Premises at times in addition to those certain times specified in the Prime Lease, costs incurred by Landlord in repairing damage to the Building caused by Subtenant, increased insurance premiums due as a result of Subtenant's use of the Premises, and amounts expended or incurred by Landlord on account of any default by Subtenant which gives rise to a default under the Prime Lease.

(iii) Subtenant shall pay all Operating Expenses (as defined in the Prime Lease) attributable to the Premises and required to be paid by Sublandlord pursuant to the Prime Lease. Estimated Operating Expenses for 2007 are […***…]. Sublandlord has provided Landlord's estimated expenses for 2008 to Subtenant for its review prior to the Effective Date, and upon receipt from Landlord shall promptly provide to Subtenant a copy of the Landlord's 2006 Operating Expense Annual Reconciliation and the Landlord's estimated Operating Expenses for 2007 and copies of all other statements, accountings or other communications received from Landlord with respect to Operating Expenses.

(iv) Each amount due under this Section 7.B., and each other amount payable by Subtenant under this Sublease, unless a date for payment is provided for elsewhere in this Sublease, is due and payable the later of the twentieth (20th) day after the date on which Landlord or Sublandlord notifies Subtenant of the amount due or the fifth day of the calendar month following the month in which such notice was delivered. Subtenant will pay Landlord on the due dates for services requested by Subtenant that are billed by Landlord directly to Subtenant rather than Sublandlord.

8. Late Charges. Unpaid Rent will bear interest from the date which is two (2) days after the date when due until paid at an annual rate of the lesser of 5% and the maximum rate permissible by law.

***   Confidential Treatment Requested**

9. Condition of Premises; Subtenant's Work; Surrender.

(a) Sublandlord has made no promise to alter, remodel or improve the Premises and, except as specifically set forth below, no representation respecting the condition of the Premises to Subtenant; provided, however, that Sublandlord shall, at its expense, cause the work described in the letter dated November 2, 2007, from Clean Harbors Environmental Services, Inc., a copy of which is attached as Exhibit D hereto and incorporated herein by this reference, to be performed within the laboratory areas in the Premises, and following the completion of that work, shall cause the entire Premises, including without limitation the floors within the laboratory areas, to be professionally cleaned, prior to the Possession Date. Subtenant has examined the Premises, is fully familiar with its physical condition, and except as set forth below, accepts the Premises in its then present condition "**AS IS**" and "**WHERE IS**" as of the date of this Sublease with no express or implied warranties. The preceding sentence notwithstanding, Sublandlord shall deliver the Premises to the Subtenant on the Possession Date or Commencement Date (whichever occurs first) with all building operating systems, including but not limited to HVAC, plumbing, electrical and lighting (the "Systems"), in good operational order, and Sublandlord hereby represents and warrants that all of such Systems shall be in good operational order on such applicable date.

(b) All of Subtenant's Work will be done in a good and workmanlike manner in accordance with all applicable laws and the Prime Lease and, to the extent required by the Prime Lease, only upon the prior written consent of Landlord and Sublandlord, which Sublandlord's consent shall not be unreasonably withheld, conditioned or delayed. Subtenant will pay all costs and expenses attributable to Subtenant's Work. Sublandlord will not charge Subtenant a supervisory fee or a fee for overhead associated with Subtenant's Work, but Subtenant must reimburse Landlord for all of Landlord's reasonable out of pocket charges associated with architectural review and consultants necessary to evaluate Subtenant's Work, if such reimbursement is required under the Prime Lease.

(c) During the Term, Subtenant shall have the use of all of the furniture, furniture systems and other items of personal property located in the Premises and listed on Exhibit C hereto (the "**Personalty**") at no charge. On the Termination Date, Subtenant shall have the option to purchase the Personalty in its "**AS IS**" and "**WHERE IS**" condition, without warranty for $100.00.

(d) Upon the expiration of the Term, or upon any earlier termination of the Term or of Subtenant's right to possession, Subtenant will remove all trade fixtures and personal property (not including the Personalty unless and to the extent Subtenant has elected to exercise its option to purchase the Personalty as set forth in the preceding subparagraph) and surrender the Premises broom-clean and in at least as good condition as at the date Subtenant took possession, ordinary wear and tear and casualty loss excepted. Subtenant will remove all alterations, additions, and improvements that Subtenant installs or constructs that are required by Landlord to be removed at the end of the term of the Prime Lease pursuant to the terms thereof. Subtenant will repair all damage caused by its removal of its trade fixtures, personal property, alterations, additions, and improvements, to the extent required by the Prime Lease. The terms of this Section 9(d) will survive the expiration or earlier termination of this Sublease.

(e) Subject to the terms and conditions of the Prime Lease, Subtenant shall have the right to make alterations to the Premises that (i) are exclusively cosmetic, (ii) are not visible from the exterior of the Premises and (iii) do not impact or affect the structure, roof or structural systems of the building (the "**Future Alterations**"), without Sublandlord's consent and without payment to the Sublandlord. Any other alterations shall require Sublandlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

10. The Prime Lease.

(a) This Sublease and all rights of Subtenant under this Sublease and with respect to the Premises are subject to the terms, conditions, and provisions of the Prime Lease, except for the provisions of the Prime Lease except as they conflict directly with this Sublease or are deemed not applicable to this Sublease pursuant to this Section 10(a). Subtenant assumes and agrees to perform faithfully and be bound by, with respect to the Premises, all of Sublandlord's obligations, covenants, agreements, and liabilities under the Prime Lease and all terms, conditions, provisions, and restrictions contained in the Prime Lease, except to the extent set forth in the preceding sentence, and except:

(i) for the payment of Base Rent (each as defined or used in the Prime Lease);

(ii) that, except as set forth in Section 9(a) above, neither Sublandlord nor Subtenant needs to construct or install tenant improvements;

(iii) that none of the provisions in the Prime Lease allowing or purporting to allow any rights or options of lease expansion, reduction, cancellation, or extension, or any rent concessions or construction allowances, apply to this Sublease; and

(iv) Subtenant has a period of time equal to the period of time that the tenant under the Prime Lease has to respond to or otherwise cure any notices given by Landlord under the Prime Lease, less two (2) days.

(b) Without limitation of the foregoing:

(i) Except with respect to the Future Alterations described in Section 9(e) above, Subtenant will not make any changes, alterations, or additions in or to the Premises, except as permitted under the Prime Lease and subject to Sublandlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(ii) If Subtenant desires to take any action, and the Prime Lease requires Sublandlord to obtain the consent of Landlord before undertaking that type of action, Subtenant will not undertake the action without the prior written consent of Sublandlord. Sublandlord may condition its consent on the consent of Landlord and may require that Subtenant contact Landlord directly for its consent and that Subtenant take all other steps needed to assure that Sublandlord will have no additional obligations to Landlord under the Prime Lease as a result of such action. Within twenty (20) days of notice from Sublandlord, Subtenant will reimburse Sublandlord for all reasonable out-of-pocket costs, expenses, and attorneys' fees that Sublandlord incurs in attempting to obtain a consent, other than the Landlord's Consent, from Landlord.

(iii) Sublandlord has, with respect to Subtenant, all rights, privileges, options, reservations, and remedies granted or allowed to, or held by, Landlord under the Prime Lease, except to the extent they are inconsistent with, or modified by the provisions of this Sublease, including without limitation, all rights given to Landlord and its agents and representatives by the Prime Lease to enter the Prime Lease Space, upon reasonable notice and accompanied by a representative of Subtenant, as provided therein.

(iv) Subtenant will maintain insurance of the kinds and in the amounts required to be maintained by Sublandlord under the Prime Lease. All policies of liability insurance maintained by Subtenant shall name as additional insureds Landlord, SVN Management, Inc., a California corporation, and Sublandlord and their respective officers, directors, members, managers, or partners, as the case may be, and the respective agents and employees of each of them. In addition, Subtenant will furnish Landlord and Sublandlord with evidence of the insurance coverage in amounts that Landlord or Sublandlord may reasonably require.

(v) Neither Subtenant nor Sublandlord will do anything or suffer or permit anything to be done that could result in a default under the Prime Lease or permit Landlord to cancel the Prime Lease. Sublandlord agrees to hereinafter duly perform all of the terms, covenants and conditions on Sublandlord's part to be performed as tenant under the Prime Lease except for those of same which have been undertaken by Subtenant pursuant to the terms of this Sublease, including without limitation Sublandlord's obligation to pay Base Rent (as defined in the Prime Lease) as tenant under the Prime Lease. Sublandlord agrees that it shall not voluntarily surrender, assign (which assignment may only be made subject to this Sublease) or enter into any amendment of the Prime Lease, during the Term hereof, without obtaining the prior written consent of Subtenant.

(c) Sublandlord represents and warrants to Subtenant that:

(i) the Prime Lease is in full force and effect as of the date hereof, and has not been modified or amended as of that date and the copy attached hereto as Exhibit A is a complete copy of the Prime Lease and First Amendment to Lease;

(ii) Sublandlord is not now in default under any provision of the Prime Lease;

(iii) as of the Effective Date, no notice has been received of a default by Sublandlord under the terms of the Prime Lease; and

(iv) to the best of Sublandlord's actual knowledge, Landlord is not, as of the date hereof, in default in the performance or observance of its obligations under the Prime Lease.

(d) Despite anything contained in this Sublease or in the Prime Lease to the contrary, Sublandlord and Subtenant agree that:

(i) Rent will not abate by reason of any damage to or destruction of the Premises unless, and then only to the extent that, rent and other payments actually abate under the Prime Lease with respect to the Premises.

(ii) Subtenant is not entitled to any portion of the proceeds of any award for a condemnation or other taking, or a conveyance in lieu of a condemnation or taking, of all or any portion of the Building, the Prime Lease Space, or the Premises, but Subtenant may pursue a separate action against the applicable governmental authority for an award with respect to the taking of any of Subtenant's trade fixtures or other removable property or to Subtenant's costs and expenses of relocation as a result of the condemnation or other taking.

(iii) except as expressly set forth in this Sublease, Subtenant is not entitled to exercise or have Sublandlord exercise any option under the Prime Lease, including, without limitation, any option to terminate or extend the term of the Prime Lease or lease additional space.

(iv) If the terms of the Prime Lease conflict with the terms of this Sublease, the terms of this Sublease control as between Sublandlord and Subtenant.

(e) Sublandlord does not assume the obligations or liabilities of Landlord under the Prime Lease and is not making the representations or warranties, if any, made by Landlord in the Prime Lease. With respect to work, services, repairs, and restoration or the performance of other obligations required of Landlord under the Prime Lease, Sublandlord' sole obligation is to request the same, upon written request from Subtenant, and to use reasonable efforts to obtain the same from Landlord. All reasonable out-of-pocket costs and expenses, including, without limitation, attorneys' fees, incurred by Sublandlord in attempting to enforce Landlord's obligations and liabilities under the Prime Lease as aforesaid shall be reimbursed by Subtenant within twenty (20) days of notice from Sublandlord, and shall be deemed Rent due and payable under this Sublease. Sublandlord shall not be liable in damages for or on account of any failure by Landlord to perform the obligations and duties imposed on it under the Prime Lease.

(f) Nothing contained in this Sublease shall be construed to create privity of estate or contract between Subtenant and Landlord.

11. Subtenant Signage. Pursuant to the terms and conditions of the Prime Lease, Subtenant may seek Landlord's consent to place signage on the Premises, and once Landlord's consent has been obtained, no further consent from Sublandlord shall be required. Subject to the terms and conditions of the Prime Lease, all of Subtenant's signage shall be maintained by Subtenant at its cost in accordance with all laws and legal requirements. Subtenant will pay all costs relating to its signage, including, without limitation, costs to install and maintain its signage on the expiration or earlier termination of this Sublease. At the end of the Term, Subtenant shall remove all signs and repair all damage to the Premises caused by the signs or the removal of the signs.

12. Parking Spaces. Subtenant shall have the right to use all of the parking spaces that Landlord provides to Sublandlord pursuant to Section 3.8 of the Prime Lease.

13. Default by Subtenant.

(a) Upon the happening of any of the following, Subtenant will be in default under this Sublease and Sublandlord may exercise, without limitation of any other rights and remedies available to it under this Sublease or at law or in equity, any and all rights and remedies of Landlord set forth in the Prime Lease in the event of a default by Sublandlord under the Prime Lease:

(i) Subtenant fails more than once during any twelve-month period during the Term to pay within five (5) days of the date when due any Rent payable by Subtenant under the terms of this Sublease;

(ii) Subtenant fails to perform or observe any other covenant or agreement set forth in this Sublease for 10 days after notice from Sublandlord, unless compliance is not possible within 10 days and Subtenant began to comply within 10 days and diligently pursues it to completion; or

(iii) any other event occurs that involves Subtenant or the Premises and that would constitute a default under the Prime Lease if it involved Sublandlord or the Prime Lease Space;

(b) If Subtenant fails or refuses to timely make any payment or perform any covenant or agreement, Sublandlord may make such payment or undertake to perform such covenant or agreement (but shall not have any obligation to Subtenant to do so). In such event, amounts so paid and amounts expended in undertaking such performance, together with all costs, expenses and reasonable attorneys' fees incurred by Sublandlord in connection therewith, shall be Rent.

14. Non-Waiver. Failure of Sublandlord to declare any default or delay in taking any action in connection with a default shall not waive the default. No receipt of moneys by Sublandlord from Subtenant after the termination in any way of the Term or of Subtenant's right of possession or after the giving of any notice shall reinstate, continue, or extend the Term or affect any notice given to Subtenant or any suit commenced or judgment entered before receipt of such moneys.

15. Cumulative Rights and Remedies. All rights and remedies of Sublandlord under this Sublease are cumulative and none shall exclude any other rights or remedies allowed by law.

16. Waiver of Claims; Indemnity.

(a) Subtenant releases and waives all claims against Sublandlord and its respective officers, directors, partners, agents, members, managers, and employees and its successors and assigns for injury or damage to person, property, or business sustained in or about the Premises by Subtenant other than by reason of Sublandlord's gross negligence or willful misconduct and except in any case which would render this release and waiver void under law.

(b) Subtenant agrees to indemnify and defend Sublandlord and its respective officers, directors, partners, agents, members, managers, and employees and its successors and assigns, from and against any and all losses, claims, demands, costs, and expenses of every kind and nature, including reasonable attorneys' fees and litigation expenses, to the extent arising from Subtenant's occupancy of the Premises, Subtenant's construction of any leasehold improvements in the Premises or from any breach or default on the part of Subtenant in the performance of any agreement or covenant of Subtenant to be performed under this Sublease or pursuant to the terms of this Sublease, or from any act or omission of Subtenant or its agents, officers, employees, guests, servants, invitees, or customers in or about the Premises or the Building, except to the extent such losses, claims, demands, costs and expenses are caused by Sublandlord's gross negligence or willful misconduct. At Sublandlord's request, Subtenant will defend such proceeding at its sole cost and expense by legal counsel reasonably satisfactory to Sublandlord.

(c) Sublandlord agrees to indemnify and defend Subtenant and its officers, directors, partners, agents, members, managers, and employees and its successors and assigns, from and against any and all losses, claims, demands, costs, and expenses of every kind and nature, including reasonable attorneys' fees and litigation expenses, to the extent arising from any breach or default on the part of Sublandlord in the performance of any agreement or covenant of Sublandlord to be performed or performed under this Sublease or pursuant to the terms of this Sublease, or from any act or omission of Sublandlord or its agents, officers, employees, guests, servants, invitees, or customers in or about the Premises or the Building, except to the extent such losses, claims, demands, costs and expenses are caused by Subtenant's gross negligence or willful misconduct. At Subtenant's request, Sublandlord will defend such proceeding at its sole cost and expense by legal counsel reasonably satisfactory to Subtenant.

(d) Subtenant agrees to indemnify and defend Sublandlord and each of its officers, directors, partners, agents, members, managers, and employees and its successors and assigns, from and against any and all losses, claims, demands, costs, and expenses of every kind and nature, including reasonable attorneys' fees and litigation expenses, to the extent arising from the introduction of any Hazardous Material by Subtenant or its agents, officers, employees, guests, servants, invitees, or customers in or about the Premises or the Building, except to the extent such losses, claims, demands, costs and expenses are caused by Sublandlord's gross negligence or willful misconduct. At Sublandlord's request, Subtenant will defend such proceeding at its sole cost and expense by legal counsel reasonably satisfactory to Sublandlord.

(e) Sublandlord agrees to indemnify and defend Subtenant and each of its officers, directors, partners, agents, members, managers, and employees and its successors and assigns, from and against any and all losses, claims, demands, costs, and expenses of every kind and nature, including reasonable attorneys' fees and litigation expenses, to the extent arising from the introduction of any Hazardous Material by Sublandlord or its agents, officers, employees, guests, servants, invitees, or customers in or about the Premises or the Building, except to the extent such losses, claims, demands, costs and expenses are caused by Subtenant's gross negligence or willful misconduct. At Subtenant's request, Sublandlord will defend such proceeding at its sole cost and expense by legal counsel reasonably satisfactory to Subtenant.

(f) For the purposes of this Section 16, "Hazardous Material" shall mean any substance, chemical, waste or other material which is listed, defined or otherwise identified as "hazardous" or "toxic" under any federal, state, local or administrative agency ordinance or law, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq.; and the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; or any regulation, order, rule or requirement adopted thereunder, as well as any formaldehyde, urea, polychlorinated biphenyls, petroleum, petroleum product or by-product, crude oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel or mixture thereof, radon, asbestos, and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. §§ 3011 et seq.

17. Waiver of Subrogation. Notwithstanding anything in this Sublease to the contrary, Sublandlord and Subtenant each waive all rights of recovery, claims, actions or causes of action against the other and the officers, directors, partners, agents and employees of each of them, and Subtenant waives any and all rights of recovery, claims, actions or causes of action against Landlord and its agents, officers, directors, partners, members, managers and employees and their respective successors and assigns, for any loss or damage that may occur to the Premises, or any improvements to the Premises, or any personal property of any person in the Premises, by reason of fire, the elements, or any other cause insured against under valid and collectible fire and extended coverage insurance policies, regardless of cause or origin, including negligence, except in any case which would render this waiver void under law, to the extent that such loss or damage is actually recovered under said insurance policies.

18. Brokerage Commission. Each party represents and warrants to the other and to Landlord that, other than Grubb & Ellis and The Staubach Company (whose commissions will be payable by the Sublandlord pursuant to separate listing and commission agreements, respectively), it has had no dealings with any real estate broker or agent in connection with this Sublease, and that it knows of no other real estate broker or agent who is or might be entitled to a commission in connection with this Sublease. This Section 18 is not intended to create any third party beneficiary rights except in favor of Landlord. Each party agrees to protect, defend, indemnify and hold the other and Landlord and its officers, directors, partners, members, managers, agents and employees and their respective successors and assigns harmless from and against any and all claims inconsistent with the foregoing representations and warranties for any brokerage, finders or similar fee or commission in connection with this Sublease, if such claims are based on or relate to any act of the indemnifying party which is contrary to the foregoing representations and warranties.

19. Successors and Assigns. This Sublease shall be binding upon and inure to the benefit of the successors and assigns of Sublandlord, and shall be binding upon and inure to the benefit of the successors of Subtenant and, to the extent any such assignment may be approved, Subtenant’s assigns. In addition, Subtenant acknowledges and agrees that Sublandlord has the absolute and unqualified right to assign this Sublease subject only to the terms and conditions of the Prime Lease.

20. Assignment and Subletting. Subject to the prior written consent of Landlord and Sublandlord, which Sublandlord consent shall not be unreasonably withheld, conditioned or delayed, Subtenant may assign this Sublease or sublet or otherwise transfer its interest in all or any part of the Premises.

21. Entire Agreement. This Sublease contains all the terms, covenants, conditions, and agreements between Sublandlord and Subtenant relating in any manner to the rental, use, and occupancy of the Premises. No prior agreement or understanding pertaining to the same shall be valid or of any force or effect. The terms, covenants, and conditions of this Sublease cannot be altered, changed, modified, or added to except by a written instrument signed by Sublandlord and Subtenant and consented to by Landlord in writing.

22. Notices.

(a) If any notice from the Landlord or otherwise relating to the Prime Lease is delivered to the Premises or is otherwise received by either Sublandlord (to the extent such notice is applicable to Subtenant or the Premises) or Subtenant, the party receiving the same shall, as soon thereafter as possible but in any event within 24 hours, deliver such notice to the other party if such notice is written or advise the other party thereof by telephone if such notice is oral.

(b) Notices and demands required, desired, or permitted to be given by either party to the other with respect hereto or the Premises shall be in writing and shall not be effective for any purpose unless the same shall be served either by personal delivery with a receipt requested, by nationally recognized overnight air courier service or by United States certified or registered mail, return receipt requested, postage prepaid; provided, however, that all notices of default shall be served either by personal delivery with a receipt requested or by nationally recognized overnight air courier service, addressed as follows:

if to Sublandlord:

Rio Tinto Materials, Inc.
8051 E. Maplewood Avenue
Bldg. 4, Office 264
Greenwood Village, CO 80111
Attn: Leah G. Cooper
Facsimile: (303) 713-5780

with a copy to:

Rio Tinto Materials, Inc.
8051 E. Maplewood Avenue
Bldg. 4, Office 264
Greenwood Village, CO 80111
Attn: Rio Tinto Group Property Administrator

if to Subtenant:

Until January 31, 2008:
Gevo, Inc.
133 North Altadena Drive
Suite 310
Pasadena, CA 91107
Attn: Controller

After February 1, 2008:
Gevo, Inc.
345 Inverness Drive South
Building C, Suite 310
Englewood, CO 80112
Attn: Controller

with a copy to:

Liz Sharrer, Esq.
Holland & Hart LLP
555 17th Street, Suite 3200
Denver, CO 80202

Notices and demands shall be deemed to have been given 2 days after mailing, if mailed, or, if made by personal delivery or by overnight air courier service, then upon such delivery. Either party may change its address for receipt of notices by giving notice to the other party.

23. Security Deposit. Upon execution of this Sublease, Subtenant shall deposit with Sublandlord $[…***…] in cash and a letter of credit from Silicon Valley Bank in the amount of $[…***…] (the "**Letter of Credit**") as security for the full and faithful performance of every provision of this Sublease to be performed by Subtenant. The Letter of Credit shall be reduced annually throughout the Term according to the following schedule:

Date	Reduction	Remaining Amount Following Reduction
	[…***…]	
July 31, 2009	$39,681.50	$158,726.00
July 31, 2010	$39,681.50	$119,044.50
July 31, 2011	$39,681.50	$79,363.00
July 31, 2012	$39,681.50	$39,681.50
July 31, 2013	$39,681.50	-0-

If Subtenant defaults with respect to any provision of this Sublease and such default continues beyond any applicable grace or cure period, including but not limited to the provisions relating to the payment of rent, Sublandlord may use, apply or retain all or any part of said security deposit for the payment of any Rent and any other sum in default, or for the payment of any out-of-pocket sum which Subland lord may spend or become obligated to spend by reason of Subtenant's default or to compensate Sublandlord for any other actual loss or direct damage which Sublandlord may suffer by reason of Subtenant's default. If any portion of said security deposit is so used or applied during the Term, Subtenant shall, within 5 days after written demand therefor, deposit cash with Sublandlord in an amount sufficient to restore the security deposit to its Prime amount and Subtenant's failure to do so shall be a material breach of this Sublease. Except to the extent required by law, Sublandlord shall not be required to keep said security deposit separate from its general funds and Subtenant shall not be entitled to interest on any security deposit. If Subtenant shall fully and faithfully perform every provision of this Sublease to be performed by it, said security deposit or any balance thereof shall be returned to Subtenant within 30 days after the expiration of the Term and Subtenant's vacation of the Premises. Nothing herein shall be construed to limit the amount of damages recoverable by Sublandlord or any other remedy to the security deposit.

24. Examination. Sublandlord's submission of this instrument to Subtenant to examine or sign is not a reservation of or option for the Premises and does not bind Sublandlord. Subtenant's execution and delivery of this Sublease constitutes an offer by Subtenant to sublease the Premises on the terms and conditions contained in this Sublease that Subtenant cannot revoke for 10 days after delivery, but no lease, sublease, or obligation on Sublandlord will arise until both Sublandlord and Subtenant have signed and delivered this instrument, and Sublandlord has obtained Landlord's Consent.

25. SNDA's. Prior to the Commencement Date, Sublandlord shall request that Landlord obtain from the holder of any existing mortgage, deed of trust or ground lease covering the Building and furnish to Subtenant a subordination, non-disturbance and attornment agreement in a form reasonably acceptable to Subtenant.

26. Reasonability. It shall not be deemed unreasonable for Sublandlord to withhold its consent if Landlord's consent is required and has not been received.

*** Confidential Treatment Requested**

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the Effective Date.

SUBTENANT:

Gevo, Inc.

By: /s/ David Glassner
Name: David Glassner
Title: Vice Preident

November 30, 2007

SUBLANDLORD:

Luzenac America, Inc.

By: /s/ Chris J. Robison
Name: Chris J. Robison
Title: President

EXHIBIT A

PRIME LEASE

[see attached]

COMMERCIAL LEASE
(TRIPLE NET WITH LANDLORD SERVICES LEASE)

BETWEEN

Today Denver Technology Park, L.P.
a Texas limited partnership,

as Lessor,

and

Luzenac America, Inc.,
a Delaware corporation

as Lessee

Dated: April 29, 2003

Property Address: 345 Inverness Drive South
Building C
Englewood, Colorado 80112

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COMMERCIAL LEASE
(TRIPLE NET WITH LESSOR SERVICES LEASE)

ARTICLE 1 BASIC LEASE TERMS

1.1 Parties. This lease agreement (“Lease”) is entered into by and between the following Lessor and Lessee:

Today Denver Technology Park, L.P., a Texas limited partnership (“Lessor”), and Luzenac America, Inc., a Delaware corporation (“Lessee”).

1.2 Leased Premises. In consideration of the rents, terms, provisions and covenants of this Lease, Lessor hereby leases, lets and demises to the Lessee the following described premises, which premises are more or less depicted on Exhibit A attached hereto and incorporated herein by this reference (“Leased Premises”):

27,000 rentable square feet (Approximate sq. ft. in Leased Premises). The actual square footage will not be known until completion of the Lessee Improvement Final Plans by Burkett Design. The number of rentable square feet specified in said plans (which shall be measured from roofline to roof line and to the center of any interior demising walls, with no area factor included) prepared by Burkett Design shall be binding on Lessor and Lessee. Upon completion of the Lessee Improvement Final Plans by Burkett Design, Lessor and Lessee shall execute an amendment to this Lease, which amendment shall specify the actual square footage of the Lease and the amount of Base Rent due monthly based on said square footage.

176,632 rentable square feet (Approximate sq. ft. in Building)

345 Inverness Drive South, Building C (Name of building or project)

345 Inverness Drive South, Building C, Suite 310, (Street address/suite number)

Englewood, Colorado 80112 (City, State, and Zip Code), located on the land shown on Exhibit “A” attached hereto and incorporated herein for all purposes.

Lessee acknowledges that the square footage of the Leased Premises is as set forth above.

1.3 Term. Subject to and upon the conditions set forth herein, the term (the “Term”) of this Lease commences on August 1, 2003 (the “Commencement Date”), and terminates One Hundred Twenty (120) months thereafter (the “Termination Date”). Notwithstanding the foregoing to the contrary, Lessee shall have access to the Leased Premises three (3) weeks prior to the Commencement Date for Lessee’s installation of furniture, fixture and equipment (“FF&E”), but not for the operation of Lessee’s business. Lessee shall not interfere with the contractor performing the Lessee Improvements, as such term is hereinafter defined, during said early installation of the FF&E. Lessee agrees that Lessor will not be liable to Lessee if Lessor does not deliver possession of the Leased Premises to Lessee on the Commencement Date, and Lessor’s non-delivery of the Leased Premises to Lessee on the Commencement Date will not change the terms of this Lease or the obligations of Lessee hereunder. If delivery of the Leased Premises is delayed for any reason other than Lessee Delay (as hereinafter defined), Lessor and Lessee agree that the Commencement Date will be delayed until possession of the Leased Premises is delivered to Lessee, in which event the Term will be automatically extended for a period of time equal to the delay in delivery of possession of the Leased Premises to Lessee. The Commencement Date shall not be delayed due to Lessee Delay (hereinafter defined). Notwithstanding the foregoing, or any provision of Article 6 of this Lease, if the Commencement Date is delayed more than 60 days past the Threshold Date, as such term is hereinafter defined, not as a result of Lessee Delay or Force Majeure (provided the Force Majeure delay shall be limited to ninety (90) days), then the period of abated Base Rent described in this Lease will be extended on a day-for-day basis by the number of days that exceed 60 days of delay. Furthermore, if there is a delay in the Commencement Date of more than 120 days past the Threshold Date, that is not caused by Lessee Delay or Force Majeure (provided the Force Majeure delay shall be limited to ninety (90) days) then Lessee will have the right to terminate this Lease by written notice to Lessor, in which event all funds previously delivered by Lessee to Lessor will be returned to Lessee and the parties will be relieved of all further obligations under this Lease. If the Commencement Date is delayed, Lessor and Lessee shall, upon such delivery, execute an amendment to this Lease setting forth the actual Commencement Date and Termination Date. If the Termination Date falls on a day other than the last day of a month, the parties agree that the Term is automatically extended by the number of days necessary to cause the Tarn to end on the last day of a month.

1.4 Base Rent, Security Deposit. Base Rent shall be the following amount per rentable square foot per annum during the specified months of the Term:

Month of Term	**Annual Base Rent Rate/SF***
1-12	[…***…]
13-24	
25-36	
37-48	
49-60	
61-72	
73-84	
85-96	
97-108	
109-120	

* Effective rate of […***…]. The Effective Rate is for informational purposes only, and in no way affects the Annual Base Rent Rates specified herein.

Notwithstanding the foregoing to the contrary, the annual Base Rent shall be abated pursuant to the terms of Exhibit D attached hereto and incorporated herein by this reference.

1.5 Security Deposit. None.

*** Confidential Treatment Requested**

1.6 Addresses.

Lessor’s Address:

17400 Dallas Parkway Suite 216
Dallas, Texas 75287

Lessees’s Address:

345 Iverness Drive South
Building C, Suite 310
Englewood, Colorado 80112

With copy to:

Phillip K. Larson, Esq.
Lottner Rubin Fishman Brown & Saul, P.C.
633-17th Street, Suite 270Q
Denver, Colorado 80202

1.7 Permitted Use. General office, laboratories and warehouse.

ARTICLE 2 RENT

2.1 Base Rent. Lessee agrees to pay monthly as base rent during the term of this Lease without notice, demand, counter-claim, set-off or abatement, except as otherwise set forth in this Lease, the sum of money set forth in Section 1.04 of this Lease, which amount is payable to Lessor at the address shown above. One monthly installment of rent is due and payable on the date of execution of this Lease by Lessee for the Base Rent for the first month in which Base Rent is not abated, and a like monthly installment is due and payable on or before the first day of each calendar month thereafter during the term of this Lease; provided, if the Commencement Date should be a date other than the first day of a calendar month, the monthly rental set forth above will be prorated to the end of that calendar month and all succeeding installments of rent are payable on or before the first day of each succeeding calendar month during the term of this Lease. Lessee shall pay, as additional rent, all other sums due under this Lease.

2.2 Additional Rent. Lessee agrees to pay as additional rent, without deduction or set-off of any kind except as otherwise set forth herein, Lessee’s Pro Rata Share (as defined below) of all ad valorem taxes and installments of special assessments (including dues and assessments by means of deed restrictions and/or owner’s associations) lawfully levied or assessed against the Building (as hereinafter defined) of which the Leased Premises are a part and any and all insurance required herein or which is standard for similar projects (specifically including fire and casualty, commercial general liability and rent loss insurance). Said ad valorem taxes, assessments and insurance shall be prorated and paid on or before the first day of every month commencing on the Commencement Date, in advance, as additional rent. The pro ration shall be based upon Lessor’s estimate of ad valorem taxes, assessments and insurance for the current calendar year, provided, that in the event Lessor is required under a mortgage, deed of trust, underlying lease or loan agreement covering the Building to escrow ad valorem taxes, assessments or insurance, Lessor may but shall not be obligated, to use the amount required to be escrowed as a basis for its estimate. There will be an annual accounting as to actual ad valorem taxes, assessments and insurance and appropriate payment or credits made. To the extent the Commencement Date or termination date of this Lease is not on the first day of the calendar year or last day of the calendar year respectively, Lessees liability for ad valorem taxes, assessments and insurance shall be subject to a pro rata adjustment based on the number of days of any such year during which the Term is in effect, Lessee shall have the right at its expense to contest or appeal by appropriate proceedings any value assessment rendered by applicable taxing authorities and Lessor shall cooperate to the extent reasonably necessary in such contest or appeal. To the extent the Leased Premises are part of a multi-occupancy building, Lessee shall pay Lessee's Pro Rata Share of such ad valorem taxes, assessments and insurance. Lessee's Pro Rata Share will be a fraction, the numerator of which shall be the number of rentable square feet of floor area of the Leased Premises and the denominator of which shall be the number of rentable square feet of floor area in the Building of which the Leased Premises are a part.

2.3 Operating Expenses. Lessee agrees to pay, as additional rent, Lessee's Pro Rata Share of Lessor's Operating Expenses (hereinafter defined) for the Building without deduction or set-off of any kind except as otherwise set forth herein. Lessor may invoice Lessee monthly for Lessee's Pro Rata Share of the estimated Operating Expenses for each calendar year, which amount shall be adjusted from time-to-time (but no more than once per calendar year) based upon anticipated Operating Expenses. As of the date hereof, it is estimated that the Operating Expenses for calendar year 2003 will be approximately […***…] per rentable square foot. Within four months following the close of each calendar year, Lessor shall provide Lessee an accounting showing in reasonable detail all computations of additional rent due under this Section. In the event the accounting shows that the total of the monthly payments made by Lessee exceeds the amount of additional rent due by Lessee under this Section, such amount shall be credited against the next required payment of base rent. In the event the accounting shows that the total of the monthly payments made by Lessee is less than the amount of additional rent due by Lessee under this Section, the account shall be accompanied by an invoice for the additional rent. If this Lease shall terminate on a day other than the last day of a calendar year, the amount of any additional rent payable by Lessee applicable to the year in which such termination shall occur shall be prorated on the ratio that the number of days from the commencement of the calendar year to and including the termination date bears to 365. Provided Lessee is not in default of any terms of this Lease, Lessee shall have the right, at its own expense, to audit Lessor's books relevant to the additional rent payable under this Section. With respect to such audit, Lessee (i) may review Lessor's books during office hours, (ii) must perform such audit at the location of Lessor's books, (iii) must request such audit within six (6) months of receipt of its annual reconciliation of Operating Expenses, (iv) must deliver to Lessor a copy of the results of such audit, (v) may not audit the same calendar year more than one time; and (vi) may not have such audit conducted by a contingency fee-based auditor or accountant. If, as a result of such audit, it is determined that the Operating Expenses have been overstated by three percent (3%) or more, Lessor shall be required to reimburse Lessee for the costs of such audit. Assignees of Lessee may only audit periods for which they occupy the Leased Premises and subtenants of Lessee shall have no audit rights. If the audit discloses a discrepancy, within ten (10) days following receipt of the results of the audit, the discrepancy will be resolved by either Lessee paying to Lessor the amount owed by Lessee or by Lessor crediting the amount of Lessee's overpayment against the payment(s) of Base Rent or additional rent next owing by Lessee.

***   Confidential Treatment Requested**

2.4 Definition of Operating Expenses. The term “Operating Expenses” includes all expenses incurred by Lessor with respect to the maintenance and operation of the Building, including, but not limited to, the following: maintenance, repair and replacement costs; security; wages and benefits payable to employees of Lessor to the extent their duties are directly connected with the operation and maintenance of the Building; all services, utilities for common areas, supplies, repairs, replacement or other expenses for maintaining and operating the common parking and plaza areas; the cost, amortized over its useful life, of any expense required to be capitalized under GAAP principles and any capital improvement made to the Building by Lessor to the extent required under any governmental law or regulation; and the cost, amortized over its useful life, of installation of any device or other equipment to the extent it improves the operating efficiency of any system within the Leased Premises and thereby reduces Operating Expenses, provided that the amount included in Operating Expenses does not exceed the amount of cost savings, as reasonably estimated or determined by Lessor. The term Operating Expenses does not include the following: income and franchise taxes of Lessor; expenses and attorneys’ fees incurred in leasing to or procuring of lessees, leasing commissions, advertising expenses and expenses for the renovating of space for new lessees; interest or principal payments on any mortgage or other indebtedness of lessor; compensation paid to any employee of Lessor other than maintenance and property management personnel to the extent these services are directly associated with the operation and maintenance of the Building; capital expenses except as expressly stated above; any depreciation allowance or expense (except for depreciation of capital improvements and equipment specifically included within the definition of Operating Expenses); or operating expenses which are the responsibility of Lessee or any other lessee of the Building; or expenses (herein called “Defect Expenses”) incurred as a result of or caused by latent defects, punch list items, or Lessor’s failure to construct Building shell improvements or Lessee Improvements (hereinafter defined) in accordance with the requirements of this Lease and substantially in accordance with the Final Shell Plans and Specifications and Lessee Improvements Final Plans and Specifications as provided herein (such items being herein called “Defects”); operating expenses otherwise caused by or resulting from Lessor’s breach of its obligations under this Lease or any other lease of space; any amounts for which Lessor is reimbursed by insurance proceeds or any other source; property management fees in excess of 4.0 percent of rent receipts from the Building; expenses in connection with services or other benefits which are not offered to Lessee or for which Lessee is charged directly but which are provided to any other occupants of the Building; amounts paid to Lessor or any of its affiliates for goods and/or services to the extent the amount exceeds the cost that would have been payable by unaffiliated third parties on a competitive basis; electric power costs for which any occupant directly contracts with the provider or for which any occupant is separately metered; expenses in connection with complying with the Americans with Disabilities Act, including without limitation penalties or damages incurred due to non-compliance, except to the extent the same are permitted to be passed through as Operating Expenses pursuant to Section 16.1 of this Lease; tax penalties incurred as a result of Lessor’s failure to make payments and/or to file any return when due; cost for which Lessor is compensated by a management fee; costs arising from the gross negligence or fault of other occupants or of Lessor, its agents, vendors or contractors; unless due to the acts of Lessee, expenses arising from the presence of Hazardous Substances as defined in Section 3.6, in or about the Building or the project, and expenses incurred in connection with any Hazardous Substances cleanup, response action, or remediation on, in, under or about the Building or the project, including but not limited to costs and expenses associated with the defense, administration, settlement, monitoring or management thereof; charitable contributions; costs and attorneys’ fees arising from claims, disputes or proceedings pertaining to the Lessor or any prospective or existing tenant for the project; costs of any tap fees or any sewer or water connection fees for the benefit of any occupant; any above-standard janitorial services provided to other occupants that are not provided to Lessee; and amounts deposited into any reserves maintained by Lessor or its lender for subsequent payments of Operating Expenses or for any other purposes.

2.5 Late Payment Charge. Other remedies for nonpayment of rent notwithstanding, if more than once during any consecutive period of twelve months, the monthly rental payment is not received by Lessor on or before the fifth business day of the month for which the rent is due, or if any other payment due Lessor by Lessee is not received by Lessor on or before the fifth business day of the month next following the month in which Lessee was invoiced, Lessee agrees to pay a late payment charge of five percent (5%) of such past due amount in addition to such amounts owed under this Lease. In addition, Lessor is entitled to charge One Hundred Dollars ($100.00) for each check or payment which is not honored by Lessee's bank. Said charge is in addition to any other amounts owed under this Lease.

2.6 Security Deposit. [Intentionally Deleted]

2.7 Holding Over. In no event may Lessee remain in the Leased Premises following the expiration or termination of this Lease without Lessor's prior written consent. If Lessee does not vacate the Leased Premises upon the expiration or termination of this Lease, Lessee agrees that it will be a month-to-month tenant for the holdover period and that all of the terms and provisions of this Lease are applicable during that period, except that Lessee shall pay Lessor as base rental for the period of such holdover an amount equal to one hundred twenty five percent (125%) of the base rent being paid by Lessee immediately prior to the expiration or termination of this Lease for the first three months of such hold over and one hundred fifty percent (150%) of the base rent being paid by Lessee immediately prior to the expiration or termination of this Lease thereafter. Lessee agrees to vacate and deliver the Leased Premises to Lessor immediately upon Lessee's receipt of notice from Lessor to vacate. Such notice may be given pursuant to the notice provisions of Section 14.7 herein. Lessee agrees to pay the rental payable during the holdover period to Lessor on demand. No holding over by Lessee, whether with or without the consent of Lessor and notwithstanding receipt by Lessee of an invoice from Lessor for holdover rent, will extend the term of this Lease. Additionally, Lessee shall pay to Lessor all damages sustained by Lessor as a result of such holding over by Lessee without the written consent of Lessor.

ARTICLE 3 OCCUPANCY AND USE

3.1 Use. Lessee warrants and represents to Lessor that the Leased Premises may be used and occupied only for the purpose as set forth in Section 1.06. Lessee shall occupy the Leased Premises, conduct its business and control its agents, employees, invitees and visitors in such a manner as is lawful, reputable, will not create a nuisance, interfere with standard Building operations, or affect the structural integrity or design capabilities of the Building. Lessee shall not permit any operation which emits any odor or matter which intrudes outside the Leased Premises, attracts rodents, use any apparatus or machine which makes undue noise or causes vibration in any portion of the Building or otherwise interfere with, annoy or disturb any other party outside the Leased Premises, including without limitation, any other tenant in the Building. Lessee shall neither permit any waste on the Leased Premises nor allow the Leased Premises to be used in any way which would, in the reasonable opinion of Lessor, be extra hazardous on account of fire or which would in any way increase or render void the fire insurance on the Building. If at any time during the Term, the Lessor's insurance carrier imposes an additional penalty or surcharge in Lessor's insurance premiums because of Lessee's original or subsequent placement or use of storage racks or bins, method of storage or nature of Lessee's inventory or any other act of Lessee, Lessee agrees to pay as additional rent the increase in Lessor's insurance premiums. Notwithstanding anything set forth in this Section 3.1, in no way does Lessor warrant or represent, either expressly or impliedly, that Lessee's use of the Leased Premises is in accordance with applicable codes or ordinances of the municipality within which the Building is located, but Lessor approves the use of the Leased Premises for the uses specified in Section 1.7. Subject to Section 7.4, Lessee agrees to indemnify and hold Lessor harmless from all claims, demands, actions, liabilities, costs, expenses, damages and obligations of any nature arising from or as a result of the use of the Leased Premises by Lessee. The foregoing indemnification and the responsibilities of Lessee survive the termination or expiration of this Lease.

3.2 Signs. No sign of any type or description may be erected, placed or painted in or about the Leased Premises or Building, including those advertising the Leased Premises for sublease, except those signs submitted to Lessor in writing and approved by Lessor in writing and which signs are in conformance with Lessor's sign criteria established for the Building, and applicable governmental requirements and limitations (including any applicable restrictive covenants). Such permitted signs must be removed by Lessee in accordance with the conditions allowing their erection or upon expiration or termination of this Lease at Lessee's sole cost and expense. Any damage from such removal repaired at Lessee's sole cost and expense. Subject to the foregoing and provided Lessee pays for any such signage and Lessee obtains any necessary approvals, Lessor consents to signage for the benefit of Lessee on the Building C directory sign, the doors at the entrances to the Leased Premises, and Monument signage at or about the main entrance of the Leased Premises.

3.3 Compliance with Laws, Rules and Regulations. Lessee, at Lessee's sole cost and expense (except as provided in Section 2.4 hereof), shall comply with all laws, ordinances, orders, rules and regulations now in effect or enacted subsequent to the date hereof by state, federal, municipal or other agencies or bodies having jurisdiction over Lessee or the use, condition and occupancy of the Leased Premises except that Lessor shall be responsible for construction of the Lessee Improvements in compliance therewith as of the Commencement Date. Lessee will comply with the rules and regulations of the Building adopted by Lessor which are set forth on Exhibit C attached to this Lease. At any time, Lessor may change and amend the rules and regulations in any reasonable manner not inconsistent with the terms of this Lease as may be deemed advisable for the safety, care, cleanliness, preservation of good order and operation or use of the Building or the Leased Premises. All changes and amendments to the rules and regulations of the Building will be sent by Lessor to Lessee in writing and must thereafter be carried out and observed by Lessee. Lessor shall use reasonable efforts to enforce the rules and regulations in a nondiscriminatory manner against all occupants.

3.4 Warranty of Possession. Lessor warrants that it has the right and authority to execute this Lease, and Lessee, upon payment of the required rents and subject to the terms, conditions, covenants and agreements contained in this Lease, is entitled to possession of the Leased Premises during the full term of this Lease as well as any extension or renewal thereof. Lessor is not responsible for the acts or omissions of any other lessee or third party that may interfere with Lessee's use and enjoyment of the Leased Premises.

3.5 Inspection. Lessor or its authorized agents may at any and all reasonable times and upon reasonable notice enter the Leased Premises to inspect the same, conduct tests, environmental audits or other procedures to determine Lessee's compliance with the terms hereof; to supply any other service to be provided by Lessor; to show the Leased Premises to prospective purchasers, lessees (during the final 90 days of the Term), or mortgagees; to alter, improve or repair the Leased Premises or any other portion of the Building or for any other purpose Lessor deems reasonably necessary. LESSEE HEREBY WAIVES ANY CLAIM FOR DAMAGES FOR INJURY OR INCONVENIENCE TO OR INTERFERENCE WITH LESSEE'S BUSINESS, ANY LOSS OF OCCUPANCY OR USE OF THE LEASED PREMISES, AND ANY OTHER LOSS OCCASIONED THEREBY INCLUDING CLAIMS RESULTING FROM THE NEGLIGENCE OF LESSOR BUT EXCLUDING ANY CLAIMS RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR. Lessee shall not change Lessor's lock system or in any other manner prohibit Lessor from entering the Leased Premises. Lessor is entitled to use any and all means which Lessor may deem proper to open any door in an emergency without liability except as caused by Lessor's gross negligence or willful misconduct. During the final one-hundred eighty days of the term of this Lease, Lessor or its authorized agents have the right to erect or maintain on or about the Leased Premises or the Building customary signs advertising the Leased Premises for lease or sale. Notwithstanding any provision of this paragraph to the contrary, Lessor will not enter into any of the laboratory areas or any areas that contain the Lessee's servers or other information technology, except when accompanied by a representative of Lessee (except in the event of an emergency for which Lessor was unable to contact a representative of Lessee after making reasonable efforts to do so in light of the Circumstances of the emergency).

3.6 Hazardous Waste.

(a) The term "Hazardous Substances," as used in this Lease means pollutants, contaminants, toxic or hazardous wastes, or any other substances, the use and/or the removal of which is required or the use of which is regulated, restricted, prohibited or penalized by any "Environmental Law," which term means any federal, state or local law, ordinance or other statute of a governmental or quasi-governmental authority relating to pollution or protection of the environment. Lessee hereby agrees that (i) no activity will be conducted on the Leased Premises that will produce any Hazardous Substance, except for such activities that are part of the ordinary course of Lessee's business activities (the "Permitted Activities"), provided said Permitted Activities are conducted in accordance with all Environmental Laws and have been approved in advance in writing by Lessor; Lessee shall obtain all required permits and pay all fees and conduct any testing required by any governmental agency; (ii) the Leased Premises will not be used in any manner for the storage of any Hazardous Substances except for the temporary storage of such materials that are used in the ordinary course of Lessee's business (the "Permitted Materials") provided such Permitted Materials are properly stored in a manner and location meeting all Environmental Laws and approved in advance in writing by Lessor; Lessee shall obtain all required permits and pay all fees and conduct any testing required by any governmental agency in connection with the Permitted Materials; (iii) no portion of the Leased Premises or Building will be used as a landfill or a dump; (iv) Lessee will not install any underground or above ground tanks of any type; (v) Lessee will not allow any surface or subsurface conditions to exist or come into existence that constitute, or with the passage of time may constitute a public or private nuisance; and (vi) Lessee will not permit any Hazardous Substances to be brought onto the Leased Premises or Building, except for the Permitted Materials, and if so brought or found located thereon (except for pre-existing conditions or matters caused by the Lessor), the same must be immediately removed, with proper disposal, and all required cleanup procedures must be diligently undertaken pursuant to all Environmental Laws. Lessor or Lessor's representative's may, but are not required to, enter the Leased Premises for the purpose of inspecting the storage, use and disposal of Permitted Materials to ensure compliance with all Environmental Laws. Should it be determined, in Lessor's reasonable opinion, that said Permitted Materials are being stored, used, or disposed of in violation of any Environmental Law, then Lessee shall immediately take such corrective action as requested by Lessor. Should Lessee fail to take such corrective action within twenty-four (24) hours, Lessor has the right to perform such work and Lessee shall promptly reimburse Lessor for any and all costs associated with said work. If at any time during or after the term of this Lease, the Leased Premises or Building are found to be so contaminated or subject to said conditions as a result of Lessees breach of the terms of this Lease, Lessee shall diligently institute proper and thorough cleanup procedures at Lessee's sole cost. Before taking any action to comply with Environmental Laws or to clean up Hazardous Substances contaminating the Leased Premises or Building, Lessee shall submit to Lessor a plan of action, including any and all plans and documents required by any Environmental Law to be submitted to a governmental authority (collectively a "plan of action"). Such plan of action must be implemented by a licensed environmental contractor. Before Lessee begins the actions necessary to comply with Environmental Laws or to clean up contamination from Hazardous Substances, Lessor must have (1) approved the nature, scope and timing of the plan of action, and (2) approved any and all covenants and agreements to effect the plan of action. Subject to Section 7.4, Lessee agrees to indemnify and hold Lessor harmless from all claims, demands, actions, liabilities, costs, expenses, damages and obligations of any nature arising from or as a result of the use of the Leased Premises or Building by Lessee but excluding pre-existing conditions or matters resulting from the gross negligence or willful misconduct of Lessor. The foregoing indemnification and the responsibilities of Lessee survive the termination or expiration of this Lease.

(b) Lessee represents that it has not been previously cited for any environmental violations by any applicable governmental agency. To Lessor's actual knowledge, without investigation, as of the date of this Lease the project, the Building in general and the Leased Premises in particular are in compliance with all applicable Environmental Laws and there are no Hazardous Substances in, on, under or about the project, the Building or the Leased Premises.

3.7 Certificate of Occupancy. Upon occupancy of the Leased Premises, Lessee shall use its best efforts to obtain a Certificate of Occupancy (the "CO") or a temporary certificate of occupancy if appropriate from the municipality in which the Leased Premises are located.

3.8 Parking and Road Use. Lessee is granted the license and right to use, for the benefit of Lessee, its employees, customers, invitees and licensees, the parking areas adjacent to the Building of which the Leased Premises are a part on an unassigned, unreserved and non-exclusive basis as available on a first come, first serve basis, subject to reasonable regulation by Lessor. Lessor reserves the right in its sole discretion to designate specific areas within the parking areas for the exclusive use of visitors and invitees to the Building and others. Any parking permitted by Lessor on any common drive areas by Lessee or any of Lessee's employees, customers, invitees or licensees will be permitted upon the express condition that all such drives must be kept clear for through traffic of all vehicles, including tractor-trailers. No driving or parking of any vehicles on non-paved areas adjoining the Building or within the project of which the Building is a part is permitted. Notwithstanding the foregoing, Lessee has the right to use up to four parking spaces per 1,000 rentable square feet in the Leased Premises (one hundred eight (108) total parking spaces).

ARTICLE 4 UTILITIES SERVICE

4.1 Building Services.

(a) Lessor shall provide the normal utility service connections to the Building. Lessee shall pay directly to the appropriate supplier the cost of all utility services to the Leased Premises, including, but not limited to, security deposits, initial connection charges, all charges for gas, electricity, telephone, water, sprinkler monitoring devices, sanitary and storm sewer service, and security systems. If any services are jointly metered with other Leased Premises or property, Lessor shall make a reasonable determination of Lessee's proportionate share of the cost of such services and Lessee shall pay such share to Lessor with ten (10) days of receipt of any invoice thereof. In a multi-occupancy Building, Lessor may provide water to the Leased Premises, in which case Lessee agrees to pay to Lessor its Pro Rata Share of the cost of such water. Lessee shall pay all costs caused by Lessee introducing excessive pollutants or solids other than ordinary human waste into the sanitary sewer system, including permits, fees and charges levied by any governmental subdivision for any such pollutants or solids. Lessee shall be responsible for the installation and maintenance of any dilution tanks, holding tanks, settling tanks, sewer sampling devices, sand traps, grease traps or similar devices as may be required by any governmental subdivision for Lessee's use of the sanitary sewer system, but only to the extent that Lessee's use of the Leased Premises causes a material increase of the maintenance and repair obligations of any such items beyond that which would reasonably be expected to occur by any occupant of the Leased Premises who is using the Leased Premises for general office purposes. If the Leased Premises are in a multi-occupancy building, Lessee shall pay all surcharges levied due to Lessee's use of sanitary sewer or waste removal services insofar as such surcharges arise from any extraordinary use of the sanitary sewer or waste removal services beyond that which reasonably would be expected if the Leased Premises were used for general office purposes and that affect Lessor or other Lessees in the Building. Except as set forth herein, Lessor shall not be required to pay for any utility services, supplies or upkeep in connection with the Leased Premises or the Building. Utility services for the common areas shall be part of Operating Expenses.

(b) Lessee agrees that Lessor is not liable to Lessee in any respect for damages to either person, property or business on account of any interruption or failure of utilities or services furnished by Lessor, except as caused by the gross negligence or willful misconduct of Lessor. No such interruption or failure may be construed as an eviction of Lessee or entitle Lessee to (i) any abatement of rent, (ii) terminate this Lease, or (iii) be relieved from fulfilling any covenant or agreement contained herein, except as caused by the gross negligence or willful misconduct of Lessor. Notwithstanding the foregoing to the contrary, in the event the interruption or failure of utilities continues for sixty (60) consecutive days, Lessee's Base Rent shall be abated from the sixty-first (61st) day until said interruption or failure of utilities is corrected. Should any malfunction of the improvements or facilities to the Leased Premises or Building (which by definition do not include any improvements or facilities of Lessee which are part of the Lessee Improvements) occur for any reason, Lessor shall use reasonable diligence to repair same promptly, but Lessee will not be entitled to any claim for rebate or abatement of rent or damages on account of such malfunction or of any interruptions in service occasioned thereby or resulting therefrom.

4.2 Theft or Burglary. Lessee expressly acknowledges that whether or not Lessor, from time to time, elects to provide security services, Lessor has not, nor will Lessor be deemed to have, warranted the efficiency of any security personnel, service, procedures or equipment and Lessor is not liable in any manner for the failure of any of the foregoing to prevent or control or apprehend anyone suspected of theft, personal injury, property damage or any criminal conduct in, on or around the Building, unless caused by the gross negligence or willful misconduct of Lessor. Except as caused by the gross negligence or will misconduct of Lessor, Lessee agrees that Lessor is not liable to Lessee for losses to Lessee's property or personal injury caused by criminal acts or entry by unauthorized persons into the Leased Premises.

ARTICLE 5 REPAIRS AND MAINTENANCE

5.1 Existing Conditions. On the Commencement Date, Lessee shall be deemed to have accepted the Leased Premises in their then existing condition, subject to all recorded matters, laws, ordinances, and governmental regulations and orders and except for latent defects and other matters reflected on a punch list prepared by Lessee; provided that, Lessee's acceptance of the Leased Premises shall not relieve Lessor from any maintenance and repair obligations under this Lease. Lessee acknowledges that neither Lessor nor any agent of Lessor has made any warranty or representation of any kind, either express or implied as to the condition of the Leased Premises or the suitability of the Leased Premises for Lessee's intended use. The taking of the possession of the Leased Premises by Lessee is intended by the parties to be conclusive evidence that Lessee accepts the Leased Premises and Lessor has complied with its obligations of Section 6.1 herein except for Defects (as defined in Section 2.4 hereof). Prior to taking occupancy of the Leased Premises, Lessee shall sign a copy of the space plan of the Leased Premises acknowledging its condition on the date thereof (unless Lessor waives such requirement) and execute Lessor's Standard Tenant Acceptance of Premises form accepting such condition except for Defects.

5.2 Lessor Repairs and Maintenance. Except with respect to Defects, Lessor is not required to make any improvements, replacements or repairs of any kind or character to the Leased Premises during the Term. Lessor shall maintain the roof, foundation and structural soundness of exterior walls of the Building, mechanical, electrical and plumbing systems serving the Building and common areas, in good repair and condition except for reasonable wear and tear. Lessor shall also perform all ground maintenance, landscaping, pest control, and removal of debris from outside receptacles. Except for Lessor's gross negligence or willful misconduct, Lessee agrees that Lessor is not liable to Lessee, except as expressly provided in this Lease, for any damage or inconvenience, and Lessee is not entitled to any abatement or reduction of rent by reason of any repairs, alterations or additions made by Lessor under this Lease. Nothing contained herein entitles Lessee to make any repairs, alterations or additions to the Leased Premises at Lessor's expense or to terminate this Lease based on the physical condition of the Leased Premises.

5.3 Lessee Repairs and Maintenance. Lessee shall, at its sole cost and expense, maintain, repair and replace all other parts of the Leased Premises in good repair and condition, ordinary wear and tear expected, including, but not limited to carpet or other floor covering, interior partitions, doors, interior side of demising walls, telephone and computer cabling that serves Lessee's equipment exclusively, any supplemental air conditioning, interior water closets, kitchens and plumbing in connection therewith and any alterations, additions or improvements made by or on behalf of Lessee. Subject to Section 7.4, Lessee shall take good care of all personal property and fixtures located within the Leased Premises. Lessee shall repair and pay for any damage caused by any act or omission of Lessee or Lessee's agents, employees, invitees, licensees or visitors to the Leased Premises, the Building, or the project. If Lessee fails to maintain, repair or replace promptly as required herein, Lessor may, at its option, perform on Lessee's behalf and charge the cost of such performance to Lessee as additional rent which is due and payable by Lessee within ten (10) days from receipt of Lessor's invoice. Costs incurred under this section are the total responsibility of Lessee.

5.4 Request for Repairs. All requests for repairs or maintenance that are the responsibility of Lessor pursuant to any provision of this Lease must be made in writing to Lessor at the address in Section 1.05 and delivered pursuant to Section 14.07. After receipt of written notice, Lessor is entitled to a reasonable time within which to perform such repairs or maintenance.

5.5 Lessee Damages. Lessee shall not allow any damage to be committed on any portion of the Leased Premises or Building, and at the termination of this Lease, by lapse of time or otherwise, Lessee shall deliver the Leased Premises to Lessor in as good condition as existed at the Commencement Date of this Lease, ordinary wear and tear and casualty loss excepted. Except as caused by the gross negligence or willful misconduct of Lessor, the cost and expense of any repairs necessary to restore the condition of the Leased Premises must be borne by Lessee. Should Lessor be required to expend any sums to ensure compliance with this Section 5.05, Lessee shall reimburse Lessor within ten (10) days of receipt of notice from Lessor.

5.6 Maintenance Contract. Lessor may, as an Operating Expense, during the term of this Lease maintain a regularly scheduled preventative maintenance/service contract on an annual basis with a maintenance contractor for the servicing of all sprinkler systems, hot water, heating and air conditioning systems and equipment within or servicing the Leased Premises.

ARTICLE 6 ALTERATIONS AND IMPROVEMENTS

6.1 Initial Lessee Improvements.

(1) Lessee Improvements. Lessor and Lessee shall meet to discuss the design and construction of those improvements desired by Lessee, such improvements including, but not being limited to, M.E.P. systems, computer flooring, interior walls, wall coverings, window treatments, and floor coverings (the "Lessee Improvements"). Lessee agrees and acknowledges that other than the Lessee Improvements paid with the Improvement Allowance, as such term is hereinafter defined, Lessee is leasing the Leased Premises in its "As Is" condition and repair, subject to Defects. Lessee shall cause its architect, Burkett Design, to prepare preliminary plans and specifications of the Leased Premises satisfactory to Lessee, measured as provided in Section 1.2,

for construction of the Lessee Improvements desired by Lessee and Burkett Design shall deliver two (2) copies of such plans and specifications to Lessor for approval, which approval shall not be unreasonably withheld by Lessor. Lessor will advise Lessee within five (5) business days after Lessor's receipt of the preliminary plans and specifications of Lessor's approval or disapproval, and, Lessor's failure to respond within the five day period will be deemed Lessor's approval. Notwithstanding any provision of this Article 6 to the contrary, Lessor may only disapprove the preliminary plans and specifications, the final plans and specifications and any other work desired by Lessee as part of the Lessee Improvements to the extent that any work described in the documents or requested by Lessee will adversely affect the structural integrity of the Building, unreasonably delay issuance of a building permit, adversely affect systems serving the Building or increase the cost of operation or maintenance of any such systems, do not conform to applicable building codes or other governmental regulations, or do not compliment the Building's architecture or are of lesser quality than Building standard construction and materials. Lessee covenants and agrees that as part of its review and approval of the preliminary plans and specifications it will provide all information necessary to have Burkett Design complete the final plans and specifications as described below. Following approval of the preliminary plans, Lessee shall cause Burkett Design to prepare final plans and specifications for the Lessee Improvements satisfactory to Lessee, measured as provided in Section 1.2, and other construction documents for Lessor's and Lessee's approval, which approval shall not be unreasonably withheld by Lessor. The approved final plans and specifications for the Lessee Improvements being herein called the "Lessee Improvements Final Plans and Specifications". Within two (2) weeks of Lessor's receipt of the approved Lessee Improvements Final Plans and Specifications, Lessor shall deliver to Lessee a budget for construction of the Lessee Improvements, for Lessee's approval, which shall not be unreasonably conditioned, delayed or withheld. Lessee shall be deemed to have approved of the budget unless Lessee has provided written notice to Lessor of Lessee's objections thereto within five (5) days following the delivery thereof by Lessor to Lessee. All costs of Burkett Design involved in approving, drafting and preparing the Lessee Improvements Final Plans and Specifications shall be charged against the Improvement Allowance described below. Except for immaterial field changes, modifications to the Lessee Improvements Final Plans and Specifications must be made and accepted only by written change order ("Change Order") signed by Lessor, Lessee and the Contractor defined below and will constitute an amendment to this Lease. Any such written Change Order will specify the amount of delay expected to be caused to the construction schedule and any change in the cost of the Lessee Improvements caused by the Change Order, which statements will be binding upon Lessor, Lessee and the Contractor. Lessor will not unreasonably (using the criteria specified above in this paragraph) withhold its approval to any such Change Order. Lessee shall be responsible for payment in advance of work and construction resulting from changes in the Lessee Improvements Final Plans and Specifications requested by Lessee that increase the costs of the Lessee Improvements above the Improvement Allowance defined below. The Lessee Improvements Final Plans and Specifications (when approved by Lessor and Lessee) are incorporated in this Lease by reference. For the purpose of this Section, an "immaterial field change" shall mean such field changes which are required by any governmental authority or changes which (i) do not affect the size, configuration, structural integrity, quality, character, architectural appearance and standard of workmanship contemplated in the Lessee Improvements Final Plans and Specifications, (ii) will not result in any default in any obligation to any person or violation of any governmental requirements, and (iii) the cost of or reduction resulting from any single field change or extra does not exceed $2,000 and the aggregate amount of all such changes and extras does not exceed $10,000.

(2) Construction Standards. Subject to Lessee’s payment obligations under Section 6.1(3) below, Lessor shall cause the Lessee Improvements to be completed in a good and workmanlike manner, in accordance with all applicable laws, building codes and regulations, and in substantial accordance with the Lessee Improvements Final Plans and Specifications. Lessor shall coordinate construction of Lessee Improvements and for such services Lessor shall be paid a construction management fee (the “Construction Management Fee”) equal to the lesser of (i) five percent (5%) of the cost of such Lessee Improvements, or (ii) $1.75 per square foot contained in the Leased Premises, which fee shall be paid out of the Improvement Allowance (as hereinafter defined). Notwithstanding the foregoing to the contrary, Lessee reserves the right to select the contractor and other vendors to construct the Lessee Improvements, subject to Lessor’s reasonable approval, and to participate in the bid process. Lessor and Lessee shall mutually agree on the contractor selected to construct the Lessee Improvements. Lessee will have the right to revise the Lessee Improvements Final Plans and Specifications subject to Lessor’s approval rights described in previous paragraph, for the purpose of reducing the cost of the work if the Contractor will not agree in its contract to construct the Lessee Improvements for the amount of the agreed budget. Upon making any such revisions, Lessor will enter into a fixed price contract in the amount (the “Fixed Price”) approved by Lessor and Lessee. The contract will expressly state that Lessee is an intended third-party beneficiary of the contract, who has the right to enforce the contract against the Contractor. The Fixed Price can be increased only by execution of a Change Order as described above. After execution of a Change Order, the change in the Fixed Price, if any, shall be final and Lessor will not be entitled to claim any additional increase to the Fixed Price as a result of the Change Order. The Fixed Price will not be adjusted for omissions or changes to the Lessee Improvements that are the responsibility of either the Lessor or the Contractor pursuant to the Contract or the responsibility of any subcontractors. Additional construction costs caused by any of the following events will be the Lessor’s responsibility and will not entitle Lessor to claim an increase in the Fixed Price: (i) any act or omission constituting a default or negligence by Landlord, the Contractor, or any subcontractors, employees or agents; (ii) the cost of repair of improperly constructed Lessee Improvements; (iii) the cost of repair of Lessee Improvements that were damaged by Lessor, the Contractor, any subcontractor or employees or agents; (iv) the cost of insurance deductibles and uninsured casualty losses; and (v) delays in completion of the Lessee Improvements other than as a result of Lessee Delay or Force Majeure defined below.

(3) Improvement Allowance. To complete the Lessee Improvements and for other purposes specifically permitted under this Lease, Lessor shall expend the lesser of $36.75 per rentable square foot in the Leased Premises (the “Improvement Allowance”) or the actual cost of all of such items. The Improvement Allowance shall be paid out from time to time to pay for costs incurred by Lessor or Lessee (provided Lessee must obtain Lessor approval prior to Lessee paying for or ordering any items directly for which Lessee desires to be reimbursed from the Improvement Allowance) to complete the Lessee Improvements (but not to complete any Base Building Improvements described in Exhibit I), including costs of Lessee’s architect and/or space planner, third party contractors, engineering costs and the Construction Management Fee, as provided above, as the Lessee Improvements progress. Lessee may also use the Improvement Allowance for monument and other signage approved by Lessor and the Inverness Office Park architectural control committee. Any invoices submitted by Lessee for payments from the Improvement Allowance must be submitted to Lessor on or before the 28th of the month, and shall be paid in approximately thirty

(30) days thereafter. To the extent the cost to complete Lessee Improvements exceeds the Improvement Allowance, any overage must be paid by Lessee until the entire overage is paid prior to Lessor disbursing any additional funds from the Improvement Allowance. No unused portion of the Improvement Allowance shall be used as an offset against other liabilities of Lessee to Lessor under this Lease or for any use other than as set forth herein and for Lessee's cabling costs and Lessee's moving expenses to relocate to the Leased Premises.

6.2 Additional Lessee Improvements. Except as provided in Section 6.1 above, Lessee shall not make or allow to be made any alterations or physical additions in or to the Leased Premises without complying with all local, state and federal ordinances, laws, statutes and without first obtaining the written consent of Lessor, which consent may in the reasonable discretion of Lessor be denied, based upon the criteria specified in Section 6.1. In any event, Lessee shall provide Lessor with a copy of the plans and specifications for any such alterations or improvements. Any alterations, physical additions or improvements to the Leased Premises (including Lessee Improvements) made by Lessor or Lessee become the property of Lessor and must be surrendered to Lessor upon the termination of this Lease without credit to Lessee; provided, however, Lessor, at its option at the time of Lessee's request, may require Lessee in writing to remove any physical additions and/or repair any alterations in order to restore the Leased Premises to the condition existing at the time Lessee took possession, all costs of removal and/or alterations to be borne by Lessee. Provided, however, that Lessee shall not be required to remove any Lessee Improvements and shall not be required to remove any subsequent improvements unless Lessor requires their removal in writing at the time of Lessee's request. This clause does not apply to moveable equipment or furniture owned by Lessee, which may be removed by Lessee at the end of the term of this Lease if Lessee is not then in default, if such equipment and furniture are not then subject to any other rights, liens and interest of Lessor that may be subsequently granted to or squired by Lessor, if such removal can be accomplished without material damage to the Leased Premises and, if there shall exist any damage caused by such removal, such damage shall be repaired by Lessee. Upon completion of any such work by Lessee, Lessee shall provide Lessor with "as built plans", copies of all construction contracts and proof of payment for all labor and materials. Lessee shall pay to Lessor a construction management fee equal to ten percent (10%) of the cost of any improvements constructed under this Section 6.2, if Lessor is responsible for the Lessee Improvements. One-half of such fee must be paid prior to commencement of such improvements and the balance upon completion thereof. Notwithstanding anything contained herein to the contrary, Lessee may assume responsibility for construction of the requested additional improvements, subject to Lessor's approval, not to be unreasonably withheld.

6.3 Mechanics Lien. Lessee will not permit any mechanic's or materialman's lien(s) or other lien to be placed upon the Leased Premises or the Building and nothing in this Lease is intended in any way to constitute the consent by (or request of) Lessor, express or implied, by inference or otherwise, to any person for the performance of any labor or the furnishing of any materials to the Leased Premises, or any part that would give the rise to any mechanic's or materialman's or other lien against the Leased Premises. In the event any such lien attaches to the Leased Premises as a result of Lessee's actions and Lessee does not cause the lien to be removed within 30 days after it receives written notice of the recording of the lien, then in addition to any other right or remedy of Lessor, Lessor may, but is not obligated to, obtain the release or otherwise discharge the same. Any amount paid by Lessor for any of the aforesaid purposes must be paid by

Lessee to Lessor on demand as additional rent.

6.4 Delays.

(1) Completion Deadline. Lessor shall cause Substantial Completion (defined below) to occur no later than one-hundred twenty (120) days following (a) Lessor and Lessee's mutual approval of the budget for the Lessee Improvements, (b) Lessor and Lessee's approval of the Contractor to construct the Lessee Improvements, (c) Lessor and Contractor entering into the Fixed Price contract and (d) Lessor's receipt of a building permit to construct the Lessee Improvements (such date being extended by Force Majeure and Lessee Delays with the date, as extended, being hereinafter referred to as the "Threshold Date"). Notwithstanding the foregoing to the contrary, in the event Lessor is unable to obtain the building permit to construct the Lessee Improvements within ninety (90) days (such date being extended by Lessee Delays, but not by Force Majeure, with such date, as extended being referred to as the "Permit Deadline") of the date Burkett Design delivers to Lessor the final approved Lessee Improvements Final Plans and Specifications which are sufficient for the County, as hereinafter defined, to issue a building permit to construct the Lessee Improvements, then Lessee shall have the right to terminate this Lease by giving Landlord written notice of Lessee's termination pursuant to this section within ten (10) days of the Permit Deadline, time being of the essence.

(2) Force Majeure. "Force Majeure" delay shall mean a delay caused by reason of fire, acts of God, unreasonable delays in transportation, embargo, weather, strike, other labor disputes, governmental preemption of priorities or other controls in connection with a national or other public emergency, or shortages of fuel, supplies or labor, or any similar cause not within the reasonable control of the party claiming the benefits of any Force Majeure provisions. The party claiming the benefits of any Force Majeure provisions shall be required (as a condition to the effectiveness thereof) to provide written notice of the occurrence of such Force Majeure event within five (5) business days following such occurrence.

(3) Lessor and Lessee Delay. The terms "Lessor Delays", "Delays caused by Lessor", "Lessee Delay" or "Delays caused by Lessee" shall mean delay in completion of construction of the Lessee Improvements caused by:

(1) Unless due to the acts or omissions of the other party or such party's agents, employees or contractors, the respective party's failure to perform its design approval obligations by the dates or within the time periods set forth herein or its construction period obligations by the dates or within the time periods shown in Sections 6.1 or 6.4 of this Lease; and

(2) Any subsequent changes, modifications, or alterations to the Final Lessee Improvements Plans and Specifications that are specified in a written change order which reasonably cause delay in the completion thereof, but only to the extent of the period of delay stated in the change order.

"Lessee Delay" or "Delays caused by Lessee" shall also mean (i) delays due to the scope and extent of the Lessee improvements to be constructed by Lessor and (ii) delays caused by mistakes or errors by Burkett Design in any of the plans or specifications prepared by Burkett Design, or delays otherwise caused by Burkett Design, including without limitation delays caused by Burkett Design failing to timely respond to issues, questions or concerns raised by the County of Douglas, Colorado (the "County") prior to the County issuing the building permit. In order for Lessor to claim such a Delay, Lessor must provide written notice to Lessee of the existence of excessive Lessee Improvements, special design or construction considerations or other matters which will extend the time necessary for the construction of the Lessee Improvements beyond two (2) days. Such notice may only be provided by Lessor to Lessee together with Lessor's delivery of approval and/or objections to Lessee's plans and specifications for the Lessee Improvements from time-to-time and in any event not later than approval by Lessor and Lessee of the Contractor to construct the Lessee Improvements. Such notice shall specify the reasons for the delay and the estimated length of delay and, unless the Lessee's plans and specifications are modified to eliminate such items, the estimated length of the delay shall be included as a Lessee Delay. For purposes of determining delay, the terms Lessor and Lessee shall include their respective contractors, agents and employees. In addition, the party claiming the benefits of such delay shall be required (as a condition to the effectiveness thereof) to provide written notice of the occurrence of such delay within five (5) days following such occurrence.

(4) "Substantial Completion" shall mean that time when the following conditions are satisfied and Lessee receives written notice from Lessor that Substantial Completion has occurred:

(1) Receipt of the required temporary or permanent certificate of occupancy, final inspection report or the substantial equivalent under applicable state or local law relative to the Lessee Improvements, with all Building systems operational and tested, and the loading dock doors fully operational.

(2) The construction is completed in accordance with the Lessee Improvements Final Plans and Specifications as acknowledged by Lessor's architect in writing to Lessee, subject to normal punch list items which will not materially interfere with Lessee's ability to utilize substantially all of the Leased Premises for its intended purposes.

(3) Notwithstanding anything in this Lease to the contrary, the Commencement Date will not occur earlier than the date of Substantial Completion, except to the extent of any Lessee Delay in causing Substantial Completion.

6.5 Tenant Remedies. In the event that Lessor fails to complete construction of the Lessee Improvements within sixty (60) days alter the Threshold Date, as extended by Lessee Delay or Force Majeure, and any such failure continues for a period of seven (7) days after Lessee gives written notice to Lessor of such failure, Lessee at its option may exercise its right as a third-party beneficiary of the contract with the Contractor to complete construction of the Lessee Improvements and to pay Contractor for its construction of the Lessee Improvements, and offset all costs in connection therewith against the next succeeding payments of Base Rent and additional rent due under the Lease until the entire amount of the offset is satisfied.

ARTICLE 7 CASUALTY AND INSURANCE

7.1 Substantial Destruction. If the Leased Premises or any part thereof are damaged by fire or other casualty, Lessee shall give prompt written notice thereof to Lessor. (i) If the Leased Premises are totally destroyed by fire or other casualty, (ii) if the Leased Premises are damaged so that access to the Leased Premises or rebuilding cannot reasonably be completed within one hundred eighty (180) days after the date of written notification by Lessee to Lessor of the destruction, (iii) if the Leased Premises are part of a building which is substantially destroyed (even though the Leased Premises are not totally or substantially destroyed), (iv) if the Leased Premises or Building is damaged by fire or other casualty and applicable law would prevent rebuilding to substantially the condition prior to such fire or casualty, (v) if any mortgagee requires the insurance proceeds payable as a result of such casualty to be applied to the payment of the mortgage debt or (vi) if the Leased Premises are materially damaged and less than two (2) years remain on the Term on the date of such casualty, Lessor may, at its option, terminate this Lease by providing Lessee written notice thereof within sixty (60) days of such casualty and abate Rent and additional rent for the unexpired portion of this Lease, effective as of the date of the casualty.

7.2 Partial Destruction. If this Lease is not terminated under Section 7.01, Lessor shall, at its sole risk and expense, proceed with reasonable diligence to rebuild or repair the Building or other improvements to substantially the same condition in which they existed prior to the damage, provided, Lessor has no obligation to repair or rebuild Lessee’s furniture, fixtures or personal property. Subject to Section 7.4, if the destruction was caused by an act or omission of Lessee, its employees, agents, or invitees, Lessee shall pay Lessor the difference between the actual cost of rebuilding or repairing the Leased Premises and any insurance proceeds received by Lessor. If the Leased Premises are to be rebuilt or repaired and are untenantable in whole or in part following the damage, and the damage or destruction was not caused or contributed to by any act or negligence of Lessee, its agents, employees, invitees or those for whom Lessee is responsible, the rent payable under this Lease during the period for which the Leased Premises are untenantable will be adjusted to such an extent as may be fair and reasonable under the circumstances. If Lessor fails to complete the necessary repairs or rebuilding within one hundred eighty (180) days from the date of written notification by Lessee to Lessor of the destruction, Lessee may at its option terminate this Lease by delivering written notice of termination to Lessor, whereupon all rights and obligations under this Lease cease to exist. If any damage or, destruction occurs to the Leased Premises during the last twenty-four (24) months of the term of this Lease that would otherwise give Lessor the right to terminate this Lease, Lessor or Lessee may elect to terminate this Lease as of the date Lessee notifies Lessor of such damage.

7.3 Property Insurance. Lessor shall, at all times during the term of this Lease, maintain a policy or policies of insurance with the premiums paid in advance, issued by and binding upon an insurance company meeting the standards specified in Section 7.6(3) for insurance to be maintained by Lessee, insuring the Building against all risk of direct physical loss in an amount equal to the full replacement cost of the Building structure and its improvements as of the date of the loss (exclusive of excavation and foundation costs, costs of underground items and costs of parking lot paving and landscaping), providing protection against all perils, including, without limitations fire, extended coverage, vandalism, malicious mischief, a standard mortgagee clause and rental coverage; provided, Lessor is not obligated in any way or manner to insure any personal property (including, but not limited to, any furniture, machinery, goods or supplies) of Lessee upon or within the Leased Premises, any fixtures installed or paid for by Lessee upon or within the Leased Premises, or any improvements which Lessee may construct on the Leased Premises. The rental insurance policy will be for the full rental value for a period of one year, which insurance also covers real estate taxes, insurance and other amounts which might be due Lessor from Lessee pursuant to the terms of this Lease. Lessee agrees that it is not entitled to the proceeds of any policy of insurance maintained by Lessor even if the cost of such insurance is borne by Lessee as set forth in Article 2.0. Notwithstanding the foregoing, in the event Lessor has a net worth in excess of $50,000,000, it shall be entitled to self insure against all risk provided for in this paragraph in lieu of obtaining the insurance set forth herein, in which event Lessor will be deemed to have insurance proceeds available to it that would otherwise have been available if Lessor had purchased the insurance required by this paragraph.

7.4 Waiver of Subrogation. ANYTHING IN THIS LEASE TO THE CONTRARY NOT WITHSTANDING, LESSOR AND LESSEE HEREBY WAIVE AND RELEASE EACH OTHER OF AND FROM ANY AND ALL RIGHT OF RECOVERY, CLAIM, ACTION OR CAUSE OF ACTION, AGAINST EACH OTHER, THEIR AGENTS, OFFICERS AND EMPLOYEES, FOR ANY LOSS OR DAMAGE THAT MAY OCCUR TO THE LEASED PREMISES, IMPROVEMENTS TO THE BUILDING OF WHICH THE LEASED PREMISES ARE A PART, ANY OTHER PORTION OF THE PROJECT OR PERSONAL PROPERTY WITHIN THE BUILDING, BY REASON OF FIRE, EXPLOSION, OR ANY OTHER OCCURRENCE, REGARDLESS, OF CAUSE OR ORIGIN, INCLUDING NEGLIGENCE OF LESSOR OR LESSEE AND THEIR AGENTS, OFFICERS AND EMPLOYEES, LESSOR AND LESSEE AGREE IMMEDIATELY TO GIVE THEIR RESPECTIVE INSURANCE COMPANIES WHICH HAVE ISSUED POLICIES OF INSURANCE COVERING ALL RISK OF DIRECT PHYSICAL LOSS, WRITTEN NOTICE OF THE TERMS OF THE MUTUAL WAIVERS CONTAINED IN THIS SECTION AND TO HAVE THE INSURANCE POLICIES PROPERLY ENDORSED TO WAIVE EACH COMPANY’S SUBROGATION RIGHTS AND TO PREVENT THE INVALIDATION OF THE INSURANCE COVERAGE BY REASON OF THE MUTUAL WAIVERS.

7.5 Hold Harmless. Except as provided in this Lease and except for Lessor’s gross negligence or willful misconduct, Lessor will not be liable to Lessee’s employees, agents, invitees, licensees or visitors, or to any other person, for any injury to person or damage to property on or about the Leased Premises caused by any act or omission of Lessee, its agents, servants or employees, any tenant in the Building of which the Leased Premises are a part, or of any other person entering upon the Leased Premises under express or implied invitation by Lessee, or the failure or cessation of any service provided by Lessor (including security service and devices or caused by leakage of gas, oil, water or steam or by electricity emanating from the Leased Premises). Subject to Section 7.4, Lessee agrees to indemnify and hold harmless Lessor of and from any loss, attorney’s fees, expenses or claims arising out of any such damage or injury.

7.6 Lessee Insurance.

(1) At all times commencing on and after the earlier of the Commencement Date and the date Lessee or its agents, employees or contractors enters the Leased Premises for any purpose, Lessee shall carry and maintain, at its sole cost and expense:

(1) Commercial General Liability Insurance applicable to the Leased Premises and its appurtenances providing, on an occurrence basis, a minimum combined single limit of Two Million Dollars ($2,000,000.00), with a contractual liability endorsement covering Lessee’s indemnity obligations under this Lease;

(2) All Risks of Physical Loss Insurance written at replacement cost value and with a replacement cost endorsement covering all of Lessee's personal property and improvements in the Leased Premises;

(3) Workers' Compensation Insurance as required by the state in which the Leased Premises is located and in amounts as may be required by applicable statute, and Employers' Liability Coverage of One Million Dollars ($1,000,000.00) per occurrence;

(4) Business interruption or loss of income insurance in amounts satisfactory to Lessor; and

(5) Whenever good business practice, in Lessor's reasonable judgment, indicates the need of additional insurance coverage or different types of insurance in connection with the Leased Premises or Lessee's use and occupancy thereof, Lessee shall, upon request, obtain such insurance at Lessee's expense and provide Lessor with evidence thereof.

(2) Before any repairs, alterations, additions, improvements, or construction are undertaken by or on behalf of Lessee, Lessee shall carry and maintain, at its expense, or Lessee shall require any contractor performing work on the Leased Premises to carry and maintain, at no expense to Lessor, in addition to Workers' Compensation Insurance as required by the jurisdiction in which the Building is located, All Risk Builder's Risk Insurance in the amount of the replacement cost of any alterations, additions or improvements (or such other amount reasonably required by Lessor) and Commercial General Liability Insurance (including, without limitation, Contractor's Liability coverage, Contractual Liability coverage and Completed Operations coverage,) written on an occurrence basis with a minimum combined single limit of Two Million Dollars ($2,000,000.00) and adding "the named Lessor hereunder (or any successor thereto), and its respective members, principals, beneficiaries, partners, officers, directors, employees, agents and any Mortgagee(s)", and other designees of Lessor as the interest of such designees appear, as additional insureds (collectively referred to as the "Additional Insureds").

(3) Any company writing any insurance which Lessee is required to maintain or cause to be maintained pursuant to the terms of this Lease (all such insurance as well as any other insurance pertaining to the Leased Premises or the operation of Lessee's business therein being referred to as "Lessee's Insurance"), as well as the form of such insurance, are at all times subject to Lessor's reasonable approval, and each such insurance company must have an A.M. Best rating of "A-" or better and be licensed and qualified to do business in the state in which the Leased Premises are located. All policies evidencing Lessee's Insurance (except for Workers' Compensation Insurance) must specify Lessee as named insured and the Additional Insureds as additional insureds. Provided that the coverage afforded Lessor and any designees of Lessor is not reduced or otherwise adversely affected, all of Lessee's Insurance may be carried under a blanket policy covering the Leased Premises and any other of Lessee's locations. All policies of Lessee's Insurance must contain endorsements requiring that the insurer(s) give Lessor and its designees at least thirty (30) days'

advance written notice of any change, cancellation, termination or lapse of said insurance. Lessee shall be solely responsible for payment of premiums for all of Lessee's Insurance. Lessee shall deliver to Lessor at least fifteen (15) days prior to the time Lessee's Insurance is first required to be carried by Lessee, and upon renewals at least fifteen (15) days prior to the expiration of any such insurance coverage, certified copies of all policies procured by Lessee in compliance with its obligations under this Lease. Except as provided in Section 7.4, the limits of Lessee's Insurance do not in any manner limit Lessee's liability under this Lease.

(4) Lessee shall not do or fail to do anything in, upon or about the Leased Premises which will (i) violate the terms of any of Lessor's insurance policies; (ii) prevent Lessor from obtaining policies of insurance acceptable to Lessor or any Mortgagees; or (iii) result in an increase in the rate of any insurance on the Leased Premises, the Building, any other property of Lessor or of others within the Building. In the event of the occurrence of any of the events set forth in this Section, Lessee shall pay Lessor upon demand, as additional rent, the cost of the amount of any increase in any such insurance premium, provided that the acceptance by Lessor of such payment may not be construed to be a waiver of any rights by Lessor in connection with a default by Lessee under this Lease. If Lessee fails to obtain the insurance coverage required by this Lease, Lessor may, at its option, obtain such insurance for Lessee, and Lessee shall pay, as additional rent, the cost of all premiums thereon and all of Lessor's costs associated therewith.

ARTICLE 8 CONDEMNATION

8.1 Substantial Taking. If all or a substantial portion of the Leased Premises or a substantial portion of the Building of which the Leased Premises are a part (even though the Leased Premises are not taken) are taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by purchase in lieu thereof, and the taking would prevent or materially interfere with the use of the Leased Premises or the Building of which the Leased Premises are a part for the purpose for which it is then being used, then Lessor and Lessee have the option to terminate this Lease and to abate the rent during the unexpired portion of this Lease effective on the date title or physical possession is taken by the condemning authority, whichever occurs first. All proceeds of any taking are the sole property of Lessor and Lessee agrees that Lessee is not entitled to any condemnation award or proceeds in lieu thereof that would reduce the amount of any award to Lessor.

8.2 Partial Taking. If a portion of the Leased Premises or a portion of the Building of which the Leased Premises are a part are taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by purchase in lieu thereof, and this Lease is not terminated as provided in Section 8.01 above, Lessor shall at Lessor's sole risk and expense, restore and reconstruct the Building and other improvements on the Leased Premises to the extent necessary to make it reasonably tenantable; provided, if the damages received by Lessor are insufficient to cover the costs of restoration, Lessor may terminate this Lease. The rent payable under this Lease during the unexpired portion of the term will be adjusted to such an extent as may be fair and reasonable under the circumstances. All proceeds of any taking are the sole property of Lessor and Lessee agrees that Lessee is not entitled to any condemnation award or proceeds in lieu thereof which would reduce the amount of any award to Lessor.

ARTICLE 9 ASSIGNMENT OR SUBLEASE

9.1 Lessor Assignment. Lessor may sell, transfer or assign, in whole or in part, its rights and obligations under this Lease and in the Leased Premises. Any such sale, transfer or assignment will release Lessor from any and all liabilities under this Lease arising after the date of such sale, assignment or transfer, provided that the transferee assumes the same.

9.2 Lessee Assignment. Except for an assignment to an Affiliate (defined below), Lessee shall not assign, in whole or in part, this Lease, or allow it to be assigned, in whole or in part, by operation of law or otherwise (including without limitation, if Lessee's voting securities are not traded on any national securities exchange, by transfer of more than a twenty five percent (25%) interest in Lessee in a single transaction or in a series of transactions, which transfer will be deemed an assignment) or mortgage or pledge the same or sublet the Leased Premises, in whole or in part, without the prior written consent of Lessor which consent may, in Lessor's reasonable discretion, be withheld, and in no event will any such assignment or sublease ever release Lessee or any guarantor from any obligation or liability hereunder. No assignee or sublessee of the Leased Premises or any portion thereof may assign or sublet the Leased Premises or any portion thereof. Notwithstanding the foregoing to the contrary, an Affiliate which is an assignee, may assign this Lease to another Affiliate of Lessee. As used in this Lease, an "Affiliate" means any subsidiary or parent of Lessee, any other entity that is a subsidiary of Lessee's parent, and any corporation into which Lessee may be merged or consolidated or which purchases all or substantially all of the assets or stock of Lessee.

9.3 Conditions of Assignment. If Lessee desires to assign or sublet all or any part of the Leased Premises or grant any license, concession or other right of occupancy of any portion of the Leased Premises, it must so notify Lessor at least thirty days in advance of the date on which Lessee desires to make such assignment or sublease. Lessee must provide Lessor with a copy of the proposed assignment of sublease and such information as Lessor might reasonably request concerning the proposed sublessee or assignee to allow Lessor to make informed judgments as to the financial condition, reputation, operations and general desirability of the proposed sublessee or assignee. Within fifteen days after Lessor's receipt of Lessee's proposed assignment or sublease and all required information concerning the proposed sublessee or assignee, Lessor may, in its reasonable discretion, either: (i) cancel this Lease as to (a) the Leased Premises or (b) that portion thereof proposed to be assigned or sublet at Lessor's option; (ii) consent to the proposed assignment or sublease, pursuant to a Consent Agreement on a form approved by Lessor in its reasonable discretion, and, if the rent due and payable by any assignee or sublessee under any such permitted assignment or sublease (or a combination of the rent payable under such assignment or sublease plus any bonus or any other consideration or any payment incident thereto that relates to the subject space or this Lease) exceeds the rent payable under this Lease for such space plus all costs reasonably incurred by Lessee in negotiating the transaction and preparing the space for the assignee or sublessee, Lessee shall pay to Lessor 50% of all such excess rent and other excess consideration within ten days following receipt thereof by Lessee or (iii) refuse to consent to the proposed assignment or sublease, which refusal is deemed to have been exercised unless Lessor gives Lessee written notice providing otherwise. Upon the occurrence of an Event Of Default, if all or any part of the Leased Premises are then assigned or sublet, Lessor, in addition to any other remedies provided by this Lease or provided by law, may, at its option, collect directly from the assignee or sublessee all rents becoming due to Lessee by reason of the assignment or sublease. Lessee agrees that any collection directly by Lessor from the assignee or sublessee is not intended to constitute a novation or a release of Lessee or any guarantor from the further performance of its obligations under this Lease. As a condition to Lessor's review of any assignment or sublease, Lessee must deliver to Lessor a non refundable fee of $500.00 to defer Lessor's administrative costs with respect thereto. In addition, all legal fees and expenses incurred by Lessor in connection with the review by Lessor of Lessee's requested assignment or sublease together with any legal fees and disbursements incurred in the preparation and/or review of any documentation required by the requested assignment or sublease, up to a maximum of an additional $500.00, are the responsibility of Lessee and must be paid by Lessee within live (5) days of demand for payment thereof.

9.4 Subordination. Lessee accepts this Lease subject and subordinate to any recorded mortgage or deed of trust lien presently existing or hereafter created upon the Building or project of which the Leased Premises are a part (provided, however, that any such mortgagee may, at any time, subordinate such mortgage, deed of trust or other lien to this Lease) and to all existing recorded restrictions, covenants, easements and agreements with respect to the Building and to any renewals thereof. Lessee agrees that this clause is self-operative and no further instrument of subordination is required to effect such subordination. Lessor is hereby irrevocably vested with full power and authority to subordinate Lessee's interest under this Lease to any first mortgage or deed of trust lien hereafter placed on the Leased Premises (provided Lessor obtains a non-disturbance agreement for the benefit of Lessee as required by the final sentence of this paragraph, from the lender of any such future first mortgage or deed of trust lien). Lessee agrees upon demand to execute additional instruments subordinating this Lease as Lessor may require. If the interests of Lessor under this Lease are transferred by reason of foreclosure or other proceedings for enforcement of any first mortgage or deed of trust lien on the Leased Premises, Lessee is bound to the transferee (sometimes called the "Purchaser") at the option of the Purchaser, under the terms, covenants and conditions of this Lease for the balance of the term remaining, including any extensions or renewals, with the same force and effect as if the Purchaser were Lessor under this Lease, and, if requested by the Purchaser, Lessee agrees to attorn to the Purchaser, including the first mortgagee under any such mortgage if it be the Purchaser, as its Lessor. Should Purchaser elect to maintain existence of this Lease, Lessee will not be entitled to any credits as against Purchaser any prepaid rents or offsets against or credits due from Lessor, except to the extent delivered by the Lessor to the Purchaser. Notwithstanding any provision of this Lease to the contrary: (i) the effectiveness of this Lease is conditioned upon the full execution of the subordination, non-disturbance and attornment agreement in the form attached hereto as Exhibit H, and (ii) Lessee's subordination or attornment to any purchaser or to any subsequently recorded mortgage or deed of trust is conditioned upon Lessee's receipt of a subordination, attornment and non-disturbance agreement executed by the purchaser or lender in a form that is reasonably acceptable to the Lessee.

9.5 Estoppel Certificates. Lessee agrees to furnish, from time to time, within ten (10) days after receipt of a request from Lessor, Lessor's mortgagee or any potential purchaser of the Building, a statement certifying, if correct (or certifying the applicable correct facts), the following: Lessee is in possession of the Leased Premises; the Leased Premises are acceptable; this Lease is in full force and effect; this Lease is unmodified; Lessee claims no present charge, lien, or claim of offset against rent; the rent is paid for the current month, but is not prepaid for more than one month and will not be prepaid for more than one month in advance; there is no existing default by reason of some act or omission by Lessor; and such other matters as may be reasonably required by Lessor, Lessor's mortgagee or any potential purchaser. Lessee's failure to deliver such statement, in addition to being a default under this Lease, may be deemed to establish conclusively that this Lease is in full force and effect except as declared by Lessor, that Lessor is not in default of any of its obligations under this Lease and that Lessor has not received more than one month's rent in advance. Any notice and cure provisions set forth in any other part of this Lease does not apply to a default of this Section 9.05.

ARTICLE 10 INTENTIONALLY LEFT BLANK

ARTICLE 11 DEFAULT AND REMEDIES

11.1 Default by Lessee. The following are Events of Default by Lessee under this Lease:

(1) Lessee fails to pay, when due, any installment of rent or any other payment required pursuant to this Lease that remains unpaid more than five business days after the Lessee receives written notice from Lessor of the delinquency, provided that Lessor shall only be required to give Lessee two such notices in any twelve month period;

(2) [Intentionally left blank]

(3) Lessee fails to comply with any term, provision or covenant of this Lease, other than the payment of rent, which is not complied with within fifteen (15) business days after Lessee receives written notice from Lessor of the purported failure to comply; provided, however, that if the nature of the failure cannot reasonably be cured within the fifteen (15) business day period, an Event of Default will not be deemed to occur provided that Lessee commences the cure within the fifteen (15) business day period and diligently proceeds to complete the cure but in all events completes the cure within ninety (90) days of receiving notice from Lessor;

(4) Lessee or any guarantor of Lessee's obligations hereunder files a petition or is adjudged bankrupt or insolvent under any applicable federal or state bankruptcy or insolvency law, or admits that it cannot meet its financial obligations as they become due; or a receiver or trustee is appointed (and not removed within 60 days thereafter) for all or substantially all of the assets of Lessee or such guarantor; or Lessee or any guarantor of Lessee's obligations hereunder makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors; or

(5) Lessee does or permits to be done any act which results in a lien being filed against the Leased Premises or the Building, which is not removed within the time provided in Section 6.3.

11.2 Remedies for Lessee's Default. Upon the occurrence of any Event of Default set forth in this Lease, Lessor is entitled to pursue any and all rights permitted by equity and law (including statutory law, case law and otherwise), including without limitation, one or more of the remedies set forth herein to the extent permitted by applicable law without any notice or demand but in accordance with legal process.

(1) Without declaring this Lease terminated, Lessor may enter upon and take possession of the Leased Premises, by picking or changing locks if necessary and provided that it is permitted by law and without the use of force expel or remove Lessee and any other person who may be occupying all or any part of the Leased Premises without being liable for any claim for damages (except for those caused by the gross negligence or willful misconduct of Lessor), and relet the Leased Premises on behalf of Lessee and receive the rent directly by reason of the reletting; provided however, that Lessor has no obligation to relet the Leased Premises so as to mitigate the amount for which Lessee is liable except to the extent required by law Lessee agrees to pay Lessor on demand any deficiency that may arise by reason of any reletting of the Leased Premises; further, Lessee agrees to reimburse Lessor for any expenditures made by it in order to relet the Leased Premises, including, but not limited to, leasing commissions, lease incentives, remodeling and repair costs.

(2) Without declaring this Lease terminated, Lessor may enter upon the Leased Premises, by picking or changing locks if necessary and provided that it is allowed by law, without being liable for any claim for damages except those caused by Lessor's gross negligence or willful misconduct, and do whatever Lessee is obligated to do under the teems of this Lease. Lessee agrees to reimburse Lessor on demand for any expenses which Lessor may incur in effecting compliance with Lessee's obligations under this Lease; further, Lessee agrees that Lessor will not be liable for any damages resulting to Lessee from effecting compliance with Lessee's obligations under this Lease except as caused by the gross negligence or willful misconduct of Lessor.

(3) Lessor may terminate this Lease, in which event Lessee shall immediately surrender the Leased Premises to Lessor, and if Lessee fails to surrender the Leased Premises, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent and without the use of force, enter upon and take possession of the Leased Premises, by picking or changing locks if necessary and provided that it is allowed by law, expel or remove Lessee and any other person who may be occupying all or any part of the Leased Premises without being liable for any claim for damages except for Lessor's gross negligence or willful misconduct. Lessee agrees to pay on demand the amount of all loss and damage which Lessor may suffer by reason of the termination of this Lease under this Section, including without limitation, loss and damage due to the failure of Lessee to maintain and or repair the Leased Premises as required hereunder and/or due to the inability to relet the Leased Premises on terms reasonably satisfactory to Lessor or otherwise, and any commercially reasonable expenditures made by Lessor in order to relet the Leased Premises, including, but not limited to, leasing commissions, lease incentives, and remodeling and repair costs; provided however, that Lessor will have no obligation to relet the Leased Premises so as to mitigate the amount for which Lessee is liable. In addition, upon termination Lessor may collect from Lessee the value of all future rentals required to be paid under this Lease from the date Lessor terminates this Lease until the original termination date in accordance with applicable law. Notwithstanding anything contained in this Lease to the contrary, this Lease may be terminated by Lessor only by mailing or delivering written notice of such termination to Lessee, and no other act or omission of Lessor constitutes a termination of this Lease.

(4) [INTENTIONALLY DELETED]

(5) If Lessor exercises any of its rights provided herein and Lessee subsequently cures such default, Lessor is entitled to receive a service charge of $500.00 from Lessee for its time and expense, in addition to any other amounts owed hereunder, prior to allowing the Lessee to reenter and reoccupy the Leased Premises.

(6) Lessor's pursuit of any remedy specified in this Lease will not constitute an election to pursue that remedy only, nor preclude Lessor from pursuing any other remedy available at law or in equity, nor constitute a forfeiture or waiver of any rent or other amount due to Lessor as described herein.

(7) Notwithstanding any provision of this Article 11 to the contrary, nothing herein may be construed to relieve the Lessor from its obligation to seek to mitigate its damages upon the occurrence of an Event of Default, but only to the extent required by law. In addition, the liability of Lessee to Lessor with respect to any Event of Default is limited to Lessor's actual direct, but not consequential, damages.

11.3 Lessor's Liability. The liability of Lessor to Lessee for any default by Lessor under the terms of this Lease is limited to Lessee's actual direct, but not consequential, damages therefor and is recoverable only from the interest of Lessor in the Building, and Lessor is not personally liable for any deficiency.

ARTICLE 12 [INTENTIONALLY LEFT BLANK]

ARTICLE 13 DEFINITIONS

13.1 Business Day. "Business Day" means Mondays through Fridays, excluding any days on which the United States Postal Service does not make regularly scheduled deliveries of first-class mail.

13.2 Building. "Building" as used in this Lease means the building described in Section 1.02, including the Leased Premises and the land upon which the Building is situated.

13.3 Commencement Date. "Commencement Date" is the date set forth in Section 1.03. The Commencement Date constitutes the commencement of the term of this Lease for all purposes, whether or not Lessee has actually taken possession.

13.4 Square Feet. "Square feet" or "square foot" as used in this Lease includes the area contained within the Leased Premises, measured in the manner required by this Lease.

ARTICLE 14 MISCELLANEOUS

14.1 Waiver.

(a) Failure of Lessor to declare an event of default immediately upon its occurrence, or delay in taking any action in commotion with an event of default, will not constitute a waiver of the default, but Lessor has the right to declare the default at any time and take such action as is lawful or authorized under this Lease. Pursuit of any one or more of the remedies set forth in Article 11.00 or Article 12.00 above will not preclude pursuit of any one or more of the other remedies provided elsewhere in this Lease or provided at law or in equity, nor will pursuit of any remedy constitute forfeiture or waiver of any rent or damages accruing to Lessor by reason of the violation of any of the terms, provisions or covenants of this Lease. Lessee agrees that failure by Lessor to enforce one or more of the remedies provided upon an Event of Default will not constitute a waiver of the default or of any other violation or breach of any of the terms, provisions and covenants contained in this Lease.

(b) No act or thing done by Lessor or its agents during the term of this Lease may be deemed an acceptance of an attempted surrender of the Leased Premises, and no agreement to accept a surrender of the Leased Premises will be valid unless made in writing and signed by Lessor. No reentry or taking possession of the Leased Premises by Lessor may be construed as an election on its part to terminate this Lease, unless a written notice of such intention, signed by Lessor, is given by Lessor to Lessee. Notwithstanding any such reletting or reentry or taking possession, Lessor may at any time thereafter elect to terminate this Lease for a previous event of default. Lessee and Lessor agree that Lessor's acceptance of rent following an event of default hereunder will not constitute Lessor's waiver of such event of default. The failure of Lessor to enforce any of the Rules and Regulations described in Section 3.03 against Lessee or any other Lessee in the Building will not constitute a waiver of any such Rules and Regulations. No waiver of any provision of this Lease is effective against either party unless such waiver is in writing and signed by the party against whom the waiver is sought to be enforced. All rights granted to either party in this Lease are cumulative of every other right or remedy which Lessor may otherwise have at law or in equity, and the exercise of one or more rights or remedies does not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

14.2 Act of God. Except as otherwise provided in Section 1.3, Article 6, and Article 7, Lessor or Lessee is not required to perform any covenant or obligation in this Lease other than the payment of money, or be liable in damages to the other, so long as the performance or non-performance of the covenant or obligation is delayed, caused or prevented by Force Majeure or by the other party.

14.3 Attorney's Fees. If any legal proceeding is brought with respect to either party's rights or obligations under this Lease, the prevailing party agrees to pay the non-defaulting party's costs of collection, including reasonable attorney's fees for the services of the attorney.

14.4 Successors. This Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective heirs, personal representatives, successors and assigns. It is hereby covenanted and agreed that should Lessor's interest in the Leased Premises cease to exist for any reason during the term of this Lease, then notwithstanding the happening of such event this Lease nevertheless will remain unimpaired and in full force and effect, and Lessee hereunder agrees to attorn to the then owner of the Leased Premises subject to Section 9.4.

14.5 Rent Tax. If applicable in the jurisdiction where the Leased Premises are situated, Lessee shall pay and be liable for all rental, sales and use taxes or other similar taxes, if any, levied or imposed by any city, state, county or other governmental body having authority, such payments to be in addition to all other payments required to be paid to Lessor by Lessee under the terms of this Lease. Any such payment must be paid concurrently with the payment of the rent, additional rent, operating expenses or other charge upon which the tax is based as set forth above. Nothing in this paragraph may be construed to require Lessee to pay any of Lessor's income, estate or gift tax.

14.6 Captions. The captions appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of any Section.

14.7 Notice. All rent and other payments required to be made by Lessee must be paid to Lessor at the address set forth in Section 1.6. All payments required to be made by Lessor to Lessee are payable to Lessee at the address set forth in Section 1.6 or at any other address within the United States as Lessee may specify from time to time by written notice. For purposes hereof, any notice or document required or permitted to be delivered by the terms of this Lease (other than delivery of rental payments) will be deemed to be delivered only upon the earlier of (i) actual receipt as evidenced by a written receipt or (ii) (whether or not actually received) three days after being deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the parties at the respective addresses set forth in Section 1.6, or (iii) the date and time of transmission by facsimile and receipt of confirmation of successful transmission by the transmitting facsimile (provided, however, that any notice given by facsimile must be followed up by notice in one of the other manners set forth herein within five (5) days thereafter); or (iv) whether or not actually received, two business days after deposit of the notice with an overnight courier service of national standing, prepaid and with instructions for next business day delivery. Rental payments will be deemed received upon actual receipt only. Except as specifically set forth herein, in no event will notice by facsimile transmission be proper notice under the terms of this Lease.

14.8 Submission of Lease. Submission of this Lease to Lessee for signature does not constitute a reservation of space or an option or offer to lease. This Lease is not deemed effective until execution by and delivery to both Lessor and Lessee.

14.9 Representations, Warranties and Covenants of Lessee. Lessee and Lessor represent, warrant and covenant that to each other that it is now in a solvent condition; that no bankruptcy or insolvency proceedings are pending or contemplated by or against it; that all reports, statements and other data furnished to the other in connection with this Lease are true and correct in all material respects; that the execution and delivery of this Lease by Lessee does not contravene, result in a breach of, or constitute a default under any contract or agreement to which the party is a part or by which it may be bound and does not violate or contravene any law, order, decree, rule or regulation to which it is subject; and that there are no judicial or administrative actions, suits, or proceedings pending or threatened against or affecting it.

14.10 Corporate Authority. If Lessee executes this Lease as a corporation, Lessee represents and warrants that Lessee is a duly authorized and existing corporation, that Lessee is qualified to do business in the state in which the Leased Premises are located, that the corporation has full right and authority to enter into this Lease, and that each person signing on behalf of the corporation is authorized to do so. Lessee shall additionally deliver (i) a corporate resolution authorizing execution of this Lease and confirming the authority of those persons executing this Lease, (ii) certified Articles of Incorporation and (iii) a certificate of existence and good standing from the State of Colorado or if Lessee is not incorporated in Colorado, a certificate of existence and good standing from Lessee's state of incorporation and a certificate evidencing Lessee's authority to do business in the State of Colorado.

14.11 Partnership Authority. If Lessee executes this Lease as a general or limited partnership, Lessee represents and warrants that Lessee is a duly authorized and existing partnership, that, if applicable, Lessee is qualified to do business in the state where the Leased Premises are located, that the partnership has full right and authority to enter into this Lease, and that each person signing on behalf of the partnership is authorized to do so. Lessee must additionally deliver a copy of its partnership agreement, and if a limited Partnership, a copy of its certificate of limited partnership. The party executing this Lease on behalf of Lessee, if a corporate managing general partner or general partner, must additionally deliver (a) a corporate resolution authorizing execution of this Lease and confirming the authority of those executing this Lease, (b) certified Articles of Incorporation, (c) a certificate of existence and good standing from the State of Colorado or if such party is not incorporated in Colorado, a certificate of existence and good standing from such party's state of incorporation, and (d) a certificate evidencing such party's authority to do business in the State of Colorado.

14.12 Severability. If any provision of this Lease or the application thereof to any person or circumstance is ever determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, Lessor and Lessee agree that the remainder of this Lease and the application of such provisions to other persons or circumstances will not be affected thereby and will be enforced to the greatest extent permitted by law.

14.13 Lessor's Liability. If Lessor is in default under this Lease and, if as a consequence of such default, Lessee recovers a money judgment against Lessor, such judgment may be satisfied only out of the right, title and interest of Lessor in the Leased Premises as the same may then be encumbered and neither Lessor nor any person or entity comprising Lessor has any liability for any deficiency. In no event does Lessee have the right to levy execution against any property of Lessor nor any person or entity comprising Lessor other than its interest in the Leased Premises as herein expressly provided.

14.14 Notice to Mortgagees. Provided that Lessee has received prior written notice of the name and address of such lender, Lessee shall serve written notice of any claimed default or breach by Lessor under this Lease upon any lender which is a beneficiary under any deed of trust or mortgage against the Leased Premises, and no notice to Lessor is effective against Lessor unless such notice is served upon said lender; notwithstanding anything to the contrary contained herein, Lessee shall allow such lender the same period following lender's receipt of such notice to cure such default or breach as is afforded Lessor.

14.15 No Recordation. Lessee may not record this Lease or a memorandum hereof.

14.16 Counterparts. This Lease may be executed in two (2) or more counterparts, and it is not necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart may be deemed an original, but all such counterparts taken together constitute but one and the same instrument.

14.17 Governing Law. THIS LEASE IS INTENDED BY THE PARTIES TO BE GOVERNED BY, AND CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO AND THE LAWS OF THE UNITED STATES OF AMERICA AS APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF COLORADO.

14.18 Broker. Lessee represents and warrants that Lessee has dealt with no broker except for Ryan Stout and Tim Harrington of Grubb & Ellis (“Broker”) the broker which has been identified to Lessor, and that, insofar as Lessee knows, no other broker negotiated this Lease or is entitled to any commission in connection herewith. Lessor agrees to indemnify and hold harmless Lessee from and against any liability or claim, whether meritorious or not, arising with respect to any broker whose claim arises by, through or on behalf of Lessor. Lessee agrees to indemnify and hold harmless Lessor from and against any liability or claim, whether meritorious or not, arising with respect to any broker whose claim arises by, through or on behalf of Lessee, other than Broker, who will be paid under a separate agreement with Lessor.

14.19 Publication. Lessee hereby agrees that Lessor has the right, but not the obligation, at no cost to Lessee, to publicize and/or advertise the execution of this Lease and the related transaction.

14.20 CCPA Waiver. LESSEE WAIVES ITS RIGHTS UNDER THE COLORADO CONSUMER PROTECTION ACT, C.R.S. 6-1-101, ET SEQ., A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF LESSEE’S OWN SELECTION, LESSEE VOLUNTARILY CONSENTS TO THIS WAIVER.

14.21 Construction of Lease. Lessee declares that Lessee has read and understands all parts of this Lease, including all printed parts hereof. It is agreed that, in the construction and interpretation of the terms of this Lease, the rule of construction that a document is to be construed most strictly against the party who prepared the same shall not be applied, it being agreed that both parties hereto have participated in the preparation of the final form of this Lease. Wherever in this Lease provision is made for liquidated damages, it is because the parties hereto acknowledge and agree that the determination of actual damages (of which such liquidated damages are in lieu) is speculative and difficult to determine; the parties agree that liquidated damages herein are not a penalty.

14.22 Financial Statements. Lessee acknowledges that it has provided Lessor with its financial statement(s) as a primary inducement to Lessor’s agreement to lease the Leased Premises to Lessee, and that Lessor has relied on the accuracy of said financial statement(s) in entering into this Lease. Lessee represents and warrants that the information contained in said financial statement(s) is true, complete and correct in all material aspects, and agrees that the foregoing representations are conditions to all of Lessor’s obligations under this Lease.

At the request of Lessor (only upon, the sale or refinancing of the Building, or upon any extension or renewal hereof), Lessee shall, not later than thirty (30) days following such request, furnish to Lessor a financial statement of Lessee as of the end of the prior fiscal year accompanied by a statement of income and expense for the year then ended, together with a certificate of the chief financial officer, owner or partner of Lessee to the effect that the financial statements have been prepared in conformity with generally accepted accounting principles consistently applied and fairly present the financial condition and results of operations of Lessee as of and for the periods covered except for year-end adjustments that could be made as part of an audit of the financial statements. Lessor agrees to maintain all of the foregoing financial statements as confidential information and will not disclose the same except to a bonafide, proposed lender or purchaser of the project, and then only for the purposes of evaluating the Lessee's financial condition in light of the proposed transaction. Nothing in this paragraph may be construed to require Lessee to prepare audited financial statements for any period of time.

14.23 Time of Essence. With respect to all required acts of each party, time is of the essence of this Lease.

14.24 Joint and Several Liability. If there is more than one Lessee, the obligations hereunder imposed upon Lessee are joint and several. If there is a guarantor(s) of Lessee's obligations hereunder, the obligations of Lessee are joint and several obligations of Lessee and each such guarantor, and Lessor need not first proceed against Lessee hereunder before proceeding against each such guarantor, nor will any such guarantor be released from its guarantee for any reason whatsoever, including, without limitation, any amendment of this Lease, any forbearance by Lessor or Waiver of any of Lessor's rights, the failure to give Lessee or any such guarantor any notices, or the release of any party liable for the payment or performance of any of Lessee's obligations hereunder.

14.25 Building Name and Address. Lessor reserves the right at any time to change the name by which the Building is designated, and Lessor has no obligation or liability whatsoever for costs or expenses incurred by Lessee as a result of such name change.

14.26 Taxes and Lessee's Property. Lessee is solely liable for all taxes levied or assessed against personal property, furniture or fixtures placed by Lessee in the Leased Premises. If any such taxes for which Lessee is liable are levied or assessed against Lessor or Lessor's property and if Lessor elects to pay the same or if the assessed value of Lessor's property is increased by inclusion of personal property, furniture or fixtures placed by Lessee in the Leased Premises, and Lessor elects to pay the taxes based on such increase, Lessee shall pay Lessor upon demand that part of such taxes for which Lessee is primarily liable hereunder.

14.27 Constructive Eviction. Lessee is not be entitled to claim a constructive eviction from the Leased Premises unless Lessee has first notified Lessor in writing of the condition giving rise thereto, and, if the complaints are justified, unless Lessor has failed to remedy such conditions within a reasonable time after receipt of said notice.

ARTICLE 15 AMENDMENT AND LIMITATION OF WARRANTIES

15.1 Entire Agreement. IT IS EXPRESSLY AGREED BY LESSEE, AS A MATERIAL CONSIDERATION FOR THE EXECUTION OF THIS LEASE, THAT THIS LEASE, WITH THE SPECIFIC REFERENCES TO WRITTEN EXTRINSIC DOCUMENTS, IS THE ENTIRE

AGREEMENT OF THE PARTIES; THAT THERE ARE, AND WERE, NO VERBAL REPRESENTATIONS, WARRANTIES, UNDERSTANDINGS, STIPULATIONS, AGREEMENTS OR PROMISES PERTAINING TO THIS LEASE OR TO THE EXPRESSLY MENTIONED WRITTEN EXTRINSIC DOCUMENTS NOT INCORPORATED IN WRITING IN THIS LEASE.

15.2 Amendment. THIS LEASE MAY NOT BE ALTERED, WAIVED, AMENDED OR EXTENDED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY LESSOR AND LESSEE.

15.3 Limitation of Warranties. LESSOR AND LESSEE EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH IN THIS LEASE.

15.4 Waiver of Jury Trial. LESSEE HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT NOW OR HEREAFTER EXISTS WITH REGARD TO THIS LEASE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY LESSEE, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LESSOR IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY LESSEE.

ARTICLE 16 OTHER PROVISIONS

16.1 Americans with Disabilities.

(a) Lessor shall be responsible for compliance with Title III of the Americans With Disabilities Act (“ADA”) with respect to the shell and core of the Leased Premises and the shell, core, and Common and parking Areas of the Building and project.

(b) Lessee shall, at Lessee’s sole cost and expense, be responsible, for any alterations, modifications or improvements to the Premises, and the acquisition of any auxiliary aids, required under the ADA, including all alterations, modifications or improvements required: (1) as a result of Lessee (or any subtenant, assignee or concessionaire) being a Public Accommodation (as defined in the ADA); (2) as a result of the Premises being a Commercial Facility (as defined in the ADA); (3) as a result of any leasehold improvements made to the Leased Premises by, or on behalf of, Lessee or any subtenant, assignee or concessionaire (whether or not Lessor’s consent to such leasehold improvements was obtained) including the initial Lessee Improvements; or (4) as a result of the employment by Lessee (or any subtenant, assignee or concessionaire) of any individual with a disability.

(c) With respect to the use restrictions set forth in this Lease, and the restrictions on assignments and subletting set forth in this Lease, it is hereby specifically understood and agreed that Lessor shall have no obligation to consent to, or permit, a use of the Leased Premises, or an assignment of the Lease or a sublease of the Leased Premises (collectively herein a “Use Change”) if such Use Change would require the making of any alterations, modifications or improvements to the Leased Premises or the Common Areas, of the acquisition of any auxiliary aids, required under the ADA, unless Lessee performs all such acts and satisfies Lessor’s requirements for financial responsibility for the costs of such compliance (which may include, by way of example, posting of a completion bond, or establishment of an escrow account).

16.2 List of Exhibits. All exhibits and attachment hereto are incorporated herein by this reference.

Exhibit A	-	Depiction of Leased Premises
Exhibit B	-	Legal Description of Land
Exhibit C	-	Building Rules and Regulations
Exhibit D	-	Rent Abatement Provisions
Exhibit E	-	Renewal Option
Exhibit F	-	Expansion Option
Exhibit G	-	Right of First Refusal
Exhibit H	-	Subordination, Attornment and Nondisturbance Agreement
Exhibit I	-	Base Building Improvements

16.3 Back-up Generator. Lessee shall have the right to install a back-up generator on a generator pad site, which location shall be mutually agreed upon by Lessee and Lessor within ten business days after Lessee notifies Lessor that it wishes to begin the installation. The cost of acquiring, installing, and maintaining Lessee’s back-up generator shall be borne by the Lessee. The generator and all associated equipment will remain the property of Lessee and Lessee will be allowed to remove the generator and all associated equipment at Lessee’s sole cost and expense at the termination of Lessee’s tenancy, provided Lessee shall repair at its sole cost any damage related to the removal of said equipment. Lessee shall be responsible for obtaining all necessary permits, approvals and consents required to install and maintain said back-up generator. Subject to Section 7.4, Lessee shall indemnify, defend and hold Lessor harmless from and against any and all loss, claim, suit, damages or the like in any way whatsoever related to said back-up generator.

16.4 Shell and Core. The shell and core of the Building has been completed by Lessor and includes the base building improvements listed on Exhibit I attached hereto and incorporated herein by this reference.

ARTICLE 17 SIGNATURES

Signed this 1st day of May, 2003.

LESSOR:

TODAY DENVER TECHNOLOGY PARK, L.P.,
a Texas limited partnership

By: Today Denver Technology Park GP, Inc.,
a Texas corporation,
its general partner

By: /s/ Sue Shelton
Sue Shelton
Executive Vice President

LESSEE:

LUZENAC AMERICA, INC.
a Delaware corporation

By: /s/ Roger Smith
Name: Roger Smith
Title: VP Finance

LESSEE ACKNOWLEDGES THAT THIS LEASE INCLUDES THE INDEMNIFICATION PROVISIONS SET FORTH IN SECTIONS 3.1, 3.6, 7.5 AND 14.18 HEREOF.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("First Amendment" or "Amendment") is executed as of the 1st day of September, 2003, by and between TODAY DENVER TECHNOLOGY PARK, L.P., a Texas limited partnership ("Landlord"), and LUZENAC AMERICA, INC., a Delaware corporation ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Commercial Lease dated April 29, 2003, for the lease of Suite 310, located at 345 Inverness Drive South, Building C, Englewood, Colorado 80112 (the "Building") (the "Existing Lease"); and

WHEREAS, the actual square footage for the Leased Premises has been determined and in accordance with the provisions contained in Section 1.2 of the Existing Lease, this Amendment is being entered into by Landlord and Tenant; and

WHEREAS, Tenant and Landlord wish to modify certain other terms and provisions of the Existing Lease as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby amend the Existing Lease as follows:

1. Definitions. All capitalized terms used herein shall have the same meaning as set forth in the Existing Lease, unless otherwise defined herein. The Existing Lease, together with this First Amendment, are hereinafter referred to collectively as the "Lease".

2. Leased Premises Square Footage. Landlord and Tenant hereby agree and acknowledge that the Leased Premises contain 29,865 rentable square feet, more or less, which Leased Premises are depicted on Exhibit A attached hereto and incorporated herein by this reference.

3. Improvement Allowance. The Improvement Allowance is the lesser of (i) $1,097,538.75 ($36.75 per rentable square foot x 29,865 rentable square feet = $1,097,538.75) or (ii) the actual cost of all items for which the Improvement Allowance is payable under the Lease.

4. Base Rent. Subject to the rent abatement provided for in Exhibit D of the Existing Lease, the Base Rent payable from Tenant to the Landlord for the Leased Premises throughout the Lease Term shall be as follows:

Month of Term	Annual Base Rent Rate/SF	Monthly Base Rent
1-12		
13-24		
25-36	[…***…]	
37-48		
49-60		
61-72		

*** Confidential Treatment Requested**

73-84	
85-96	[…***…]
97-108	
109-120	

5. Electrical Usage. Tenant acknowledges that pursuant to the Existing Lease, Tenant has available 19.0 watts per rentable square foot. Landlord hereby grants Tenant the right to use in excess of 19.0 watts per rentable square foot. However, if a Future Tenant (“Future Tenant”) that leases currently vacant space in Building C requires up to 19.0 watts per rentable square foot, and such electrical usage of said future tenant requires an upgrade of the Building C electrical equipment due to Tenant using in excess of the allotted 19.0 watts per rentable square foot in the Premises, then Landlord shall make the required upgrades to the Building C electrical equipment at Tenant’s sole cost and expense, provided Tenant shall only be responsible for the cost and expense incurred to upgrade the electrical equipment to provide the Future Tenant 19.0 watts per rentable square foot. Landlord will give Tenant at least thirty days written notice of the need to perform the upgrade and will cooperate with Tenant to accomplish the upgrade for a reasonable cost. Tenant shall pay Landlord for all costs and expenses incurred in connection with such required electrical upgrades within thirty (30) days of Tenant being invoiced for the same by Landlord.

6. Broker. Landlord and Tenant each hereby warrant and represent to the other that it has not dealt with any real estate broker or salesperson under circumstances which would entitle such other broker or salesperson to payment of a commission or fee in connection with this Amendment except for the commission payable to the Broker defined in Section 14.18 of the Existing Lease, based upon the number of rentable square feet defined in this Amendment. Each party agrees that should any claim be made for brokerage commissions or finder’s fee by any other broker or finder through or on account of any acts of said party or its representatives, said party will indemnify the other and agree to hold the other harmless from and against any and all loss, liability, cost, damage and expense, including reasonable attorneys’ fees in connection therewith.

7. Validity of Lease. The parties acknowledge that the Lease is a valid and enforceable agreement and neither party claims that the other party has defaulted under any of its obligations thereunder.

8. Conflict. In the event of any conflict or inconsistency between the terms of the Existing Lease and the terms of this Amendment, the terms of this Amendment shall govern and control. In all other respects, the terms and provisions of the Existing Lease are hereby republished, ratified and reaffirmed in their entirety.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment the day and year first written above.

LANDLORD:

TODAY DENVER TECHNOLOGY PARK, L.P.,
a Texas limited partnership

By: Today Denver Technology Park GP, Inc., a
Texas corporation its general Partner

By: ______________________________
Sue Shelton
Executive Vice President

Date: ______________________________

TENANT:

LUZENAC AMERICA, INC., a Delaware corporation

By: /s/ Roger Smith
Name: Roger Smith
Title VP Finance
Date: September 8, 2003

CERTIFICATE OF ACCEPTANCE

Building: **345 Inverness**

Landlord: **Today Denver Technology Park, L.P.**

Tenant: **Luzenac America, Inc.**

This certificate is being executed pursuant to the Lease (the “Lease”) for Premises (“Premises”) in the Building named above, executed on the 1st day of May, 2003, between Landlord and Tenant.

Tenant certifies to and agrees with Landlord and Landlord’s successors, assigns, prospective purchasers and prospective lenders that:

1. Landlord has substantially completed all construction work and leasehold improvements required of Landlord under the terms of the Lease and/or any other agreement between Landlord and Tenant concerning the Premises, and the Premises have been delivered to Tenant in the condition contemplated by Tenant.

2 Tenant has taken possession of and has accepted the Premises, and the Minimum Rent additional rent and/or other charges payable under the Lease are presently accruing in accordance with the terms of the Lease or if not, will commence to accrue on the 15th day of August, 2003.

3. There are no offsets or credits against rentals, nor have rentals been prepaid except as may be provided in the Lease, but in no event have rentals been prepaid more than thirty (30) days in advance.

4. The Lease Term will commence on the 15th day August, 2003 and will expire on the 31st day of August, 2013 unless sooner terminated or extended pursuant to any provision of the Lease.

Certified and Agreed this 28th day of October, 2003

Tenant: /s/ Roger Smith
Name: Roger Smith
Title: VP Finance

LEASE ADDENDUM

REFERENCE IS MADE to that certain Commercial Lease Agreement dated April 29, 2003 (“Lease”) between Today Realty Advisors, Inc., on behalf of Today Denver Technology Park, L. P. (“Landlord”) and Luzenac America, Inc. (“Tenant”) for certain premises described as 345 Inverness Drive South, Bldg C, Suite 310, Englewood, Colorado 75063 (“the Leased Premises”).

WHEREAS, the Tenant has requested the right to temporarily occupy (in addition to the Leased Premises) certain unfinished and unoccupied lease space (the “Additional Space”) described in more detail below, that is contiguous to the Leased Premises for the limited purposes of storage of Tenant’s merchandise and equipment only; and

WHEREAS, the Landlord has consented to such temporary occupancy by Tenant on a month-to-month basis, so long as the Tenant is in full and complete compliance with all terms and conditions of the lease including this Lease Addendum; and

WHEREAS. The parties hereto desire to amend and supplement the Lease as specifically set forth herein;

NOW THEREFORE, in consideration of the covenants and conditions set forth herein and for other good and valuable consideration, the parties hereto do agree as follows:

This Addendum is entered into and made effective for the purposes the 1st day of Apri1, 2004.

1. **Premises:** Landlord hereby leases to Tenant, and Tenant hereby takes from Landlord the adjacent Additional Space more particularly outlined on the floor plan attached as Exhibit “A”.

2. **Term:** The term of this lease addendum shall be strictly “month-to-month”. This Lease Addendum may be terminated by either party with 48 hours notice. Commencement date shall be April 1, 2004.

3. **Rent:** Additional rent in connection Tenant’s occupancy of the additional Space shall be $300.00 per month payable in advance on the 1st day of each month during the term of this Lease Addendum.

4. **No Bailment:** Landlord is not and by this Lease Addendum does not become a bailee of Tenant’s property and Landlord does not accept control, custody, or assume any responsibility for the care of Tenant’s property.

5. **Landlord’s Right to Enter:** Landlord shall have the right to enter the Additional Space in the event of emergency, to inspect or perform necessary service, and to show to prospective Tenant’s.

6. **Use:** Tenant shall use the Additional Space for temporary storage only and shall not use or occupy the Additional Space as, a mailing address as a place in which to transact ordinary business, invite customers or any other impermissible or unlawful purpose. Tenant shall not store highly inflammable or hazardous materials or goods, explosives, perishables foodstuffs, contraband, live animals, or materials or goods which emit noxious or offensive odors.

7. **Risk of Loss:** Tenant bears all risks of loss to the personal property stored in Tenant, in the Additional Space regardless of how the loss is caused.

8. **Sublet/Assignment:** Tenant shall not assign or sublet the Additional Space or this Lease Addendum without the prior written consent of Landlord.

9. **Governing Law:** This Lease Addendum shall be governed by the laws of the State of Texas and is specifically performable in Dallas County, Texas.

10. **Notices:** Any notices given or required in connecting with this Lease Addendum shall be made upon either party hereto by mailing such notice via United States Mail, postage prepaid to such party’s address set forth below.

11. **Incorporation and Ratification:** Except as otherwise specifically provided herein, all other terms and condition’s set forth in the Lease shall apply to and are hereby incorporated into this Lease Addendum as if fully set forth at length. The parties hereto reaffirm and ratify the terms and conditions of the Lease and this Lease Addendum.

EXECUTED as of the date first above written.

Landlord:
Today Denver Technology Park, L.P.

By: /s/ Sue Shelton

Its: Exec V-P

Address: ______________________

____

Tenant:
Luzenac America, Inc.

By: /s/ Roger Smith

Its: VP Finance

Address: 345 Inverness Drive S., Suite 310
Centennial, CO 80112

Exhibit 10.8

***** Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4)
and 203.406

EXECUTION COPY

FIRST AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

This First Amended and Restated Limited Liability Company Agreement (this "***Agreement***") of Gevo Development, LLC ("***Development***"), dated as of August 5, 2010 (the "***Effective Date***"), is made by and among the Members and Development. Capitalized terms used in this Agreement, but not otherwise defined, will have the meanings set forth in Exhibit A.

Agreement

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements made in this Agreement, and in consideration of the representations, warranties and covenants contained herein, each Party agrees as follows:

Article I
Organization

1.1 Formation. Development has been organized as a Delaware limited liability company by the filing of a Certificate of Formation (the "***Formation Certificate***") with the Secretary of State of the State of Delaware pursuant to the Act. The Members agree that this Agreement (a) constitutes the "limited liability company agreement" of Development within the meaning of Section 18-101(7) of the Act, (b) will be effective as of the Effective Date and (c) will govern the rights, duties and obligations of the Parties, except as otherwise expressly required by the Act.

1.2 Name. The name of Development is as set forth in the Formation Certificate, and all business must be conducted in that name or such other names that comply with applicable Law as the Board, without Member approval, may select from time to time.

1.3 Registered Office and Agent; Principal and Other Offices. The registered office of Development required by the Act to be maintained in the State of Delaware will be the office of the initial registered agent named in the Formation Certificate or such other office (which need not be a place of business of Development) as the Board may designate from time to time, without Member approval, in the manner provided by Law. The registered agent of Development in the State of Delaware will be the initial registered agent named in the Formation Certificate or such other Person or Persons as the Board may designate from time to time, without Member approval, in the manner provided by Law. The principal office of Development in the United States will be at such place or places as the Board may designate from time to time, without Member approval, which need not be in the State of Delaware. Development may have such other offices as the Board may designate from time to time, without Member approval.

1.4 Purpose. The purpose of Development is the transaction of any and all lawful business for which limited liability companies may be organized under the Act.

1.5 Foreign Qualification. Prior to conducting business in any jurisdiction other than Delaware, Development will comply (to the extent procedures are available and reasonably within Development's control) with all requirements necessary to qualify Development as a foreign limited liability company, and (if necessary) keep Development in good standing, in that jurisdiction.

1.6 Term. Subject to Article X, the term of Development will be perpetual.

Article II
Members; Parties; Membership Interests; Representations; Transfers of Interests

2.1 Initial Members. The initial Members of Development are the Persons executing this Agreement as of the Effective Date in such capacity, each of which is admitted to Development as a Member effective contemporaneously with the execution by such Person of this Agreement.

2.2 Membership Interests.

(a) *Two classes of Membership Interests*. Development will designate two classes of equity interests: Class A Interests and Class B Interests. Each class of Membership Interests will have the following rights, preferences, and limitations.

(i) Class A Interests will be issued in exchange for all current and future Capital Contributions, the value of which will be established by the Board in accordance with the terms of this Agreement. Each of the (A) Allocation Percentage for the Class A Interests (Exhibit B—column C, row 1), (B) Distribution Percentage for the Class A Interests (Exhibit B—column D, row 1), and (C) Voting Percentage for the Class A Interests (Exhibit B—column E, row 1) will be subject to dilution and will be adjusted from time-to-time to account for any future Capital Contributions.

(ii) CDP will be the only Class B Party and no additional Class B Interests will be issued. Each of the (A) Allocation Percentage for the Class B Interests (Exhibit B—column C, row 4), (B) Distribution Percentage for the Class B Interests (Exhibit B—column D, row 4) and (C) Voting Percentage for the Class B Interests (Exhibit B—column E, row 4) will be non-dilutable and will not be adjusted at any time for any reason.

(b) *Ownership*. Each Party's ownership in Development is as set forth in Exhibit B, as amended from time to time in accordance with the terms of this Agreement.

(c) *Tag-along right in favor of the Class B Interests*.

(i) In the event any Party holding a Class A Interest proposes to Transfer ten percent (10%) or more of the Class A Interest (in a single transaction or a series of related transactions) held by such Party (a "***Selling Class A Party***"), other than to an Affiliate of such Selling Class A Party in accordance with the terms of this Agreement, the Class B Party will have the right (a "***Tag-Along Right***") to include in such Transfer up to that amount of Allocation Percentage held by such Class B Party equal to the product obtained by multiplying (A) the total Allocation Percentage proposed to be transferred by the Selling Class A Party in such Transfer by (B) the Allocation Percentage then held by such Class B Party, for the greatest consideration on an Allocation Percentage basis and otherwise on the best terms by which any Selling Class A Party Transfers its Class A Interests in such Transfer.

(ii) The Selling Class A Party will give written notice to the Class B Party not less than 15 days prior to such proposed Transfer providing a summary of the material terms of the proposed Transfer and advising the Class B Party of its Tag-Along Right (the ***"Notice of Proposed Sale"***), together with a copy of any term sheet or definitive documents governing such proposed Transfer. The Class B Party may exercise its Tag-Along Right by proving written notice to the Selling Class A Party within 15 days following receipt of the Notice of Proposed Sale stating the amount of Allocation Percentage that it wishes to Transfer, up to that Allocation Percentage calculated in accordance with subsection (i) above (the ***"Tag-Along Notice"***). To the extent that the Class B Party exercises its Tag-Along Right in accordance with the terms of this subsection (ii), the Allocation Percentage that the Selling Class A Party may sell in the Transfer shall be correspondingly reduced. If the prospective purchaser or purchasers of the Membership Interests declines to purchase the aggregate Allocation Percentage sought to be Transferred by the Selling Class A Party and the Class B Party, then the Selling Class A Party and the Class B Party will agree to reduce the Allocation Percentage of each participating party to be included in such Transfer on a proportionate basis that preserves the relative ratio of such participating parties. If the Class B Party elects to participate in the Transfer pursuant to this subsection (ii), it shall be obligated to effect its participation in the Transfer by promptly delivering to the Selling Class A Party for transfer to the prospective purchaser one or more certificates representing the Allocation Percentage to be transferred by such Class B Party in such Transfer, as specified in the Tag-Along Notice (as such number may be reduced pursuant to the immediately preceding sentence), properly endorsed for transfer. The LLC Certificate(s) that the Class B Party delivers to the Selling Class A Party pursuant to the preceding sentence shall be transferred to the prospective purchaser in connection with the consummation of the Transfer for the greatest consideration and upon the best terms by which any Selling Class A Party Transfers its Class A Interests to the purchaser, such obligation to be conditioned upon and contemporaneous with completion of the Transfer to the purchaser.

(iii) To the extent that the Class B Party does not elect to participate in the Transfer subject to the Notice of Proposed Sale, the Selling Class A Party may enter into an agreement providing for the closing of the Transfer of the Allocation Percentage covered by the Notice of Proposed Sale on the terms specified in the Notice of Proposed Sale.

(d) *Drag-along right.*

(i) Notwithstanding any other provision contained in this Agreement, if at any time the Board shall approve a Change in Control of Development, specifying that this subsection (e) shall apply, then Development shall provide written notice of such approval (the ***"Drag Along Notice"***) to the Class B Party, and the Class B Party hereby agrees:

(A) if such transaction requires the approval of the Members, to vote (in person, by proxy or by action by written consent, as applicable), with respect to all Membership Interests that such Class B Party owns or over which such Class B Party otherwise exercises voting power, in favor of such Change in Control and, if directed by the Board, to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of Development to consummate such Change in Control;

(B) if such Change in Control is structured as a sale of Membership Interests, to sell the same proportion of Membership Interests beneficially held by such Class B Party as is being sold by the Class A Party to the person or entity to whom the Class A Party proposes to sell its Membership Interests, on the same terms and conditions as the Class A Party;

(C) to execute and deliver all related documentation and take such other action in support of the Change in Control as shall reasonably be requested by the Board in order to carry out the terms and provisions of this subsection (e), including executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow agreement, consent, waiver, governmental filing, LLC Certificates duly endorsed for transfer (free and clear of impermissible liens, claims, and encumbrances), and any similar or related documents;

(D) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Change in Control; and

(E) that the proxy granted pursuant to subsection (iv) below shall become exercisable automatically by the Proxy Holder without any further action on the part of such Class B Party.

(ii) Each Drag-Along Notice required by subsection (e)(i) above shall include reasonable details of the Change in Control including, the following: (A) the proposed time and place of the closing of the Change in Control; and (B) the substantive terms and conditions of the Change in Control including (1) the purchase price and terms of payment, (2) the identity of the purchaser, and (3) a copy of any term sheet or definitive documents governing such Change of Control.

(iii) Notwithstanding the foregoing, the Class B Party will not be required to comply with this subsection (e) in connection with any specific Change in Control (the "***Proposed Change in Control***") unless:

(A) the Class B Party shall not be liable for the inaccuracy of any representation or warranty made by any other Person in connection with the Proposed Change in Control, other than Development;

(B) the liability for indemnification, if any, of such Class B Party in the Proposed Change in Control and for the inaccuracy of any representations and warranties made by Development in connection with such Proposed Change in Control, is several and not joint with any other Person, and is pro rata in accordance with the portion of the proceeds received by such Class B Party in the Change in Control;

(C) liability shall be limited to the amount of consideration actually paid to such Class B Party in connection with such Proposed Change in Control, except with respect to (1) representations and warranties of such Class B Party related to authority, ownership of the Membership Interests held by such Class B Party and the ability to convey title to such Membership Interests, (2) any covenants made by such Class B Party with respect to confidentiality or voting related to the Proposed Change in Control, or (3) claims related to fraud or willful breach by such Class B Party, the liability for which need not be limited; and

(D) the Proposed Change of Control provides for the Class B Party receiving the greatest consideration on an Allocation Percentage basis and otherwise on the best terms by which any Class A Party receives in such Proposed Change of Control.

(iv) As security for the performance of the Class B Party's obligations pursuant to this subsection (e), the Class B Party hereby grants to the Class A Party (the ***"Proxy Holder"***), with full power of substitution and resubstitution, exercisable automatically upon receipt of Board approval of a Change in Control subject to a Drag Along Notice, an irrevocable proxy to vote all Membership Interests held by such Class B Party, at all meetings of the Members held after the date of this Agreement with respect to a Change in Control subject to a Drag Along Notice, or to execute any written consent in lieu thereof, and hereby irrevocably appoints the Proxy Holder, with full power of substitution and resubstitution, as the Class B Party's attorney-in-fact with authority to sign any documents with respect to any such vote or any actions by written consent of the Members taken after the date of this Agreement, in either case in connection with matters directly related to a Change in Control subject to a Drag Along Notice. This proxy shall be deemed to be coupled with an interest and shall be irrevocable.

(e) *Forfeiture of Class B Interests*. The Class B Interests will be immediately forfeited by the Class B Party, without consideration, and the Class B Party will be obligated to promptly deliver one or more LLC Certificates representing its Class B Interests to Development for cancellation if (i) upon the occurrence of a Gevo Termination Event, neither Gevo, Development nor any Subsidiary of Development owns a Project Production Facility (as defined in the Commercialization Agreement) or (ii) Gevo, Development or a Subsidiary of Development has not successfully completed the retrofit of the first Project Production Facility (as defined in the Commercialization Agreement) on or before December 31, 2011.

2.3 Representations and Warranties. Each Party hereby represents and warrants to Development and each other Party that the statements in this Section 2.3 are correct and complete as of the date such Party becomes party to this Agreement.

(a) *Organization*. Such Party is an entity duly created, formed or organized, validly existing, and in good standing under the Laws of the jurisdiction of its creation, formation, or organization. There is no pending or, to such Party's knowledge, threatened action or proceeding for the dissolution, liquidation, insolvency, or rehabilitation of such Party.

(b) *Power and authorization*. Such Party has the entity power and authority to execute and deliver this Agreement and to perform and consummate the transactions contemplated herein. Such Party has taken all corporate actions necessary to authorize the execution and delivery of this Agreement, the performance of such Party's obligations hereunder, and the consummation of the transactions contemplated herein. This Agreement has been duly authorized, executed, and delivered by such Party, and is a valid and binding obligation enforceable against such Party in accordance with the terms hereof, except as such enforceability may be subject to the effects of bankruptcy, insolvency, reorganization, moratorium, or other Laws relating to or affecting the rights of creditors, and general principles of equity.

(c) *No violation*. The execution and the delivery of this Agreement by such Party and the performance and consummation of the transactions contemplated herein by such Party will not (i) breach any Law or Order to which such Party is subject or any provision of its organizational documents, (ii) breach any contract, Order, or permit to which such Party is a party or by which such Party is bound or to which any of such Party's assets are subject, or (iii) require the consent or approval of any Person.

(d) *Accredited investor*. Such Party: (i) is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act; (ii) has sufficient knowledge and experience in evaluating and investing in companies similar to Development in terms of Development's stage of development so as to be able to evaluate the risks and merits of its investment in Development and it is able financially to bear the risks thereof; (iii) has received or has had full access to all the information it has requested and considers necessary or appropriate to make an informed investment decision with respect to the Membership Interest to be acquired by such Party; (iv) is acquiring such Membership Interest for its own account for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof within the meaning of the Securities Act; (v) has made its own independent inquiry into and an independent judgment concerning, Development and such Membership Interest; (vi) understands that such Membership Interest has not been registered under the Securities Act; and (vii) understands and agrees that such Membership Interest may not be sold, pledged, hypothecated or otherwise transferred except in accordance with the terms of this Agreement and pursuant to an applicable exemption from registration under the Securities Act and other applicable securities Laws.

2.4 Restrictions on the Transfer of a Membership Interest. The Class A Interests may be Transferred only in accordance with applicable Law and the terms of this Agreement. The Class B Interests shall not be transferrable, other than (a) to Gevo or another Member or (b) pursuant to the provisions of Section 2.2(c), (d), and (e) of this Agreement. Any purported Transfer in breach of the terms of this Agreement will be null and void ab initio, and Development will not recognize any such prohibited Transfer.

2.5 Transfer Restrictions. Notwithstanding anything to the contrary contained herein, no Person will Transfer any rights or obligations arising out of or relating to this Agreement, a Membership Interest, or any interest herein or therein: (a) except pursuant to an applicable exemption from registration under the Securities Act and other applicable securities Laws; (b) if such Transfer would likely result in the violation of the Act, the Securities Act, or any other applicable Law; or (c) if such Transfer (including the taking of any action, filing, election, or other action which could result in a deemed Transfer), either considered alone or aggregated with prior Transfers, could reasonably be expected to result in the termination of Development for federal income tax purposes or result in Development being taxed as a corporation or otherwise being taxed as an entity for federal income tax purposes.

2.6 Effect of Permitted Transfers to Non-Members.

(a) *Rights to allocations and distributions; no right to be Substituted Member*. Except as otherwise provided in this Agreement or by applicable Law and only upon delivery of a commitment by a Transferee (acceptable in form and substance to the Board) to be bound by all the terms and conditions of this Agreement as then in effect, a Transfer of a Membership Interest to a non-Member will be effective only to give the Transferee the right to receive the share of allocations and distributions to which the Transferor would otherwise be entitled, and no non-Member Transferee of a Membership Interest will have the right to become a Substituted Member.

(b) *Rights of Transferor and Transferee*. Unless and until a non-Member Transferee is admitted as a Substituted Member in accordance with the terms of this Agreement, (i) the Transferee will have no right to exercise any of the powers, rights and privileges of a Member hereunder other than to receive its share of allocations and distributions and (ii) the Transferor will cease to be a Member with respect to such Membership Interest upon Transfer of such Membership Interest and thereafter will have no further powers, rights and privileges as a Member hereunder with respect to such Membership Interest (to the extent so Transferred), but will, unless otherwise relieved of such obligations by unanimous written agreement of all the other Members, remain liable for all obligations and duties as a Member with respect to such Membership Interest; provided, however, that if the Transferee reconveys such Membership Interest to such Transferor within ten days after the Transferor becomes aware that the Transferee will not become a Substituted Member, the Transferor once again will be entitled to all of the powers, rights, and privileges of a Member hereunder.

(c) *Agreement to be bound*. Notwithstanding anything to the contrary contained herein and in addition to any other requirements of this Agreement and applicable Law, a non-Member Transferee must agree in writing (in form and substance acceptable to the Board) to be bound by all the terms and conditions of this Agreement as then in effect before such Transferee is eligible to become either a Substituted Member or a Non-Member Party.

(d) *Rights of a Substituted Member*. At the time a non-Member Transferee has become a Substituted Member through compliance with all of the provisions of this Agreement, (i) such Substituted Member will have all of the powers, rights, privileges, duties, obligations and liabilities of a Member, as provided in this Agreement, the Formation Certificate, and by applicable Law to the extent of the Membership Interest so Transferred and (ii) the Member that Transferred the Membership Interest will be relieved of all of the obligations and liabilities with respect to such Membership Interest; provided, however, that such Member will remain fully liable for all liabilities and obligations relating to such Membership Interest that accrued prior to such Transfer.

(e) *Expenses*. The Board may, in its reasonable discretion, charge the Transferor a reasonable fee to cover the additional administrative expenses incurred in connection with or as a consequence of any Transfer of all or part of such Transferor’s Membership Interest to a non-Member Transferee.

(f) *Payments to Transferor*. If a non-Member Transferee does not become a Substituted Member or Non-Member Party, any payment by Development to the applicable Transferor will acquit Development, its Subsidiaries, the Board, Members, and all their Affiliates of all liability to any other Person who may be interested in such payment by reason of a Transfer by such Transferor.

2.7 Governmental Consents. If any governmental consent or approval is required with respect to any Transfer permitted by this Agreement, the Transferee will have a reasonable amount of time (not to exceed 60 days from the date upon which such Transfer would have been otherwise consummated in accordance with the terms of this Agreement) to obtain such consent or approval. All Parties will use reasonable, good faith efforts to cooperate with the Transferee attempting to obtain, and to assist in timely obtaining, such consent or approval; provided that no Party will be required to incur any out-of-pocket costs in connection with such cooperation and assistance. After the expiration of such waiting period, such Transferee will forfeit its rights to acquire the Membership Interest subject to such proposed Transfer with respect to such specific transaction; provided, however, that such forfeiture will not limit or otherwise affect the forfeiting Transferee's rights with respect to any subsequent proposed Transfer.

2.8 Documentation; Validity of Transfer. Development will not be required to recognize for any purpose any purported Transfer of all or any part of a Membership Interest unless and until all applicable provisions of this Section have been satisfied and the Board has received, on behalf of Development, a document in a form reasonably acceptable to the Board executed by both the Transferor (or if the Transfer is on account of the death, incapacity, or liquidation of the Transferor, its representative) and the Transferee. Such document will (a) include the notice address of the Transferee and, if such Transferee is not a Member, such Person's agreement to be bound by this Agreement with respect to the Membership Interest or part thereof being obtained, (b) set forth the Membership Interest after the Transfer of each of the Transferor and the Transferee (which together must total the Membership Interest of the Transferor before the Transfer), (c) contain a representation and warranty that the Transfer was made in accordance with all applicable Laws (including the Act, the Securities Act, and applicable state securities Laws) and the terms and conditions of this Agreement, and (d) if the Transferee is to be admitted to Development as a Substituted Member, its representation and warranty that the representations and warranties in Section 2.3 are true and correct. Each Transfer and, if applicable, admission of a Substituted Member complying with the provisions of this Agreement is effective against Development as of the first Business Day of the calendar month immediately succeeding the month in which (y) the Board receives the documents required by this Agreement reflecting such Transfer, and (z) all other requirements of this Agreement have been met.

2.9 Additional Membership Interests. Additional Persons may be admitted to Development as Members, and Membership Interests may be issued to those Persons and to existing Members subject to the terms and conditions set forth herein. Such admission must comply with any additional terms and conditions the Board may in its sole discretion determine at the time of admission. A document, in a form and substance acceptable to the Board, will specify the terms of admission or issuance and will include, among other things, the Membership Interest applicable thereto. Any such admission of a new Member will not be effective unless such new Member has agreed in writing to be bound by all terms and conditions of this

Agreement as then in effect. The provisions of this Section will not apply to Transfers of Membership Interests.

2.10 Information.

(a) *Access to information*. In addition to the other rights specifically set forth in this Agreement, each Member is entitled to all information to which that Member is entitled to have access pursuant to the Act under the circumstances and subject to the conditions therein stated.

(b) *Confidentiality*. The Parties acknowledge that, from time to time, they may receive information from or regarding Development or any other Party in the nature of trade secrets or secret or proprietary information or information that is otherwise confidential, the release of which may be damaging to Development, the Parties, or their respective Affiliates, as applicable, or Persons with which they do business. Each Party will hold in strict confidence any information it receives regarding Development and may not use or disclose such information to any Person other than another Party, except for disclosures (i) compelled by Law (but such Party must notify the Board promptly of any such request for information, before disclosing it, if practicable, and shall delay disclosure, if and to the extent practicable, until the other Party has had an opportunity to seek a protective order or other appropriate remedy), (ii) to advisers or representatives of the Party or Persons to which that Party's Membership Interest may be Transferred as permitted by this Agreement, but only if the recipients of such information have agreed to be bound by the provisions of this Section, (iii) of information that a Party also has received from a source independent of Development, which source, to such Party's knowledge, has no duty of confidentiality and that such Party reasonably believes such source obtained without breach of any obligation of confidentiality, (iv) of public information or (v) with respect to confidential information, other than trade secrets or secret or proprietary information related to the intellectual property of Gevo or Development, to such Persons on a need-to-know basis in furtherance of CDP's capital raising efforts or Project Activities transactions pursuant to the Commercialization Agreement. The Parties acknowledge that a breach of the provisions of this Section may cause irreparable injury to Development or another Party or an Affiliate thereof for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Parties agree that the provisions of this Section may be enforced by specific performance.

2.11 Limited Liability. Except as otherwise provided in the Act, the debts, obligations and liabilities of Development, whether arising in contract, tort, or otherwise, will be solely the debts, obligations and liabilities of Development, and no Member, Board member, or officer of Development is or shall be obligated personally for any such debt, obligation or liability of Development solely by reason of being a Member or by acting as a Board member or officer of Development. Except for any duties specifically imposed by this Agreement, no Member, Board member or officer of Development shall have any duties of any kind whatsoever to represent, or act on behalf of or with regard to, the interests of Development or of any other Member. The failure of Development to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing liability on the Members, Board members or officers of Development for any debt, obligation, or liability of Development.

2.12 Resignation. No Member has the right or power to, and will not attempt to, withdraw or resign from Development or its obligations under this Agreement without the unanimous written consent of the Board and all the Members, which consent may be granted or withheld in the sole discretion of the Board and each such Member.

2.13 Adjustment of Books and Records and Amendment of this Agreement. Upon acceptance of Capital Contributions in accordance with Article III, the issuance of additional Membership Interests, or any change in Members, Development, at the direction of the Board, shall cause the books and records of Development to be appropriately adjusted, and Development, at the direction of the Board, shall amend this Agreement, without Member approval, to reflect the terms and conditions of the Capital Contributions and the issuance of additional Membership Interests.

2.14 No Compensation or Reimbursement. Except as provided in this Agreement, the Commercialization Agreement or otherwise approved by the Board, a Member shall not receive any salary, fee or draw for services rendered to or on behalf of Development and shall not be reimbursed for any expenses incurred by the Member on behalf of Development.

Article III
Capital Contributions

3.1 Initial Contributions. Each Member will make a contribution of cash as set forth in Exhibit B, column B contemporaneously with the execution of this Agreement (the "***Initial Capital Contributions***"), with such cash contribution to be credited to the contributing Member's Capital Account.

3.2 Additional Capital Contributions. No Party will be required to make any Capital Contribution other than the Initial Capital Contribution. If Development does not have sufficient cash to pay its obligations, the Board may accept from a Party an advancement of all or part of the necessary funds as additional Capital Contributions to Development.

3.3 Return of Contributions. No Party is entitled (a) to the return of any part of any Capital Contribution or (b) to be paid interest in respect of either its Capital Account or any Capital Contribution. An unrepaid Capital Contribution is not a liability of Development or of any Party. A Party is not required to contribute or to lend any cash or property to Development to enable Development to return any other Party's Capital Contributions.

Article IV
Capital Accounts; Allocations and Distributions

4.1 Capital Accounts. A separate Capital Account will be maintained for each Party in accordance with Code Section 704 and Treasury Regulations Section 1.704-1(b)(2)(iv). The Board will increase or decrease the Capital Accounts in accordance with the rules of such regulations including, upon the occurrence of any of the events specified in Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and as otherwise set forth in this Agreement. The Board's determination of Capital Accounts will be binding upon all Parties.

4.2 Capital Account Allocations.

(a) *Allocation of Profits and Losses*.

(i) Profits will be allocated to the Capital Account of each Party as follows:

(A) first, to the Parties in proportion to, to the extent and in reverse order of, any Losses previously allocated among the Parties that have not subsequently been reversed pursuant to this clause; and

(B) second, to the Parties in proportion to their respective Allocation Percentages.

(ii) Losses will be allocated to the Capital Account of each Party as follows:

(A) first, to the Parties in proportion to, and to the extent and in reverse order of, any Profits previously allocated among the Parties that have not subsequently been reversed pursuant to this clause;

(B) second, to the Parties in proportion to, and to the extent of, any remaining positive balance in their respective Capital Accounts; and

(C) third, to the Parties in proportion to their respective Allocation Percentages.

(b) *Limitation of Loss allocations*. Notwithstanding Section 4.2(a), the Board will not allocate any item of loss or deduction to a Party that would cause or increase a deficit balance in such Party's Capital Account in excess of any limited dollar amount of such deficit balance that such Party is obligated to restore as of the end of any fiscal year, taking into account the amounts and adjustments set forth in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4)-(6) and will make special allocations of the Profits or Losses among the Parties as necessary to cause the allocations under this Section to be respected under Code Section 704(b) and Treasury Regulations Section 1.704-1(b)(1). The Board will, to the extent possible and in whatever manner it deems appropriate, make subsequent curative allocations of other items of income, gain, loss and deduction to offset any such special tax allocations.

(c) *Regulatory allocations*. Allocations under this Section are intended to meet the alternate test for economic effect under Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and, with respect to any allocations of nonrecourse deductions, are intended to meet the requirements of Treasury Regulations Section 1.704-2(e). A "qualified income offset," a "minimum gain chargeback," each as defined in the Treasury Regulations, and any such other provision that is necessary to cause the allocations under this Section to meet such test and requirements are incorporated by reference into this Agreement.

(d) *Board determinations*. The Board's determination of allocations will be binding upon all Parties.

(e) *Tax allocations*. The Board will allocate the items of income, gain, loss and deduction of Development for federal income tax purposes among the Parties in the same manner that such items are allocated to the Parties' Capital Accounts.

(f) *Tax credits*. All tax credits will be allocated among the Parties in accordance with applicable Laws.

(g) *Code Section 704(c) Allocations*.

(i) In accordance with Code Section 704(c), income, gain, loss and deduction with respect to any property contributed to Development will, solely for tax purposes, be allocated among the Parties so as to take account of any variation between the adjusted basis of such property to Development for income tax purposes and its book value for Capital Account purposes, in the same manner as such variations are treated under Code Section 704(c).

(ii) If the book value of any Development asset is adjusted for Capital Account purposes pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), subsequent allocations of income, gain, loss, and deduction with respect to such asset will take account of any variation between the adjusted basis of such asset for federal income tax purposes and its book value for Capital Account purposes in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder.

(iii) All tax allocations required by this Section 4.2(g) will be made in accordance with the "traditional method" described in Treasury Regulations Section 1.704-3(b); provided that the Board may elect to use the "traditional method with curative allocations" described in Treasury Regulations Section 1.704-3(c).

(iv) Allocations pursuant to this Section 4.2(g) are solely for purposes of federal, state and local income taxes and will not affect, or in any way be taken into account in computing, any Parties' Capital Account or the allocation of Profits and Losses among the Parties.

(h) *Varying interests during a fiscal year*. In the event of any changes in Membership Interests during a fiscal year, all Profits and Losses from operations of Development during such fiscal year, using such methods of accounting for depreciation and other items as the Board determines to use for federal income tax purposes, will be allocated to each Party based on its varying interest in Development during such operating year in accordance with Code Section 706. The Board will determine in accordance with Code Section 706 whether to prorate items of income and deduction according to the portion of the fiscal year for which a Party held Membership Interests or whether to close the books on an interim basis and divide such operating year into two or more segments.

4.3 Distributions.

(a) *Priority*. Distributions will be made to the Parties as, if, and when declared by the Board out of cash legally available for distribution in the following order of priority:

(i) first, to each Party an amount equal to such Party's Estimated Tax Amount, which distribution will (A) be made with sufficient time in which to use such distribution to fund quarterly or annual payments of estimated income taxes and (B) reduce the amount of the next succeeding distribution or distributions that would otherwise have been distributed to such Party pursuant to this Section;

(ii) second, to the Class A Parties in proportion to, and to the extent of, their respective Unreturned Capital Contributions; and

(iii) third, to the Parties in proportion to their respective Distribution Percentages.

(b) *Insufficient funds*. To the extent the proceeds or assets of Development are insufficient to pay the holders of a particular class of Membership Interests the entire amount due to such holders, then the proceeds or assets legally available for distribution to that particular class of Membership Interests will be distributed ratably among the holders of such particular class of Membership Interests and all other classes of Membership Interests ranking below the class of Membership Interests paid in accordance with the foregoing distribution priority will not be entitled to receive any distribution.

(c) *No return of distributions; other limitations*. Except as otherwise set forth in this Agreement or required by applicable Law, a Member is not obligated by this Agreement to return any distribution to Development or pay the amount of any distribution for the account of Development or to any creditor of Development; *provided*, *however*, that if any court of competent jurisdiction holds that, notwithstanding this Agreement, any Member is obligated to return or pay any part of any distribution, the obligation will bind the Member alone and not any other Member. The provisions of the immediately preceding sentence are solely for the benefit of the Members and will not be construed as benefiting any third party. The amount of any distribution returned to Development by a Member or upon approval of the Board paid by a Member for the account of Development or to a creditor of Development will be added to the account or accounts from which it was subtracted when it was distributed to the Member, and will be treated as a Capital Contribution by the Member unless otherwise determined by the Board in its reasonable judgment. No Member shall have the right to require that any distribution to the Member be made in the form of property other than cash.

Article V
Management of Development

5.1 Management by the Board; Delegation and Composition; Meetings; Vote.

(a) *Management by the Board*. Development shall not be governed or managed by the Members in their capacity as Members. Instead, the business and affairs of Development will be managed by or under the authority of the board of managers (the "***Board***"), except for those matters for which the approval of the Members is required by a nonwaivable provision of applicable Laws.

(b) *Authority to delegate*. The Board will have broad discretion to authorize any officer, representative or agent to act on behalf of Development.

(c) *Composition of the Board*. The Board will be comprised of five individuals. Each Member named below will have the right to appoint to the Board the number of persons set forth below opposite its name:

Appointing Member	# of Appointees
Gevo	3
CDP	2
Total	5

Upon the earlier to occur of (i) a Gevo Termination Event, (ii) CDP's forfeiture of Class B Interests pursuant to Section 2.2(e) or (iii) a permitted Transfer of all Class B Interests held by CDP, each Board member then appointed by CDP shall automatically, without any action of any such Board member or the Board or any Member, be removed from the position of Board member and a representative designated by the Class A Party shall be appointed to the Board in his place. From and after the date of such event, CDP shall not have any right to appoint a Board member.

(d) *Term*. Each Board member shall serve until his or her successor is duly appointed or until his or her earlier death, resignation or removal.

(e) *Other activities*. Subject to the provisions of the Time Commitment Agreement and the exclusivity provisions set forth in Article II of the Commercialization Agreement, a Board member is required to devote only such time to the affairs of Development as is reasonably necessary to perform the duties of Board member and enable the Board, taking into account service by all other Board members, to supervise the management of the business and affairs of Development in accordance with this Agreement. Subject to the provisions of the Time Commitment Agreement and the exclusivity provisions set forth in Article II of the Commercialization Agreement, a Board member may serve other business entities or enterprises in any capacity that the Board member deems appropriate in his or her reasonable discretion.

(f) *Resignation.* A Board member may resign at any time. The resignation must be made in writing and shall take effect at the time specified in the written resignation or, if a time is not specified, then at the time of its receipt by Development. The acceptance of a resignation is not necessary to make it effective, unless expressly provided in the written resignation.

(g) *Removal*. Subject to any limitations imposed by applicable Law, any Board member may be removed from office at any time (i) with cause by the affirmative vote of a majority of Board members then in office or (ii) with or without cause by the Member that appointed such Board member. For the avoidance of doubt, a Board member's repeated and intentional failure to attend meetings of the Board, duly held after regular call and proper notice, shall constitute cause for purposes of this subsection (g).

(h) *Vacancy on the Board*. A vacancy occurring on the Board for any reason may be filled by appointment by the Member entitled to appoint the relevant Board member pursuant to subsection (c) above.

(i) *Regular meetings of the Board*. Regularly scheduled, periodic meetings of the Board may be held at such times, dates and places as will from time to time be determined by the Board and publicized among all Board members, either orally or in writing, including a voice-messaging system or other system designed to record and communicate messages, facsimile or by electronic mail, at least 48 hours before the date and time of the meeting. No further notice shall be required for a regular meeting of the Board.

(j) *Special meetings of the Board*. A special meeting of the Board may be called by any two members of the Board and will be held at such time, date and place as may be determined by the Board members calling such special meeting. Notice of the time and place of all special meetings of the Board shall be either orally or in writing, including a voice-messaging system or other system designed to record and communicate messages, facsimile or by electronic mail, at least 48 hours before the date and time of the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Any notice of any special meeting must specify the business to be transacted or the purpose of the meeting. Notice of any meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any Board member by attendance thereat, except when the Board member attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(k) *Waiver of notice*. The transaction of all business at any meeting of the Board, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the Board members not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

(l) *Quorum; required vote; reimbursement*. Three members of the Board will constitute a quorum for the transaction of business at any meeting of the Board. Except as expressly set forth in Section 5.1(m), the affirmative vote of a majority of the Board members present at any meeting at which there is a quorum will be the act of the Board. If a quorum is not present at any meeting, a majority of the Board members present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. Development will reimburse each Board member for all reasonable expenses incurred in connection with attending a Board meeting.

(m) *Matters requiring a super-majority vote of the Board*. The affirmative vote of not less than four Board members will be required for any action that will result in (i) a transaction between Development or any of its Subsidiaries and an Interested Party, including establishing the value of any Capital Contribution made by any Interested Party; provided, however, that (A) the exercise by Development of its Put Option or Call Option pursuant to the Commercialization Agreement and (B) the negotiation and execution of any license, marketing, logistics or other similar agreements between Gevo and Development or any Subsidiary of Development and the performance of any obligations pursuant thereto, shall not be deemed a transaction with an Interested Party pursuant to this subsection (i), (ii) any voluntary dissolution, liquidation, winding-up of Development or other discontinuation of the business of

Development, (iii) any increase or decrease in the authorized number of members of the Board, (iv) an allocation or distribution to any Party that is not in accordance with the terms specified in this Agreement, (v) any amendment to the Formation Certificate or this Agreement, (vi) any change to the tax classification of Development, (vii) any alteration or change to the rights, preferences, or privileges of the Membership Interests so as to adversely affect any such Membership Interest, and (viii) the approval of an annual budget that does not adhere to the form, guidelines, and principles set forth in the Annual Budget; provided, however, that if, at the time such vote is taken, there shall be fewer than four Board members, the affirmative vote of a majority of the Board members then in office shall be required.

(n) *Action by written consent*. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, and without a vote, if all members of the Board consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board.

(o) *Conference communication*. To the fullest extent permitted under the Act, one or more Board members may participate in a meeting by any means of communication through which all Board members participating in the meeting may simultaneously hear each other during the meeting. For the purposes of establishing a quorum and taking any action at the meeting, Board members participating pursuant to this Section 5.1(o) will be deemed present in person at the meeting; and the place of the meeting will be the place of origination of the conference telephone conversation or other comparable communication technique.

5.2 Officers. The Board may designate one or more persons to fill one or more officer positions of Development. No officer need be a resident of the State of Delaware. The Board may assign titles to particular officers, including the title of managing director. As of the Effective Date, each of David N. Black and Michael A. Slaney shall be appointed as a managing director of Development and shall report directly to the Board and to Patrick Gruber as Executive Chairman of Development. Each officer will hold office until his successor is duly appointed or until his death or until he resigns or is removed in the manner hereinafter provided. Any number of offices may be held by the same person. The salaries or other compensation of the officers of Development may be fixed from time to time by the Board consistent with the terms, as applicable, set forth in the Commercialization Agreement. Unless the Board specifies otherwise, the assignment of a title will constitute the delegation to such officer of the authority and duties normally associated with such title. Any officer may resign as such at any time. Such resignation will be made in writing and will take effect at the time specified therein, or if no time be specified, at the time of its receipt by Development. The acceptance of a resignation will not be necessary to make it effective, unless expressly so provided in the resignation. Any officer may be removed as such, either with or without cause, by the Board; provided, however, that such removal will be without prejudice to the contract rights, if any, of the officer so removed, including the rights set forth in the Commercialization Agreement. A vacancy in any officer position of Development shall be filled by resolution of the Board.

5.3 No Duty to Consult. Except as otherwise expressly provided herein or by applicable Law, neither Development, the Board, nor the officers, representatives, or agents of Development will have a duty or obligation to consult with or seek the advice of the Members on any matter relating to the day-to-day business affairs of Development.

5.4 Reimbursement. All expenses incurred with respect to the organization, operation and management of Development will be borne by Development.

5.5 Parties and Affiliates Dealing With Development. Subject to obtaining any consent or approval required by Section 5.1(m), the Board may appoint, employ, contract, or otherwise deal with any Person, including Parties, Affiliates of the Parties, other Persons with whom the Parties are otherwise related, and with Persons which have a financial interest in a Party or in which a Party has a financial interest (each, an ***"Interested Party"***), for transacting Development business, including any acts or services for Development as the Board, officer or other representative with the proper authority may approve, and any such contract or transaction shall not be void or voidable by reason of the involvement of the Interested Party. Subject to obtaining any consent or approval required by Section 5.1(m), an Interested Party shall not be required to account to Development or to hold as a trustee for Development any profit or benefit derived from the contract or transaction by reason of the involvement of the Interested Party or because the Interested Party was present at or participated in the approval of the contract or transaction, whether at a Board meeting at which the contract or transaction was authorized or otherwise.

5.6 Annual Budget.

(a) *Form and preparation of the annual budgets*. Gevo, together with the members of senior management of Development, will prepare and submit to the Board a proposed annual budget prepared on a consolidated and unconsolidated basis (including pro forma income and expense projections and other financial statements and items requested by the Board) for Development and each Subsidiary of Development (such consolidated and unconsolidated annual budgets, the "***Annual Budgets***"). Exhibit C to this Agreement sets forth the form of the unconsolidated Annual Budget for Development. The Board agrees to prepare the Annual Budgets using the form, guidelines and principles set forth on Exhibit C; provided, however, that the amounts set forth on Exhibit C are subject to Board approval.

(b) *Submission and approval of the Annual Budgets*. The Annual Budgets will be submitted within a reasonable period of time before the beginning of each calendar year, but in no event less than 60 days prior to the beginning of such calendar year. Within 15 days of receipt by the Board of such proposed Annual Budgets, the Board will meet (or otherwise communicate) and use good faith, reasonable efforts to reach agreement on the proposed Annual Budgets.

5.7 Business Opportunities. Subject to, and without any diminution in any respect whatsoever of, the exclusivity provisions set forth in Article II of the Commercialization Agreement:

(a) None of Development, any Member, nor any other Person shall have any rights by virtue of this Agreement or the limited liability company relationship established hereby in any business venture or economic opportunity of any Member or any Affiliates of any Member, and no Member or any of the Affiliates of such Member shall have any obligation to offer any interest in any such business venture or economic opportunity to, or otherwise account to, Development, any other Member or any other Person with respect thereto, and

(b) Neither this Agreement, nor any activity under this Agreement, shall prevent a Member or any officer, director, member, partner or Affiliate of any Member, acting on his, her, its or their own behalf, from engaging in whatever activities he, she, it or they may choose, including activities that are competitive with Development.

Article VI
Meetings and Authority of the Members

6.1 Meetings of Members.

(a) *Place and Manner of Meeting.* All meetings of Members shall be held at a date, time and place, within or without the State of Delaware, as stated in the notice of the meeting or in a duly executed waiver of notice. Presence in person, or by proxy or mail ballot, constitutes participation in a meeting, except where a Member participates in the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of business on the ground that the meeting is not lawfully convened.

(b) *Conduct of Meetings.* The meetings of the Members shall be presided over by a Person designated by the Board, and shall be conducted in general accordance with the rules and procedures as may be determined by the Board in its sole and absolute discretion. Resolutions to be voted on by the Members may be limited by the Board to those that have been approved by the Board for presentation to the Members and contained in the notice of the meeting.

(c) *Meetings.* Meetings of the Members may be called only by the Board.

(d) *Notice.* Development shall cause a written or printed notice stating the place, date,and time of the meeting and the purpose or purposes for which the meeting is called. The notice shall be delivered not less than ten or more than 60 days before the date of the meeting in accordance with Section 12.5 to each Member entitled to vote at the meeting.

(e) *Quorum*. A quorum will be present at a meeting of the Members if Members holding at least 50.0% of the Voting Percentage are represented at the meeting in person or by proxy. If a quorum is not present at any meeting, then the Members holding a majority of the Voting Percentage present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. Upon the resumption of such adjourned meeting, any business may be transacted that might have been transacted at the meeting as originally called.

(f) *Voting requirement*. All Members will vote as a single class, except as otherwise required by Law. Each Member will be entitled to the percentage of votes equal to its Voting Percentage at the time of such vote. The affirmative vote of the Members holding a majority of the Voting Percentage present (in person or by proxy) at any meeting at which there is a quorum will be the act of the Members.

(g) *Proxies*. A Member may vote either in person or by proxy executed in writing by the Member. A photocopy, facsimile or similar reproduction of writing executed by the Member will be treated as an execution in writing for purposes of this Section 6.1(g).

Proxies for use at any meeting of the Members in connection with the taking of any action by written consent will be filed with the Board before or at the time of the meeting or execution of the written consent, as the case may be.

(h) *Authority regarding voting matters*. All ballots (including proxies) will be received and canvassed by an inspector appointed by the Board, and such inspector will decide all questions touching upon the qualification of voters, the validity of the proxies and the acceptance or rejection of votes.

(i) *Action by written consent*. Except as otherwise provided by applicable Laws, any action required or permitted to be taken at any meeting of Members may be taken without a meeting, and without a vote, if a consent or consents in writing, setting forth the action so taken, will be signed by the Members holding not less than a majority or greater required percentage (if applicable) of the Voting Percentage. Any such action by written consent shall be effective when the last necessary Member signs the written consent unless the consent specifies an earlier or later effective date. Development shall file any action by written consent in the records of Development. Prompt written notice of the taking of any action by the Members without a meeting by less than unanimous written consent will be given to those Members who did not consent in writing to the action.

(j) *Record date*. The record date for determining the Members entitled to notice of or to vote at a meeting of the Members, including any adjournment thereof, will be the date on which the notice of a meeting of the Members is transmitted to the Members. The record date for determining Members entitled to consent to an action in writing without a meeting will be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Board.

(k) *Records*. A person designated by the Board will be responsible for maintaining the records of all meetings of the Members, including keeping minutes and the filing of consents in the records of Development.

(l) *Conference communication*. To the fullest extent permitted under the Act, one or more Members may participate in a meeting by any means of communication through which all Members participating in the meeting may simultaneously hear each other during the meeting. For the purposes of establishing a quorum and taking any action at the meeting, Members participating pursuant to this Section 6.1(k) will be deemed present in person at the meeting; and the place of the meeting will be the place of origination of the conference telephone conversation or other comparable communication technique.

6.2 No Authority; Specific Limitations. Except as otherwise expressly provided in this Agreement, no Party will have any authority to (a) act for, or to incur or assume any obligations or responsibility on behalf of, or bind any other Party or Development, (b) bring an action for partition against Development or any assets of Development, or (c) have any contractual appraisal rights under the Act. Each Party agrees that it will not represent to any third party with whom such Party is in contact concerning the affairs or the business of Development that such Party has any authority to act for, or to incur or assume any obligations or responsibilities on behalf of, Development unless expressly authorized in writing by the Board.

Article VII
Exculpation and Indemnification

7.1 Exculpation. Except for any Damages resulting from a breach of the exclusivity provisions set forth in Article II of the Commercialization Agreement, each Party acknowledges and agrees that no Indemnitee shall be liable to Development or to any Member for any Damages resulting from any act taken, or failure to take any act, by any Indemnitee for, or on behalf of, Development or any Subsidiary of Development, including any act taken, or failure to take any act, by any Indemnitee in connection with the conduct of the business or activities or proposed activities of Development or any Subsidiary of Development, unless such act or omission constitutes fraud material to the act or omission (*“**Disabling Conduct**”*).

7.2 Indemnification.

(a) To the fullest extent permitted by Law (as the Law exists on the Effective Date or thereafter amended, but only to the extent that such amendment permits broader indemnification rights than said Laws permitted prior to such amendment), Development (or its receiver or trustee) shall indemnify, hold harmless, and defend each Indemnitee from and against any and all Damages incurred or suffered by such Indemnitee in connection with any Proceeding arising out of, in connection with, or related to the business or operation of Development; provided, however, that no Indemnitee will be entitled to indemnification under this Article if such Proceeding results in a final, non-appealable judgment that the acts or omissions of such Indemnitee giving rise to the Proceeding constituted Disabling Conduct. Development expressly acknowledges that (a) an Indemnitee will not be denied indemnification under this Article merely because the Indemnitee had an interest in the transaction with respect to which the indemnification applies, if such transaction was not otherwise prohibited by the terms of this Agreement and the conduct of the Indemnitee did not constitute Disabling Conduct or (b) the indemnification provided in this Article could involve indemnification for negligence or under theories of strict liability.

(b) Development may purchase and maintain insurance on behalf of an Indemnitee against liability or expense that may be asserted against or incurred by the Indemnitee in or arising from that capacity, whether or not Development would be required to indemnify the person against the liability. Development may enter into agreements providing for the indemnification of officers of Development and Board members in a form approved by the Board. Development, at the direction of the Board, will use its best commercially reasonable efforts to cause each Subsidiary of Development to adopt charter provisions and enter into indemnification agreements providing for indemnification of any person who serves as an officer or director thereof to the fullest extent permitted by Law. Each Indemnitee shall take reasonable action to pursue any source of indemnification and insurance coverage and shall cooperate with Development to enable Development to be subrogated to such Indemnitee’s right to indemnification from another source or insurance coverage.

7.3 Continued Indemnification. The indemnification obligations under this Article will continue as to each Indemnitee who has ceased to serve in the capacity that entitled such Indemnitee to indemnification under this Article.

7.4 Advancement of Damages. To the fullest extent permitted by Law, Damages incurred by an Indemnitee in defending any Proceeding will be promptly advanced by Development before the final disposition of such Proceeding upon receipt by the Board of (a) evidence of the payment or incurrence of Damages and (b) an undertaking by or on behalf of the Indemnitee to repay such Damages if it is determined by a court of competent jurisdiction in a final, non-appealable judgment that such Indemnitee is not entitled to be indemnified pursuant to this Article.

7.5 Settlements. Development will not be liable for any settlement of any Proceeding effected without its written consent, but if settled with such written consent, or if there is a final, non-appealable judgment against the Indemnitee in any such Proceeding, then Development will indemnify and hold harmless the Indemnitee to the extent provided in this Article.

7.6 Amendments. The indemnification rights and protections granted pursuant to this Article will be deemed contract rights, and no amendment, modification or repeal of this Article will have the effect of limiting or denying any such rights or protections with respect to events or actions that occurred before such amendment, modification, or repeal.

7.7 Appearance as a Witness. Notwithstanding any other provision of this Article, Development will pay or reimburse Damages incurred by any Indemnitee in connection with such Indemnitee’s appearance as a witness or other participation in a Proceeding at a time when such Indemnitee is not a named defendant or respondent in the Proceeding.

7.8 Nonexclusivity of Rights. The right to indemnification and the advancement and payment of Damages conferred in this Article will not be exclusive of any other right which an Indemnitee may have or hereafter acquire under any applicable Laws, this Agreement, or any other agreement, vote of Members, or otherwise, and shall extend to such Indemnitee’s successors, permitted assigns and legal representatives.

7.9 Savings Clause. If this Article or any portion hereof will be invalidated on any ground by any court of competent jurisdiction, then Development will nevertheless indemnify and hold harmless each Indemnitee as to Damages to the full extent permitted by any applicable portion of this Article that will not have been invalidated and to the fullest extent permitted by applicable Laws.

7.10 Scope of Indemnity. For the purposes of this Article, references to Development include all constituent entities, whether corporations or otherwise, absorbed in a consolidation or merger as well as the resulting or surviving entity. Thus, any Indemnitee will stand in the same position under the provisions of this Article with respect to the resulting or surviving entity as he would have if such merger, consolidation or other reorganization never occurred.

Article VIII
Taxes

8.1 Tax Returns. The Board will cause to be prepared and filed all necessary federal and state income Tax Returns for Development, including making the elections described in Section 8.2. Upon written request by the Board, each Party will furnish to Development all pertinent information in its possession relating to Development that is necessary to enable Development's income tax returns to be prepared and filed.

8.2 Tax Elections. Development will make the following elections on the appropriate Tax Returns: (a) to adopt the accrual method of accounting; (b) an election pursuant to Code Section 754; (c) to elect to amortize the organizational expenses of Development and the start-up expenditures of Development under Code Section 195 ratably over a period of 60 months as permitted by Code Section 709(b); and (d) any other election that the Board may deem appropriate and in the best interests of Development or Parties, as the case may be. Neither Development nor any Party may make an election for Development to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law, and no provision of this Agreement will be construed to sanction or approve such an election.

8.3 Tax Matters Partner. Gevo will serve as the "***Tax Matters Partner***" of Development pursuant to Code Section 6231(a)(7). The Tax Matters Partner will take such action as may be necessary to cause each Party to become a "notice partner" within the meaning of Code Section 6223 and will inform each Party of all significant matters that may come to its attention in its capacity as Tax Matters Partner by giving notice thereof on or before the fifth Business Day after becoming aware thereof and, within that time, will forward to each other Party copies of all significant written communications it may receive in that capacity. The Tax Matters Partner may not take any action contemplated by Code Sections 6222 through 6232 without the consent of a majority of the Voting Percentage, but this sentence does not authorize the Tax Matters Partner to take any action left to the determination of an individual Party under Code Sections 6222 through 6232.

Article IX
Books, Records, Reports, and Bank Accounts

9.1 Maintenance of Books. Development will keep books and records of accounts and will keep minutes of the proceedings of its Parties. The books of account for Development will be maintained on an accrual basis in accordance with the terms of this Agreement and generally accepted accounting principles, applied on a consistent basis, except that the Capital Accounts of the Parties will be maintained in accordance with Article IV. The accounting year of Development will be determined by the Board. The initial custodian of the company records will be the Tax Matters Partner.

9.2 Financial Statements.

(a) *Quarterly statements*. Not later than 45 days following the end of each of the first three quarters of each fiscal year, the Board will deliver to each Party summary financial information, including a balance sheet, an income statement and a statement of cash flows. The quarterly summary financial information will be prepared in accordance with generally acceptable accounting principles, excluding notes thereto, applied on a consistent basis, and will not be audited unless the Board otherwise decides. The Board also may cause to be prepared and delivered such other reports as it may deem, in its sole judgment, appropriate. Development will bear the costs of all such reports and financial statements.

(b) *Annual statements*. On or before the last day of each March, the Board will deliver to each Party financial statements, including a balance sheet, an income statement and a statement of cash flows, and a statement of changes in each Party's Capital Account for, or as of the end of, the immediately preceding calendar year. Annual financial statements will be prepared in accordance with generally acceptable accounting principles, excluding notes thereto, applied on a consistent basis, and will not be audited unless the Board otherwise decides. The Board also may cause to be prepared or delivered such other reports as it may deem, in its sole judgment, appropriate. Development will bear the costs of all such reports and financial statements.

9.3 Tax Statements. On or before the last day of July, the Board will deliver to each Party all information reasonably necessary or appropriate to file their appropriate Tax Returns, including a schedule of Development book-tax differences for, or as of the end of, the immediately preceding tax year. In addition, to the extent reasonably possible, the Board will provide each Party with estimates of all such information on or before the first day of February each year.

9.4 Accounts. The Board will establish and maintain one or more separate bank and investment accounts and arrangements for Development funds in Development's name with financial institutions and firms that the Board may determine. Development may not commingle Development's funds with the funds of any other Person. All such accounts will be and remain the property of Development and all funds will be received, held and disbursed for the purposes specified in this Agreement.

Article X
Dissolution, Liquidation, and Termination

10.1 Events Causing Dissolution. Development will be dissolved only upon the unanimous vote of the Members, pursuant to Section 5.1(m)(ii), or upon a final decree of a court of competent jurisdiction that dissolution is required under applicable Law. Each Party expressly agrees that no other events will cause or result in the dissolution of Development.

10.2 Liquidation and Winding Up. If Development is dissolved pursuant to Section 10.1, Development will be liquidated by the Person or Persons designated by the Board or by a decree of court (such Person responsible for liquidating Development, the "***Liquidator***"). The Liquidator will wind up the affairs of Development and will promptly proceed to the liquidation of Development and, in settling the accounts of Development, the assets and the property of Development will be distributed in the following order of priority: (a) to the payment of all debts and liabilities of Development in the order of priority as provided by Law (other than outstanding loans from a Member); (b) to the establishment of any reserves deemed necessary by the Liquidator for any contingent liabilities or obligations of Development; (c) to the repayment of any outstanding loans from the Parties to Development, pro rata in proportion to the amounts owed to such Parties; (d) to the Parties in accordance with Section 4.3(a)(i), (e) to the Parties in accordance with Section 4.3(a)(ii), (f) to the Parties pro rata in accordance with their positive Capital Account balances, after giving effect to all contributions, distributions, and allocations for all periods and (g) the balance, if any, to the Parties in accordance with Section 4.3(a)(iii).

10.3 No Deficit Restoration Obligation. If any Party has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all fiscal periods including the fiscal period during which the liquidation occurs), such Party will have no obligation to make any contribution to the capital of Development with respect to such deficit, and such deficit will not be considered a debt owed to Development or to any Person for any purpose whatsoever.

Article XI
Certificated Membership Interests

11.1 Securities Governed By UCC. The Membership Interests will be deemed to be "securities" governed by Article 8, and within the meaning of Section 8-102(a)(15) of the Uniform Commercial Code, including for purposes of any permitted grant, pledge, attachment, or perfection of a security interest in the certified Membership Interests. The law of the State of Delaware is hereby designated as the issuer's jurisdiction within the meaning of Section 8-110(d) of the Uniform Commercial Code for purposes of the matters specified therein.

11.2 LLC Certificates. The Membership Interests will be certificated Membership Interests and will be substantially in the form set forth as Exhibit D (the "***LLC Certificate***"). No Person other than Development may issue an LLC Certificate and only the representative authorized by the Board will have the authority to execute such LLC Certificate. Evidence of the issuance of the LLC Certificate will be recorded in the books of Development.

11.3 Lost, Stolen or Destroyed LLC Certificates. The Board may direct a new LLC Certificate to be issued in place of any LLC Certificate previously issued by Development alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the Party claiming the LLC Certificate to be lost, stolen or destroyed. When authorizing such issue of a new LLC Certificate, the Board, in its discretion and as a condition precedent to the issuance thereof, may require the Party of such lost, stolen or destroyed LLC Certificate to (a) certify that such LLC Certificate has been lost, stolen or destroyed, (b) require such Party to provide Development with a bond in such amount as the Board may direct as indemnity against any claim that may be made against Development with respect to the LLC Certificate alleged to have been lost, stolen or destroyed and/or (c) agree to indemnify Development against any claim that may be made against Development with respect to the LLC Certificate alleged to have been lost, stolen or destroyed.

11.4 Transfer of Membership Interest. Upon surrender to Development of an LLC Certificate representing Membership Interests duly endorsed and accompanied by the documentation required to Transfer in accordance with this Agreement and of the payment of all Taxes applicable to the Transfer of said Membership Interest, Development will be obligated to issue a new LLC Certificate to the Person entitled thereto, cancel the old LLC Certificate, and record the transaction upon its books, provided, however, that Development will not be so obligated unless such Transfer was made in strict compliance with the provisions of this Agreement and any applicable state and federal Laws.

11.5 Registered Holders. Prior to presentment for registration or transfer, Development will be entitled to recognize the exclusive right of a Party registered on its books as the owner of the indicated Membership Interest and will not be bound to recognize any equitable or other claim to or interest in such Membership Interest on the part of any Person other than such registered Party, whether or not it has actual or other notice thereof.

Article XII
General Provisions

12.1 Amendment. The Board or any Member may propose any amendment or modification to this Agreement, but such amendment or modification may be effected only by the vote of the Board specified in Section 5.1(m)(v).

12.2 Amendment and Restatement; Entire Agreement. This Agreement amends and restates in its entirety that certain Limited Liability Company Agreement, dated September 21, 2009, by and among Gevo and CDP, in their capacity as Members of Development (the ***"Existing Agreement"***), and Development, and upon the adoption of this Agreement, the Existing Agreement shall be of no further force or effect and all of the rights and obligations described in the Existing Agreement shall be governed by the terms hereof. This Agreement, together with the Exhibits attached hereto, the portions of the Commercialization Agreement and Time Commitment Agreement specifically referenced in this Agreement, and that certain Intellectual Property Agreement to be entered into by CDP, Michael A. Slaney and David N. Black in favor of Gevo, related to the ownership of certain intellectual property by Gevo, constitutes the entire agreement and understanding of the Parties in respect of the subject matter hereof and supersedes all prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof. The Exhibits and other attachments identified in this Agreement are incorporated herein by reference and made a part hereof.

12.3 Assignment; Binding Effect. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder except in strict compliance with the terms set forth in this Agreement, and any assignment by a Party other than in strict compliance with the terms set forth in this Agreement will be deemed invalid and not binding on such other Parties. All of the terms, agreements, covenants, representations, warranties and conditions of this Agreement are binding upon, and inure to the benefit of and are enforceable by, the Parties and their respective successors and permitted assigns.

12.4 Third Party Benefit. Nothing in this Agreement, express or implied, is intended to confer upon any Person not a party to this Agreement any rights, remedies, obligations or liabilities of any nature whatsoever; provided, however, that the Indemnitees will, as intended third party beneficiaries thereof, be entitled to the enforcement of Article VII, but only insofar as the obligations sought to be enforced thereunder are those of Development.

12.5 Notices. All notices, requests, and other communications to be given under this Agreement must be in writing and given by personal delivery, by a nationally recognized overnight delivery service for next day delivery, or by facsimile transmission, as specified on Exhibit B (or to such other address as any Party may give in a notice given in accordance with the provisions hereof). All notices, requests, or other communications will be effective and deemed given only (a) if given by personal delivery, upon such personal delivery, (b) if sent for next day delivery by overnight delivery service, on the date of delivery as confirmed by written confirmation of delivery, (c) if sent by facsimile, upon the transmitter's confirmation of receipt of such facsimile transmission, except that if such confirmation is received after 5:00 p.m. (in the recipient's time zone) on a Business Day, or is received on a day that is not a Business Day, then such notice, request or communication will not be deemed effective or given until the next succeeding Business Day. Notices, requests and other communications sent in any other manner, unless expressly permitted in this Agreement, will not be effective.

12.6 Headings. The article and section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

12.7 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law principles.

12.8 Extensions; Waivers. Any Party may, for itself only, (a) extend the time for the performance of any of the obligations of any other Party under this Agreement, (b) waive any inaccuracies in the representations and warranties of any other Party contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions for the benefit of such Party contained herein. Any such extension or waiver will be valid only if set forth in a writing signed by the Party to be bound thereby. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent such occurrence. Neither the failure nor any delay on the part of any Party to exercise any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise of the same or of any other right or remedy.

12.9 Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof; provided that if any provision of this Agreement, as applied to any Party or to any circumstance, is judicially determined not to be enforceable in accordance with its terms, the Parties agree that the court judicially making such determination may modify the provision in a manner consistent with its objectives such that it is enforceable, and/or to delete specific words or phrases, and in its modified form, such provision will then be enforceable and will be enforced.

12.10 Counterparts; Effectiveness. This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement will become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, which delivery may be made by exchange of copies of the signature page by facsimile transmission.

12.11 Expenses; Attorneys' Fees. Each of the Parties shall pay its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement.

12.12 Further Assurances. If any further action is necessary or reasonably desirable to carry out this Agreement’s purposes, each Party will take such further action (including executing and delivering any further instruments and documents and providing any reasonably requested information) as the Board may reasonably request.

12.13 Injunction and Specific Performance. Each Party acknowledges and agrees that the other Parties would be damaged irreparably if any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached. Accordingly, each Party will be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and its provisions in any Proceeding, in addition to any other remedy to which they may be entitled, at law or in equity. Except as expressly provided herein, the rights, obligations and remedies created by this Agreement are cumulative and in addition to any other rights, obligations or remedies otherwise available at law or in equity and nothing herein will be considered an election of remedies.

12.14 Time. Time is of the essence in the performance of this Agreement.

12.15 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party because of the authorship of any provision of this Agreement. Any reference to any federal, state, local, or foreign Law will be deemed also to refer to Law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” means “including without limitation.”

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed and delivered by a duly authorized representative as of the Effective Date.

Members:

Gevo, Inc.

By: /s/ Patrick Gruber
Name: Patrick Gruber
Its: Chief Executive Officer

CDP Gevo, LLC

By: /s/ Michael A. Slaney
Name: Michael A. Slaney
Its: Managing Partner

Development:

Gevo Development, LLC

By: /s/ Patrick Gruber
Name: Patrick Gruber
Its: Executive Chairman

Exhibit A

Definitions

"Act" means the Delaware Limited Liability Company Act.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Person. For the purposes of this definition, Control will be presumed by (a) David N. Black and Michael A. Slaney with respect to CDP and (b) with respect to any other Person, by a Person that beneficially owns more than 50% of any class of securities of such Person having general voting rights.

"Agreement" is defined in the preamble to this Agreement.

"Allocation Percentage" means the percentage amounts set forth on Exhibit B in column C entitled "Allocation Percentage." The Allocation Percentage for the (a) Class A Interests is subject to dilution and will be adjusted from time-to-time to account for future Capital Contributions and (b) Class B Interests is non-dilutable and will not be adjusted at any time for any reason.

"Annual Budget" is defined in Section 5.6(a).

"Board" is defined in Section 5.1(a).

"Business Day" means any day other than a Saturday, Sunday or other day when banking institutions in Englewood, Colorado are authorized or required by law or executive order to be closed.

"Capital Account" means the capital account maintained for each Party pursuant to Article IV.

"Capital Contribution" means the amount of money or the fair market value of any property (as determined by the Board as of the date of contribution) contributed to Development by any Party pursuant to Section 3.1 and Section 3.2.

"CDP" means CDP Gevo, LLC, a Texas limited liability company.

"Change in Control" means any consolidation, merger, or similar transaction (or series of transactions), in which Development is a constituent corporation or is a party with another entity, or the sale of the Membership Interests in a single transaction or series of related transactions, in each case under circumstances in which the holders of the Membership Interests outstanding immediately before such transaction or series of related transactions do not, immediately after such transaction or series of related transactions, retain equity securities representing a majority of the voting power of the surviving corporation (or its parent corporation if the surviving corporation is wholly owned by the parent corporation) of such transaction or series of related transactions, on account of the Membership Interests held by them immediately prior to such transaction or series of related transactions; provided, however, that a ***"Change in Control"*** shall not include (a) any consolidation or merger effected exclusively to change the domicile of Development or (b) any transaction or series of transactions for bona fide equity financing purposes in which cash is received by Development or any successor or indebtedness of Development is cancelled or converted or a combination thereof.

"Class A Interest" means a Membership Interest in Development designated as a class A interest, having the rights and preferences set forth in this Agreement.

"Class A Party" means any Party to the extent such Party holds a Class A Interest.

"Class B Interest" means a Membership Interest in Development designated as a class B interest, having the rights and preferences set forth in this Agreement.

"Class B Party" means any Party to the extent such Party holds a Class B Interest.

"Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code will include any subsequent amendment or replacement of that section.

"Commercialization Agreement" means that certain Commercialization Agreement, dated the Effective Date, among Development, CDP, and Gevo.

"Control" (and its derivatives and similar terms) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership or control of voting equity interests, by contract or otherwise.

"Damages" means any loss, claim, damage (actual, incidental, consequential, punitive, or otherwise), liability, judgment, penalty, payment, fine, settlement, and reasonable fees and expenses (including all fees and expenses related to attorneys, advisors, consultants, accountants, and expert witnesses).

"Development" is defined in the preamble to this Agreement.

"Disabling Conduct" is defined in Section 7.1.

"Distribution Percentage" means the percentage amounts set forth on Exhibit B in column D entitled "Distribution Percentage." The Distribution Percentage for the (a) Class A Interests is subject to dilution and will be adjusted from time-to-time to account for future Capital Contributions and (b) Class B Interests is non-dilutable and will not be adjusted at any time for any reason.

"Drag Along Notice" is defined in Section 2.2(d)(i).

"Effective Date" is defined in the preamble of this Agreement.

"Estimated Tax Amount" means, with respect to each Party, an amount equal to the sum of the highest marginal federal and state (taking into consideration only those states in which Development and its Subsidiaries conduct business) income tax rate applicable to corporations or individuals, whichever is higher, multiplied by the income and gain (net of any cumulative tax benefits produced for the Parties by Development's losses, deductions, and credits), if any, allocated to each Party with respect to the relevant period.

"Existing Agreement" is defined in Section 12.2.

"Formation Certificate" is defined in Section 1.1.

"Gevo" means Gevo, Inc., a Delaware corporation.

"Gevo Board" shall mean the board of directors of Gevo.

"Gevo Termination Event" means the termination of the Commercialization Agreement by Gevo pursuant to Section 5.2(b) or 5.2(d) thereof.

"Indemnitee" means any Member, Board member, officer of Development, the Tax Matters Partner, any Person serving at the request of Development as a director or officer of another Person or any Affiliate of any of the foregoing.

"Initial Capital Contributions" is defined in Section 3.1.

"Interested Party" is defined in Section 5.5.

"Law" means any law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, equitable principle, code, rule, regulation, executive order, or other similar authority enacted, adopted, promulgated, or applied by any governmental authority, each as may be amended.

"Liquidator" is defined in Section 10.2.

"LLC Certificate" is defined in Section 11.2.

"Losses" see the definition of "Profits."

"Member" means any Person executing this Agreement as of the Effective Date as a Member or any Person hereafter admitted to Development as an additional Member or Substituted Member as provided in this Agreement, but does not include any Person who has ceased to be a Member in Development or is a Non-Member Party.

"Membership Interest" means collectively the Class A Interests and Class B Interests.

"Non-Member Party" means any Transferee that is not admitted as a Substituted Member.

"Notice of Proposed Sale" is defined in Section 2.2(c)(ii).

"Order" means any order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction, or other similar determination or finding by, before, or under the supervision of any governmental authority, arbitrator, or mediator.

"Parties" or ***"Party"*** means the Members and the Non-Member Parties, collectively or individually, as the case may be.

"Person" means any individual or entity, including any corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or governmental authority.

"Proceeding" means any threatened, pending, or completed investigation, inquiry, claim, demand, action, suit, or proceeding, whether civil, criminal, administrative, arbitrative or investigative, or any appeal thereof.

"Profits" or ***"Losses"*** mean, for each fiscal year (or shorter accounting period, as applicable), an amount equal to Development's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) will be included in taxable income or loss), with the following adjustments:

(a) Any income of Development that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this paragraph will be added to such taxable income or loss;

(b) Any expenditures of Development described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits and Losses pursuant to this paragraph will be subtracted from such taxable income or loss;

(c) If the value of any Development asset is adjusted in compliance with Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment will be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(d) Gain or loss resulting from any disposition of Development property with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the value of such property for Capital Account purposes notwithstanding that the adjusted tax basis of such property differs from such value;

(e) If the value of an asset for Capital Account purposes differs from its adjusted tax basis for federal income tax purposes, depreciation, amortization and other cost recovery deductions will be taken into account in accordance with applicable Treasury Regulations, including Treasury Regulations Section 1.704-1(b)(2)(iv)(g), in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing taxable income or loss;

(f) To the extent an adjustment to the adjusted tax basis of any Development asset pursuant to Code Section 734 is required pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Party's interest in Development, the amount of such adjustment will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and will be taken into account for purposes of computing Profits and Losses; and

(g) Any items that are specially allocated by the Board to the Parties' Capital Accounts pursuant to the provisions of Section 4.2(c) in order to cause the allocation of such items to be respected for federal income tax purposes will not be taken into account in computing Profits and Losses.

"Proposed Change in Control" is defined in Section 2.2(d)(iii).

"Proxy Holder" is defined in Section 2.2(d)(iv).

"***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Selling Class A Party" is defined in Section 2.2(c)(i).

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other business entity of which any Equity Interest (as defined in the Commercialization Agreement) is at the time beneficially owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person.

"Substituted Member" means a Transferee that (a) has complied with the all requirements set forth in this Agreement and stands in place of, and with all the rights and obligations of, a Transferor as a Member, (b) is admitted as a Member, and (c) is shown as a Member on the books and records of Development.

"Tag-Along Notice" is defined in Section 2.2(c)(ii).

"Tag-Along Right" is defined in Section 2.2(c)(i).

"Tax" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs, ad valorem, duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Matters Partner" is defined in Section 8.3.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes required to be filed with any governmental authority, including any schedule or attachment thereto, and including any amendment thereof.

"Time Commitment Agreement" means that certain Time Commitment to Development Agreement, dated the Effective Date, among Gevo, Development, Michael A. Slaney and David N. Black.

"Transfer" or ***"Transferred"*** means a voluntary or involuntary sale, assignment, transfer, conveyance, exchange, foreclosure, bequest, devise, gift, mortgage, pledge, grant of a security interest, encumbrance, or any other alienation (in each case, with or without consideration) of any right, interest, or obligation, including with respect to all or any portion of any Membership Interest.

"Transferee" means a Person who receives all or part of a Party's Membership Interest through a Transfer.

"Transferor" means a Member, Substituted Member or a predecessor Transferor who Transfers a Membership Interest.

"Treasury Regulation" means the regulations promulgated by the United States Treasury Department under the Code. Any reference to a section of the Treasury Regulations will include any subsequent amendment or replacement of that section.

"Unreturned Capital Contributions" means, with respect to a Party, (a) the aggregate Capital Contributions made by such Party, minus (b) the aggregate distributions previously made to such Party pursuant to Section 4.3(a)(ii).

"Voting Percentage" means the percentage amounts set forth on Exhibit B in column E entitled "Voting Percentage." The Voting Percentage for the (a) Class A Interests is subject to dilution and will be adjusted from time-to-time to account for future Capital Contributions and (b) Class B Interests is non-dilutable and will not be adjusted at any time or for any reason.

Exhibit B

Capital Contribution; Allocation, Distribution and Voting Percentage

		Column A	*Column B*	*Column C*	*Column D*	*Column E*
	Member	**Interests**	**Capital Contribution ($)**	**Allocation Percentage**	**Distribution Percentage**	**Voting Percentage**
Row 1a	Gevo, Inc.	Class A (1)	[…***…]	90.00%	90.00%	90.00%*
Row 1b	[additional Parties, if any]	Class A (1)				
Row 2	*Total—Class A Interests*		[…***…]	90.00%	90.00%	90.00%*
Row 3						
Row 4	CDP Gevo, LLC	Class B (2)	—	10.00%	10.00%	10.00%
Row 5	*Total—Class B Interests*		—	10.00%	10.00%	10.00%
Row 6						
Row 7	*Total—Membership Interests*		[…***…]	100.00%	100.00%	100.00%*

[1] Class A Interests will be issued in exchange for all current and future Capital Contributions. As such, each of the (i) Allocation Percentage for the Class A Interests (column C, row 1), (ii) Distribution Percentage for the Class A Interests (column D, row 1), and (iii) Voting Percentage for the Class A Interests (column E, row 1) is subject to dilution and will be adjusted from time-to-time to account for any future Capital Contributions.

[2] CDP Gevo, LLC will be the only holder of Class B Interests; no additional Class B Interests will be issued. As such, each of the (i) Allocation Percentage for the Class B Interests (column C, row 4), (ii) Distribution Percentage for the Class B Interests (column D, row 4) and (iii) Voting Percentage for the Class B Interests (column E, row 4) is non-dilutable and will not be adjusted at any time for any reason.

***Confidential Treatment Requested**

Notice Information of each Party

Gevo, Inc.
Attn: General Counsel
345 Inverness Dr. S.
Building C, Suite 310
Englewood, CO 80112-5889
Fax: 303.858.8431

Gevo Development, LLC
Attn: Board Member
345 Inverness Dr. S.
Building C, Suite 310
Englewood, CO 80112-5889
Fax: 303.858.8431

CDP Gevo, LLC
Attn: Managing Partner
3811 Turtle Creek Blvd, Suite 750
Dallas, TX 75219
Fax: 214.522.1154

Exhibit C

Annual Budget

[…***…]

***Confidential Treatment Requested**

Exhibit D

Form of LLC Certificate

[ ] FORMED UNDER THE LAWS OF THE STATE OF DELAWARE [ ]

Gevo Development, LLC

[ ]

This Certifies that ____ is the owner and registered holder of Class Interests of Gevo Development, LLC

transferable only on the books of the limited liability company by the holder hereof in person or by duly authorized attorney upon surrender of this certificate properly endorsed.

IN WITNESS WHEREOF, the said limited liability company has caused this certificate to be signed by its duly authorized representatives this ______ day of __________, __________.

**NO
SEAL**

Exhibit D—Page 2

[back of the LLC Certificate]

THE MEMBERSHIP INTEREST REPRESENTED BY THIS CERTIFICATE (A) HAS THE RIGHTS, PREFERENCES, PRIVILEGES, AND LIMITATIONS SET FORTH IN THE LIMITED LIABILITY AGREEMENT OF DEVELOPMENT DATED AS OF SEPTEMBER [__], 2009, AS MAY BE AMENDED FROM TIME TO TIME (THE "***LLC AGREEMENT***") AND (B) IS SUBJECT TO SUBSTANITAL RESTRICITONS FOR ANY SALE, ASSIGNMENT, TRANSFER, CONVEYANCE, ENCUMBRANCE, PLEDGE OR OTHER TRANSFER OR ALIENATION (WITH OR WITHOUT CONSIDERATION) OF SUCH INTEREST AS MORE SPECFICALLY DESCRIBED IN THE LLC AGREEMENT.

DEVELOPMENT WILL FURNISH, WITHOUT CHARGE, TO THE RECORD HOLDER OF THIS CERTIFICATE A COPY OF THE LLC AGREEMENT UPON WRITTEN REQUEST OF SUCH RECORD HOLDER TO DEVELOPMENT AT ITS PRINCIPAL PLACE OF BUSINESS.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. WITHOUT SUCH REGISTRATION, SUCH SECURITIES MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, CONVEYED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER.

Exhibit 10.14

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of June 4, 2010, by and between Gevo, Inc., a Delaware corporation (the "Company"), and Pat Gruber (the "Executive"). This Agreement will become effective immediately on the date after completion by the Company of an initial public offering (such date, the "Commencement Date"); provided that if (a) the Company does not complete an initial public offering by June 4, 2011 or (b) the Executive does not remain continuously employed by the Company from the date hereof through date the Company completes an initial public offering, this Agreement shall be void *ab initio* (*e.g.*, it shall never take effect).

RECITALS

WHEREAS, the Executive is employed by the Company as its Chief Executive Officer, pursuant to that certain Employment Agreement, dated July 1, 2008 (the "Prior Employment Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") and the Executive desire to terminate and supersede the Prior Employment Agreement as of the Commencement Date pursuant to the terms hereof to assure the Company of the Executive's continued employment in an executive capacity and to compensate him therefor;

WHEREAS, the Board considers the establishment and maintenance of a sound management to be essential to protecting and enhancing the best interests of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to retain the Executive and to reinforce and encourage his continued attention and dedication to his assigned duties and the Company desires to retain the services of the Executive, and the Executive desires to be employed by the Company pursuant to the terms and conditions of this Agreement.

WHEREAS, the Company and the Executive both acknowledge that there is no assurance that the Company will complete an initial public offering prior to June 4, 2011 or at all at any time and that if it does not, the Commencement Date will not occur and this Agreement will not take effect.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with reference to the above recitals, the parties hereby agree as follows:

ARTICLE 1
TERM OF EMPLOYMENT

1.1 Term of Employment. The "Term" of employment shall mean the period commencing on the Commencement Date and ending on the date the Executive's employment terminates pursuant to Article 6.

ARTICLE 2
POSITION AND DUTIES; BOARD APPOINTMENT

2.1 Position and Duties. The Company shall employ the Executive as its Chief Executive Officer. The Executive shall (a) perform the duties of Chief Executive Officer as set forth in the Company's Bylaws, and such other duties as may be modified from time to time by the Board provided that such duties are consistent with the Executive's present duties and with the Executive's position (any modification of Executive's duties that are required by virtue of the Company becoming publicly traded shall be deemed to be consistent with Executive's present duties and position); (b) be a full time employee devoting his attention and energies to the business of the Company; (c) use his best efforts to promote the interests of the Company; (d) perform such functions and services as shall lawfully be directed by the Board; (e) act in accordance with the policies and directives of the Company; and (f) report directly to the Board.

2.2 Restrictions. Except as provided in Section 8.2, the Executive covenants and agrees that, while actually employed by the Company, he shall not engage in any employment, business or activity that is in any way competitive with the business or proposed business of the Company, whether for compensation or otherwise, without the prior consent of the Board. However, the Executive may, without the prior consent of the Board, (a) participate in charitable, community or professional activities, provided that such activities do not materially interfere with the services required under this Agreement, (b) make passive personal investments or conduct personal business, financial or legal affairs or other personal matters if those activities do not materially interfere with the services required under this Agreement, (c) continue to serve on the Board of Directors of the entities approved by the Company's Compensation Committee, only so long as each such entity does not engage in any business or activity that is in any way competitive with the business or proposed business of the Company.

2.3 Board Position. The During the Term the Executive will be considered by the Board (or designated committee thereof) for nomination to election to the Board by the Company's stockholders consistent with all other directors and subject to the Company's Certificate of Incorporation and Bylaws, each as may be amended from time to time, applicable law and rules of NASDAQ or any stock exchange on which the Company's shares are or become listed.

ARTICLE 3
COMPENSATION

3.1 Base Salary. As compensation for the services to be rendered by the Executive pursuant to this Agreement, the Company hereby agrees to pay the Executive an annual base salary (the "Base Salary") of Five Hundred Thousand Dollars (U.S. $500,000.00) (or such higher amount as the Company is paying the Executive as of the Commencement Date) during the Term of this Agreement, which amount shall be reviewed by the Board (or designated committee thereof) at least annually and may be increased (but not reduced) by the Board (or designated committee thereof) in such amounts as the Board (or designated committee thereof) deems appropriate. The Base Salary shall be paid in accordance with the normal payroll practices of the Company.

3.2 Bonus. The Executive shall be eligible to receive an annual bonus of up to 50% of his Base Salary based on the Company’s and the Executive’s attaining certain business goals established by the Board (or designated committee thereof) (the “Bonus”). Provided that the Commencement Date occurs during the first half of a calendar year, the annual goals for the calendar year in which the Commencement Date occurs shall be determined and communicated in writing to the Executive no later than ninety (90) days after the Commencement Date. The annual goals for each subsequent year during the Term shall be determined and communicated in writing to the Executive no later than ninety (90) days after the first day of the year. In addition, the Executive may be entitled to receive such additional bonus amounts as the Board (or designated committee thereof) shall determine in its discretion. In determining such additional amounts, if any, the Board (or designated committee thereof) shall consider among other things the Executive’s contribution to the accomplishment of the Company’s long-range business goals, the success of various corporate strategies in which the Executive participated, and the Executive’s unique services in connection with the maintenance of or increase in stockholder value in the Company. Any bonus shall be paid as promptly as practicable following the end of the fiscal year, but not later than the March 15th immediately following the end of such fiscal year.

3.3 Stock Options and Related Incentive Plans. During each calendar year of the Term, the Company shall grant the Executive an award consisting of restricted stock and/or stock options (both with reference to Company common stock) with an aggregate fair market value on the date of grant equal to $600,000.00 (as reasonably determined by the Company) and such award shall be granted under the Company’s equity incentive plan existing at the time of any such grant. The Company may grant the Executive additional stock awards for shares of the Company’s common stock in such amounts and terms (including performance-based terms) as the Board (or designated committee therefore) deems appropriate, with the aggregate value of such grants expected not to exceed $850,000 for the first year. In addition to the foregoing, the Executive shall be eligible to participate in the Company’s existing incentive programs and any additional or successor incentive plan or plans. Any grants made to the Executive pursuant to such plans shall provide for an expiration date consistent with the provisions of such plans; *provided*, *however*, that in no event shall any option remain exercisable beyond its stated expiration date.

3.4 Withholding. The Company shall have the right to deduct or withhold from any payments made pursuant to this Agreement any and all amounts it is required to deduct or withhold and any and all amounts the Executive agrees it may deduct or withhold (e.g., for federal income and employee social security taxes and all state or local income taxes now applicable or that may be enacted and become applicable during the Term).

ARTICLE 4
EMPLOYEE BENEFITS; BUSINESS EXPENSES

4.1 Employee Benefits.

(a) *Benefits.* The Company agrees that the Executive shall be entitled to all ordinary and customary perquisites afforded generally to executive officers of the Company from time to time (except to the extent employee contributions may be required under the Company's benefit plans as they may now or hereafter exist), but in any event shall include any qualified or nonqualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, life insurance coverages, any medical, dental, health and welfare plans or insurance coverages and any stock purchase programs that are approved in writing by the Board, in its sole discretion.

(b) *Vacation*. The Executive shall be entitled to the number of paid vacation days in each calendar year determined by the Board from time to time for its senior executive officers (prorated in any calendar year during which the Executive is employed by the Company for less than the entire calendar year in accordance with the number of days in such calendar year during which he is so employed). The Executive shall also be entitled to all paid holidays given by the Company to its senior executive officers.

4.2 Business Expenses.

(a) *Expenses.* The Company shall pay or reimburse the Executive for all reasonable and authorized business expenses incurred by the Executive during the Term; such payment or reimbursement shall not be unreasonably withheld so long as said business expenses have been incurred for and promote the business of the Company and are normally and customarily incurred by employees in comparable positions at other comparable businesses in the same or similar market. Notwithstanding the foregoing, the Company shall not pay or reimburse the Executive for the costs of any membership fees or dues for private clubs, civic organizations, and similar organizations or entities, unless such organizations and the fees and costs associated therewith have first been approved in writing by the Board, in its sole discretion.

(b) *Travel Costs*. Subject to the provisions of Section 4.2, the Company shall reimburse the Executive for expenses incurred with business-related travel. The Executive shall be reimbursed for first class travel expenses for business-related flights.

(c) *Records*. As a condition to reimbursement under Section 4.2, the Executive shall furnish to the Company adequate records and other documentary evidence required by federal and state statutes and regulations for the substantiation of each expenditure. The Executive acknowledges and agrees that failure to furnish the required documentation may result in the Company denying all or part of the expense for which reimbursement is sought.

(d) *Time Requirements*. Executive understands that no reimbursements will be provided under this Section 4.2, unless Executive submits a request for reimbursement in accordance with this Section 4.2 within 6 months after incurring the expense and that any reimbursable expense will be reimbursed not later than six months after submission.

ARTICLE 5
CHANGE OF CONTROL

5.1 Payments Upon Change of Control.

(a) *Change of Control Payment.* Notwithstanding Article 1, in the event of a Change of Control (as defined in Section 5.3) of the Company during the Term while the Executive remains employed by the Company, the Company shall pay to the Executive, concurrently with the consummation of such Change of Control, a lump sum amount, in cash, equal to two (2) times the sum of (A) the Executive's annual Base Salary (determined as the Executive's latest annual Base Salary during the Term prior to the Change of Control) and (B) the Bonus (determined as one hundred percent (100%) of the Executive's eligible bonus during the Term prior to the Change of Control) (the "Change of Control Payment"). The date on which the Executive becomes entitled to receive the Change of Control Payment under this Section 5.1(a) shall be referred to herein as the "Change of Control Payment Date."

(b) *Effect of Termination of Employment.*

(i) If the Executive's employment with the Company is terminated pursuant to Section 6.2 prior to the Change of Control Payment Date, then notwithstanding anything in Section 5.1(a), the Executive shall be entitled to receive all amounts due pursuant to Section 6.2 and he shall not be entitled to receive any payments under Section 5.1(a).

(ii) If the Executive's employment with the Company is terminated pursuant to Section 6.2 on the Change of Control Payment Date or within ninety (90) days thereafter, then notwithstanding anything set forth in Section 6.2, the Company shall not be required to make any payments to the Executive pursuant to Section 6.2 and the Executive shall be entitled to receive the amounts due pursuant to Section 5.1(a). For the avoidance of doubt, the Executive shall only be entitled to one Change of Control Payment under Section 5.1. In addition, the Company shall provide the Executive (and his family members) with 12 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 12 months following Executive's termination of employment).

5.2 Acceleration of Equity Awards Upon Change of Control. If the Executive becomes entitled to the Change of Control Payment, then on the Change of Control Payment Date, the Company shall vest all of the Executive's unvested stock options and other equity awards (if any) outstanding on the Change of Control Payment Date, regardless of when such options or equity awards were granted.

5.3 Definition of Change of Control. For purposes of this Agreement "Change of Control" means the occurrence of any of the following:

(a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation, but not including any underwritten public offering registered under the Securities Act of 1933 ("Public Offering") or any offering of securities under Rule 144A promulgated under the Securities Act of 1933 ("Rule 144A Offering")) in one or a series of related transactions of all or substantially all of the assets of the Company taken as a whole to any individual, corporation, limited liability company, partnership, or other entity (each, a "Person") or group of Persons acting together (each a "Group") (other than any of the Company's wholly-owned subsidiaries or any Company employee pension or benefits plan);

(b) the consummation of any transactions (including any stock or asset purchase, sale, acquisition, disposition, merger, consolidation or reorganization, but not including any Public Offering or Rule 144A Offering) the result of which is that any Person or Group (other than any of the Company's wholly-owned Subsidiaries, any underwriter temporarily holding securities pursuant to a Public Offering or any Company employee pension or benefits plan), becomes the beneficial owners of more than forty percent (40%) of the aggregate voting power of all classes of stock of the Company having the right to elect directors under ordinary circumstances.

ARTICLE 6
TERMINATION OF EMPLOYMENT

6.1 Termination by the Company for Cause.

(a) The Company may, during the Term, upon written notice to the Executive, terminate the Executive's employment under this Agreement and discharge the Executive for Cause (as defined in Section 6.1(b)) and, in such event, except as set forth in Section 6.1, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4.

(b) As used herein, the term "Cause" shall refer to the termination of the Executive's employment as a result of any one or more of the following: (i) any conviction of, or pleading of nolo contendre by, the Executive for any felony; (ii) any willful misconduct of the Executive which has a materially injurious effect on the business or reputation of the Company; (iii) the dishonesty of the Executive which has a materially injurious effect on the business or reputation of the Company; or (iv) a material failure to consistently discharge his duties under this Agreement other than such failure resulting from his Disability (as defined in Section 6.3(b)). For purposes of Section 6.1, no act or failure to act, on the part of the Executive, shall be considered "willful" if it is done, or omitted to be done, by the Executive in good faith or with reasonable belief that his action or omission was in the best interest of the Company. The Executive shall have the opportunity to cure any such acts or omissions under clause (iv) above within thirty (30) days of the Executive's receipt of a copy of a resolution, duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of acts or omissions constituting “Cause” and specifying the particulars thereof in detail.

6.2 Termination by the Company Without Cause or by the Executive for Good Reason.

(a) The Board acting for the Company shall have the right, at any time in its sole discretion, to terminate the Executive’s employment under this Agreement at any time for any reason other than Cause, or no reason at all (any such termination, a termination “Without Cause”), upon not less than thirty (30) days prior written notice to the Executive, and the Executive may, by written notice to the Board, terminate his employment under this Agreement (and he hereby has such right) by reason of any act, decision or omission by the Company or the Board that: (i) materially diminishes the Executive’s Base Salary; (ii) materially diminishes the Executive’s authority, duties, or responsibilities (other than such changes that typically occur in connection with a company becoming a publicly-traded company); (iii) relocates the Executive without his consent from the Company’s offices located at 345 Inverness Drive South, Building C, Suite 310, Englewood, Colorado to any other location in excess of fifty (50) miles beyond the geographic limits of Englewood, Colorado that increases the Executive’s one-way commute to work by at least 50 miles based on the Executive’s primary residence immediately prior to the time such relocation is announced; or (iv) constitutes a material breach of this Agreement (each a “Good Reason”). The Executive must give the Company written notice of the condition that gives rise to the Good Reason within ninety (90) days of the occurrence of the condition, in which event the Company shall have thirty (30) days to remedy the condition, and after which the Executive may resign for Good Reason within ninety (90) days after the Company fails to reasonably remedy the condition.

(b) In the event the Company or the Executive shall exercise the termination right granted pursuant to Section 6.2(a), then except as set forth below, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay to the Executive (i) an amount equal to twenty four (24) months of the Executive’s Base Salary (determined as the Executive’s last annual Base Salary during the Term prior to such termination) plus two times the Bonus (determined as one hundred percent (100%) of the Executive’s eligible bonus during the Term prior to such termination), and (ii) any amount due and owing as of the Termination Date pursuant to Section 3.1, Section 3.2 (including a Bonus for the year in which the termination occurs prorated to the date of termination based on the Executive’s average bonus received for the immediately preceding three years) and Article 4. Such amounts shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that the payments pursuant to clause (i) above are contingent on the Executive having executed a release in favor of the Company within 60 days following Executive’s termination of employment and not thereafter revoking such release. In addition, the Company shall provide the Executive (and his family members) with 12 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive’s termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 12 months following Executive's termination of employment).

6.3 Termination of Employment Upon Death Or Disability.

(a) *Death.* The Executive's employment hereunder shall terminate automatically upon his death during the Term. Upon such termination, the Company neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive's estate any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and the Company shall pay to such person as the Executive shall have designated in a notice filed with the Company, or, if no such person shall be designated, to his estate as a death benefit, a lump sum amount, in cash, equal to the Executive's Base Salary at the rate in effect on the date of the Executive's death. This amount shall be exclusive of and in addition to any payments the Executive's surviving spouse, beneficiaries or estate may be entitled to receive pursuant to any pension or employee benefit plan or life insurance policy maintained by the Company. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

(b) *Disability.* If the Company determines in good faith that the Disability of the Executive has occurred during the Term, subject to applicable laws, it may give written notice to the Executive of its intention to terminate his employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of his duties. During any period that the Executive fails to perform his duties hereunder as a result of the Disability, the Executive shall continue to receive his full Base Salary and incentive compensation until the Executive's employment is terminated pursuant to this Section 6.3(b). Upon any such termination neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and, after termination an amount equal to 12 months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination). Such 12 months of Base Salary shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that this payment is contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. For purposes of this Agreement, "Disability" shall mean the inability of the Executive to perform his duties to the Company on account of physical or mental illness or incapacity for a period of 120 consecutive calendar days, or for a period of 180 calendar days, whether or not consecutive, during any 365 day period. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.4 Termination by the Executive Without Good Reason. Anything in this Agreement to the contrary notwithstanding, during the Term the Executive shall have the right, in his sole discretion, to terminate his employment under this Agreement without Good Reason upon not less than thirty (30) days prior written notice to the Company and, in such event, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.5 Acceleration of Equity Awards. If the Company shall terminate the Executive's employment other than pursuant to Sections 6.1 or if the Executive shall terminate his employment for Good Reason pursuant to Section 6.2, then, in addition to any payment the Executive is entitled to under Article 6, the Company shall vest, effective as of immediately prior to the applicable Termination Date, all of the Executive's unvested stock options and other equity awards (if any) outstanding as of immediately prior to the applicable Termination Date, regardless of when such options of equity awards were granted.

6.6 Date of Termination. For purposes of this Agreement "Termination Date" shall mean the date the Executive's employment terminates.

ARTICLE 7
COOPERATION

7.1 Certain Events. In the event that Executive receives payment pursuant to this Agreement and the Company (or its successor) is later required to restate its financial statements due in whole or in part to the fraud or misconduct of Executive, then Executive shall promptly repay to the Company (or its successor) any such amounts Executive received that were based in whole or part on the financial statements that were required to be restated and Executive shall not be entitled to any further payments that are based in whole or part on the financial statements that were required to be restated. In addition, Executive's bonuses and other incentive-based compensation and profits on stock sales shall be subject to potential disgorgement pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

ARTICLE 8
RESTRICTIVE COVENANTS

8.1 Confidential Information. The Executive has entered into and agrees to be bound by the terms and conditions of the Company's Employee Proprietary Information and Inventions Agreement, dated May 27, 2007 (the "Confidentiality Agreement"). The Executive agrees to execute such other documents (including, but not limited to, new versions of the Confidentiality Agreement) as may be necessary in order to protect the Company's confidential and proprietary information. Expiration of this Agreement shall not have any effect on the Confidentiality Agreement, which shall at all times remain separately and independently enforceable, subject to the terms of this Article 8.

8.2 Covenant Not to Solicit. During the Term and through the one (1) year anniversary of the Termination Date, the Executive will not, directly or indirectly, without the express written consent of the Board, solicit (a) clients, customers or accounts of the Company for, on behalf of or otherwise related to any Competitive Business; (b) or hire any person who is or shall be in the employ or service of the Company to leave such employ or service for employment with or service to the Executive, an affiliate of the Executive or any third party; or (c) or hire any person who was within six (6) months of such solicitation in the employ or service of the Company to become employed by or provide services to the Executive, an affiliate of the Executive or any third party.

8.3 Specific Performance. Recognizing that irreparable damage will result to the Company in the event of the breach or threatened breach of any of the foregoing covenants and assurances by the Executive contained in Sections 8.1 and 8.2, and that the Company's remedies at law for any such breach or threatened breach may be inadequate, the Company and its successors and assigns, in addition to such other remedies which may be available to them, shall, upon making a sufficient showing under applicable law, be entitled to an injunction to be issued by any court of competent jurisdiction ordering compliance with this Agreement or enjoining and restraining the Executive, and each and every person, firm or company acting in concert or participation with him, from the continuation of such breach. The obligations of the Executive and rights of the Company pursuant to this Article 8 shall survive the termination of the Executive's employment under this Agreement. The covenants and obligations of the Executive set forth in this Article 8 are in addition to and not in lieu of or exclusive of any other obligations and duties the Executive owes to the Company, whether expressed or implied in fact or law. The Company shall pay and be solely responsible for any attorney's fees, expenses, costs and court or arbitration costs incurred by the Executive in any matter or dispute between the Executive and the Company which pertains to this Article 8 if the Executive prevails in the contest in whole or in part.

ARTICLE 9
GENERAL PROVISIONS

9.1 Final Agreement. This Agreement is intended to be the final, complete and exclusive agreement between the parties relating to the employment of the Executive by the Company and, effective as of the Commencement Date, supersedes all prior or contemporaneous understandings, employment agreements, representations and statements, both oral or written, relating to the subject matter hereof, including the Prior Employment Agreement. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

9.2 No Waiver. No waiver, by conduct or otherwise, by any party of any term, provision, or condition of this Agreement, shall be deemed or construed as a further or continuing waiver of any such term, provision, or condition nor as a waiver of a similar or dissimilar condition or provision at the same time or at any prior or subsequent time.

9.3 Rights Cumulative. The rights under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by any party to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any party preclude any other or future exercise thereof or the exercise of any other right.

9.4 Notice. Except as otherwise provided in this Agreement, any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon any person in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by fax or cable, or sent prepaid by either registered or certified mail with return receipt requested or national overnight delivery service and shall be deemed given (i) if personally served or by national overnight delivery service, when delivered to the person to whom such notice is addressed, (ii) if given by fax or cable, when sent, or (iii) if given by mail, two (2) business days following deposit in the United States mail. Any notice given by fax or cable shall be confirmed in writing, by overnight mail or national overnight delivery service within forty-eight (48) hours after being sent. Such notices shall be addressed to the party to whom such notice is to be given at the party's address set forth below or as such party shall otherwise direct.

If to the Company:

Gevo, Inc.
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112
Attn: General Counsel

If to the Executive:

Patrick Gruber
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112

9.5 Assignments. This Agreement is binding upon the parties hereto and their respective successors, assigns, heirs and personal representatives. Except as otherwise provided herein, neither of the parties hereto may make any assignment of this Agreement, or any interest herein, without the prior written consent of the other party, except that, without such consent, this Agreement shall be assigned to any corporation or entity which shall succeed to the business presently being operated by Company, by operation of law or otherwise, including by dissolution, merger, consolidation, transfer of assets, or otherwise.

9.6 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, without giving effect to the principles of conflict of laws thereof.

9.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. The parties agree that facsimile copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

9.8 Severability. The provisions of this Agreement are agreed to be severable, and if any provision, or application thereof, is held invalid or unenforceable, then such holding shall not affect any other provision or application.

9.9 Construction. As used herein, and as the circumstances require, the plural term shall include the singular, the singular shall include the plural, the neuter term shall include the masculine and feminine genders, and the feminine term shall include the neuter and the masculine genders.

9.10 Arbitration. Except as otherwise provided in Section 8.4 hereof, any controversy or claim arising out of, or related to, this Agreement, or the breach thereof, shall be settled by binding arbitration in Denver, Colorado, in accordance with the employment arbitration rules then in effect of the American Arbitration Association including the right to discovery, and the arbitrator's decision shall be binding and final, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party hereto shall pay its or their own expenses incident to the negotiation, preparation and resolution of any controversy or claim arising out of, or related to, this Agreement, or the breach thereof; *provided*, *however*, the Company shall pay and be solely responsible for any attorneys' fees and expenses and court or arbitration costs incurred by the Executive as a result of a claim brought by either the Executive or the Company alleging that the other party breached or otherwise failed to perform this Agreement or any provision hereof to be performed by the other party if the Executive prevails in the contest in whole or in part.

9.11 Code Section 409A Compliance. Each payment under this Agreement shall be considered a separate payment for purposes of Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Internal Revenue Code Section 409A ("Section 409A") and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" (within the meaning of Section 409A) on the date of the Executive's separation from service, then any payments or benefits that otherwise would be payable under this Agreement within the first six months following the Executive's separation from service (the "409A Suspension Period"), shall instead be paid in a lump sum within fourteen (14) days after the end of the sixth month period following the Executive's separation from service, or Executive's death, if sooner, but only to the extent that such payments or benefits provide for the "deferral of compensation" within the meaning of Section 409A, after application of the exemptions provided in Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(ii)-(v) thereof. After the 409A Suspension Period, the Executive will receive any remaining payments and benefits due pursuant to this Agreement in accordance with its terms (as if there had not been any suspension beforehand). To the extent that severance payments or benefits under this Agreement are conditioned on the execution of a release by Executive, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered to the Company within the time required by this Agreement. Whenever a payment under this Agreement specified a payment period with respect to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. The Company will cooperate with the

Executive in making any amendments to this Agreement that the Executive reasonably requests to avoid the imposition of taxes or penalties under Section 409A of the Code provided that such changes do not provide the Executive with additional benefits (other than de minimus benefits) under this Agreement.

9.12 Survival. The covenants contained in Articles 5, 6, 9.1 – 9.5 and 9.10 – 9.13 shall survive any termination of the Executive's employment with the Company and any expiration or termination of this Agreement.

9.13 No Mitigation or Offset. The Executive shall not have any duty to seek other employment or to reduce any amounts or benefits payable to him under Section 1.1 or Article 6, and no such amounts or benefits shall be reduced, on account of any compensation received by the Executive from any other employment or source. The Company shall not have the right to offset any amount owed to it against payments due to the Executive under Section 1.1, Article 5 or Article 6 (other than as expressly provided therein).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

GEVO, INC.

By: /s/ Brett Lund
Name: Brett Lund
Title: Executive Vice President,
General Counsel & Secretary

EXECUTIVE

/s/ Pat Gruber
Pat Gruber

Exhibit 10.15

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of June 4, 2010, by and between Gevo, Inc., a Delaware corporation (the "Company"), and Mark Smith (the "Executive"). This Agreement will become effective immediately on the date after completion by the Company of an initial public offering (such date, the "Commencement Date"); provided that if (a) the Company does not complete an initial public offering by June 4, 2011 or (b) the Executive does not remain continuously employed by the Company from the date hereof through date the Company completes an initial public offering, this Agreement shall be void *ab initio* (*e.g.*, it shall never take effect).

RECITALS

WHEREAS, the Executive is employed by the Company as its Chief Financial Officer, pursuant to that certain Offer Letter, dated October 2, 2008 (the "Prior Employment Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") and the Executive desire to terminate and supersede the Prior Employment Agreement as of the Commencement Date pursuant to the terms hereof to assure the Company of the Executive's continued employment in an executive capacity and to compensate him therefor;

WHEREAS, the Board considers the establishment and maintenance of a sound management to be essential to protecting and enhancing the best interests of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to retain the Executive and to reinforce and encourage his continued attention and dedication to his assigned duties and the Company desires to retain the services of the Executive, and the Executive desires to be employed by the Company pursuant to the terms and conditions of this Agreement.

WHEREAS, the Company and the Executive both acknowledge that there is no assurance that the Company will complete an initial public offering prior to June 4, 2011 or at all at any time and that if it does not, the Commencement Date will not occur and this Agreement will not take effect.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with reference to the above recitals, the parties hereby agree as follows:

ARTICLE 1
TERM OF EMPLOYMENT

1.1 Term of Employment. The "Term" of employment shall mean the period commencing on the Commencement Date and ending on the date the Executive's employment terminates pursuant to Article 6.

ARTICLE 2
POSITION AND DUTIES; BOARD APPOINTMENT

2.1 Position and Duties. The Company shall employ the Executive as its Chief Financial Officer. The Executive shall (a) perform the duties of Chief Financial Officer as set forth in the Company's Bylaws, and such other duties as may be modified from time to time by the Board provided that such duties are consistent with the Executive's present duties and with the Executive's position (any modification of Executive's duties that are required by virtue of the Company becoming publicly traded shall be deemed to be consistent with Executive's present duties and position); (b) be a full time employee devoting his attention and energies to the business of the Company; (c) use his best efforts to promote the interests of the Company; (d) perform such functions and services as shall lawfully be directed by the Board; (e) act in accordance with the policies and directives of the Company; and (f) report directly to the Chief Executive Officer and the Board.

2.2 Restrictions. Except as provided in Section 8.2, the Executive covenants and agrees that, while actually employed by the Company, he shall not engage in any employment, business or activity that is in any way competitive with the business or proposed business of the Company, whether for compensation or otherwise, without the prior consent of the Chief Executive Officer. However, the Executive may, without the prior consent of the Chief Executive Officer, (a) participate in charitable, community or professional activities, provided that such activities do not materially interfere with the services required under this Agreement, and (b) make passive personal investments or conduct personal business, financial or legal affairs or other personal matters if those activities do not materially interfere with the services required under this Agreement.

ARTICLE 3
COMPENSATION

3.1 Base Salary. As compensation for the services to be rendered by the Executive pursuant to this Agreement, the Company hereby agrees to pay the Executive an annual base salary (the "Base Salary") of Three Hundred Twenty Five Thousand Dollars (U.S. $325,000.00) (or such higher amount as the Company is paying the Executive as of the Commencement Date) during the Term of this Agreement, which amount shall be reviewed by the Board (or designated committee thereof) at least annually and may be increased (but not reduced) by the Board (or designated committee thereof) in such amounts as the Board (or designated committee thereof) deems appropriate. The Base Salary shall be paid in accordance with the normal payroll practices of the Company.

3.2 Bonus. The Executive shall be eligible to receive an annual bonus of up to 40% of his Base Salary based on the Company's and the Executive's attaining certain business goals established by the Board (or designated committee thereof) (the "Bonus"). Provided that the Commencement Date occurs during the first half of a calendar year, the annual goals for the calendar year in which the Commencement Date occurs shall be determined and communicated in writing to the Executive no later than ninety (90) days after the Commencement Date. The annual goals for each subsequent year during the Term shall be determined and communicated in writing to the Executive no later than ninety (90) days after the first day of the year. In addition,

the Executive may be entitled to receive such additional bonus amounts as the Board (or designated committee thereof) shall determine in its discretion. In determining such additional amounts, if any, the Board (or designated committee thereof) shall consider among other things the Executive's contribution to the accomplishment of the Company's long-range business goals, the success of various corporate strategies in which the Executive participated, and the Executive's unique services in connection with the maintenance of or increase in stockholder value in the Company. Any bonus shall be paid as promptly as practicable following the end of the fiscal year, but not later than the March 15th immediately following the end of such fiscal year.

3.3 Stock Options and Related Incentive Plans. During each calendar year of the Term, the Company shall grant the Executive an award consisting of restricted stock and/or stock options (both with reference to Company common stock) with an aggregate fair market value on the date of grant equal to $200,000 (as reasonably determined by the Company) and such award shall be granted under the Company's equity incentive plan existing at the time of any such grant. The Company may grant the Executive additional stock awards for shares of the Company's common stock in such amounts and terms (including performance-based terms) as the Board (or designated committee therefore) deems appropriate, with the aggregate value of such grants expected not to exceed $395,000 for the first year. In addition to the foregoing, the Executive shall be eligible to participate in the Company's existing incentive programs and any additional or successor incentive plan or plans. Any grants made to the Executive pursuant to such plans shall provide for an expiration date consistent with the provisions of such plans; *provided, however*, that in no event shall any option remain exercisable beyond its stated expiration date.

3.4 Withholding. The Company shall have the right to deduct or withhold from any payments made pursuant to this Agreement any and all amounts it is required to deduct or withhold and any and all amounts the Executive agrees it may deduct or withhold (e.g., for federal income and employee social security taxes and all state or local income taxes now applicable or that may be enacted and become applicable during the Term).

ARTICLE 4
EMPLOYEE BENEFITS; BUSINESS EXPENSES

4.1 Employee Benefits.

(a) *Benefits.* The Company agrees that the Executive shall be entitled to all ordinary and customary perquisites afforded generally to executive officers of the Company from time to time (except to the extent employee contributions may be required under the Company's benefit plans as they may now or hereafter exist), but in any event shall include any qualified or nonqualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, life insurance coverages, any medical, dental, health and welfare plans or insurance coverages and any stock purchase programs that are approved in writing by the Board, in its sole discretion.

(b) *Vacation*. The Executive shall be entitled to the number of paid vacation days in each calendar year determined by the Board from time to time for its senior executive

officers (prorated in any calendar year during which the Executive is employed by the Company for less than the entire calendar year in accordance with the number of days in such calendar year during which he is so employed). The Executive shall also be entitled to all paid holidays given by the Company to its senior executive officers.

4.2 Business Expenses.

(a) *Expenses.* The Company shall pay or reimburse the Executive for all reasonable and authorized business expenses incurred by the Executive during the Term; such payment or reimbursement shall not be unreasonably withheld so long as said business expenses have been incurred for and promote the business of the Company and are normally and customarily incurred by employees in comparable positions at other comparable businesses in the same or similar market. Notwithstanding the foregoing, the Company shall not pay or reimburse the Executive for the costs of any membership fees or dues for private clubs, civic organizations, and similar organizations or entities, unless such organizations and the fees and costs associated therewith have first been approved in writing by the Board, in its sole discretion.

(b) *Travel Costs*. Subject to the provisions of Section 4.2, the Company shall reimburse the Executive for expenses incurred with business-related travel. The Executive shall be reimbursed for first class travel expenses for business-related flights.

(c) Records. As a condition to reimbursement under Section 4.2, the Executive shall furnish to the Company adequate records and other documentary evidence required by federal and state statutes and regulations for the substantiation of each expenditure. The Executive acknowledges and agrees that failure to furnish the required documentation may result in the Company denying all or part of the expense for which reimbursement is sought.

(d) Time Requirements. Executive understands that no reimbursements will be provided under this Section 4.2, unless Executive submits a request for reimbursement in accordance with this Section 4.2 within 6 months after incurring the expense and that any reimbursable expense will be reimbursed not later than six months after submission.

ARTICLE 5
CHANGE OF CONTROL

5.1 Payments Upon Change of Control.

(a) *Change of Control Payment.* Notwithstanding Article 1, in the event of a Change of Control (as defined in Section 5.3) of the Company during the Term while the Executive remains employed by the Company, the Company shall pay to the Executive, concurrently with the consummation of such Change of Control, a lump sum amount, in cash, equal to two (2) times the sum of (A) the Executive’s annual Base Salary (determined as the Executive’s latest annual Base Salary during the Term prior to the Change of Control) and (B) the Bonus (determined as one hundred percent (100%) of the Executive’s eligible bonus during the Term prior to the Change of Control) (the “Change of Control Payment”). The date on which the Executive becomes entitled to receive the Change of Control Payment under this Section 5.1(a) shall be referred to herein as the “Change of Control Payment Date.”

(b) *Effect of Termination of Employment.*

(i) If the Executive's employment with the Company is terminated pursuant to Section 6.2 prior to the Change of Control Payment Date, then notwithstanding anything in Section 5.1(a), the Executive shall be entitled to receive all amounts due pursuant to Section 6.2 and he shall not be entitled to receive any payments under Section 5.1(a).

(ii) If the Executive's employment with the Company is terminated pursuant to Section 6.2 on the Change of Control Payment Date or within ninety (90) days thereafter, then notwithstanding anything set forth in Section 6.2, the Company shall not be required to make any payments to the Executive pursuant to Section 6.2 and the Executive shall be entitled to receive the amounts due pursuant to Section 5.1(a). For the avoidance of doubt, the Executive shall only be entitled to one Change of Control Payment under Section 5.1. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

5.2 Acceleration of Equity Awards Upon Change of Control. If the Executive becomes entitled to the Change of Control Payment, then on the Change of Control Payment Date, the Company shall vest all of the Executive's unvested stock options and other equity awards (if any) outstanding on the Change of Control Payment Date, regardless of when such options or equity awards were granted.

5.3 Definition of Change of Control. For purposes of this Agreement "Change of Control" means the occurrence of any of the following:

(a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation, but not including any underwritten public offering registered under the Securities Act of 1933 ("Public Offering") or any offering of securities under Rule 144A promulgated under the Securities Act of 1933 ("Rule 144A Offering")) in one or a series of related transactions of all or substantially all of the assets of the Company taken as a whole to any individual, corporation, limited liability company, partnership, or other entity (each, a "Person") or group of Persons acting together (each a "Group") (other than any of the Company's wholly-owned subsidiaries or any Company employee pension or benefits plan);

(b) the consummation of any transactions (including any stock or asset purchase, sale, acquisition, disposition, merger, consolidation or reorganization, but not including any Public Offering or Rule 144A Offering) the result of which is that any Person or Group (other than any of the Company's wholly-owned Subsidiaries, any underwriter temporarily holding securities pursuant to a Public Offering or any Company employee pension or benefits plan), becomes the beneficial owners of more than forty percent (40%) of the

aggregate voting power of all classes of stock of the Company having the right to elect directors under ordinary circumstances.

ARTICLE 6
TERMINATION OF EMPLOYMENT

6.1 Termination by the Company for Cause.

(a) The Company may, during the Term, upon written notice to the Executive, terminate the Executive's employment under this Agreement and discharge the Executive for Cause (as defined in Section 6.1(b)) and, in such event, except as set forth in Section 6.1, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4.

(b) As used herein, the term "Cause" shall refer to the termination of the Executive's employment as a result of any one or more of the following: (i) any conviction of, or pleading of nolo contendre by, the Executive for any felony; (ii) any willful misconduct of the Executive which has a materially injurious effect on the business or reputation of the Company; (iii) the dishonesty of the Executive which has a materially injurious effect on the business or reputation of the Company; or (iv) a material failure to consistently discharge his duties under this Agreement other than such failure resulting from his Disability (as defined in Section 6.3(b)). For purposes of Section 6.1, no act or failure to act, on the part of the Executive, shall be considered "willful" if it is done, or omitted to be done, by the Executive in good faith or with reasonable belief that his action or omission was in the best interest of the Company. The Executive shall have the opportunity to cure any such acts or omissions under clause (iv) above within thirty (30) days of the Executive's receipt of a copy of a resolution, duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of acts or omissions constituting "Cause" and specifying the particulars thereof in detail.

6.2 Termination by the Company Without Cause or by the Executive for Good Reason.

(a) The Board acting for the Company shall have the right, at any time in its sole discretion, to terminate the Executive's employment under this Agreement at any time for any reason other than Cause, or no reason at all (any such termination, a termination "Without Cause"), upon not less than thirty (30) days prior written notice to the Executive, and the Executive may, by written notice to the Board, terminate his employment under this Agreement (and he hereby has such right) by reason of any act, decision or omission by the Company or the Board that: (i) materially diminishes the Executive's Base Salary; (ii) materially diminishes the Executive's authority, duties, or responsibilities (other than such changes that typically occur in connection with a company becoming a publicly-traded company); (iii) relocates the Executive without his consent from the Company's offices located at 345 Inverness Drive South, Building

C, Suite 310, Englewood, Colorado to any other location in excess of fifty (50) miles beyond the geographic limits of Englewood, Colorado that increases the Executive's one-way commute to work by at least 50 miles based on the Executive's primary residence immediately prior to the time such relocation is announced; or (iv) constitutes a material breach of this Agreement (each a "Good Reason"). The Executive must give the Company written notice of the condition that gives rise to the Good Reason within ninety (90) days of the occurrence of the condition, in which event the Company shall have thirty (30) days to remedy the condition, and after which the Executive may resign for Good Reason within ninety (90) days after the Company fails to reasonably remedy the condition.

(b) In the event the Company or the Executive shall exercise the termination right granted pursuant to Section 6.2(a), then except as set forth below, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay to the Executive (i) an amount equal to twelve (12) months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination) plus one time the Bonus (determined as one hundred percent (100%) of the Executive's eligible bonus during the Term prior to such termination), and (ii) any amount due and owing as of the Termination Date pursuant to Section 3.1, Section 3.2 (including a Bonus for the year in which the termination occurs prorated to the date of termination based on the Executive's average bonus received for the immediately preceding three years) and Article 4. Such amounts shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that the payments pursuant to clause (i) above are contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

6.3 Termination of Employment Upon Death Or Disability.

(a) *Death.* The Executive's employment hereunder shall terminate automatically upon his death during the Term. Upon such termination, the Company neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay the Executive's estate any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and the Company shall pay to such person as the Executive shall have designated in a notice filed with the Company, or, if no such person shall be designated, to his estate as a death benefit, a lump sum amount, in cash, equal to the Executive's Base Salary at the rate in effect on the date of the Executive's death. This amount shall be exclusive of and in addition to any payments the Executive's surviving spouse, beneficiaries or estate may be entitled to receive pursuant to any pension or employee benefit plan or life insurance policy maintained by the Company. Any equity awards held by the

Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

(b) *Disability.* If the Company determines in good faith that the Disability of the Executive has occurred during the Term, subject to applicable laws, it may give written notice to the Executive of its intention to terminate his employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of his duties. During any period that the Executive fails to perform his duties hereunder as a result of the Disability, the Executive shall continue to receive his full Base Salary and incentive compensation until the Executive's employment is terminated pursuant to this Section 6.3(b). Upon any such termination neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and, after termination an amount equal to 12 months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination). Such 12 months of Base Salary shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that this payment is contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. For purposes of this Agreement, "Disability" shall mean the inability of the Executive to perform his duties to the Company on account of physical or mental illness or incapacity for a period of 120 consecutive calendar days, or for a period of 180 calendar days, whether or not consecutive, during any 365 day period. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.4 Termination by the Executive Without Good Reason. Anything in this Agreement to the contrary notwithstanding, during the Term the Executive shall have the right, in his sole discretion, to terminate his employment under this Agreement without Good Reason upon not less than thirty (30) days prior written notice to the Company and, in such event, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.5 Acceleration of Equity Awards. If the Company shall terminate the Executive's employment other than pursuant to Sections 6.1 or if the Executive shall terminate his employment for Good Reason pursuant to Section 6.2, then, in addition to any payment the Executive is entitled to under Article 6, the Company shall vest, effective as of immediately prior to the applicable Termination Date, all of the Executive's unvested stock options and other equity awards (if any) outstanding as of immediately prior to the applicable Termination Date, regardless of when such options of equity awards were granted.

6.6 Date of Termination. For purposes of this Agreement "Termination Date" shall mean the date the Executive's employment terminates.

ARTICLE 7
COOPERATION

7.1 Certain Events. In the event that Executive receives payment pursuant to this Agreement and the Company (or its successor) is later required to restate its financial statements due in whole or in part to the fraud or misconduct of Executive, then Executive shall promptly repay to the Company (or its successor) any such amounts Executive received that were based in whole or part on the financial statements that were required to be restated and Executive shall not be entitled to any further payments that are based in whole or part on the financial statements that were required to be restated. In addition, Executive's bonuses and other incentive-based compensation and profits on stock sales shall be subject to potential disgorgement pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

ARTICLE 8
RESTRICTIVE COVENANTS

8.1 Confidential Information. The Executive has entered into and agrees to be bound by the terms and conditions of the Company's Employee Proprietary Information and Inventions Agreement, dated November 5, 2008 (the "Confidentiality Agreement"). The Executive agrees to execute such other documents (including, but not limited to, new versions of the Confidentiality Agreement) as may be necessary in order to protect the Company's confidential and proprietary information. Expiration of this Agreement shall not have any effect on the Confidentiality Agreement, which shall at all times remain separately and independently enforceable, subject to the terms of this Article 8.

8.2 Covenant Not to Solicit. During the Term and through the one (1) year anniversary of the Termination Date, the Executive will not, directly or indirectly, without the express written consent of the Board, solicit (a) clients, customers or accounts of the Company for, on behalf of or otherwise related to any Competitive Business; (b) or hire any person who is or shall be in the employ or service of the Company to leave such employ or service for employment with or service to the Executive, an affiliate of the Executive or any third party; or (c) or hire any person who was within six (6) months of such solicitation in the employ or service of the Company to become employed by or provide services to the Executive, an affiliate of the Executive or any third party.

8.3 Specific Performance. Recognizing that irreparable damage will result to the Company in the event of the breach or threatened breach of any of the foregoing covenants and assurances by the Executive contained in Sections 8.1 and 8.2, and that the Company's remedies at law for any such breach or threatened breach may be inadequate, the Company and its successors and assigns, in addition to such other remedies which may be available to them, shall, upon making a sufficient showing under applicable law, be entitled to an injunction to be issued by any court of competent jurisdiction ordering compliance with this Agreement or enjoining and restraining the Executive, and each and every person, firm or company acting in concert or participation with him, from the continuation of such breach. The obligations of the Executive

and rights of the Company pursuant to this Article 8 shall survive the termination of the Executive's employment under this Agreement. The covenants and obligations of the Executive set forth in this Article 8 are in addition to and not in lieu of or exclusive of any other obligations and duties the Executive owes to the Company, whether expressed or implied in fact or law. The Company shall pay and be solely responsible for any attorney's fees, expenses, costs and court or arbitration costs incurred by the Executive in any matter or dispute between the Executive and the Company which pertains to this Article 8 if the Executive prevails in the contest in whole or in part.

ARTICLE 9
GENERAL PROVISIONS

9.1 Final Agreement. This Agreement is intended to be the final, complete and exclusive agreement between the parties relating to the employment of the Executive by the Company and, effective as of the Commencement Date, supersedes all prior or contemporaneous understandings, employment agreements, representations and statements, both oral or written, relating to the subject matter hereof, including the Prior Employment Agreement. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

9.2 No Waiver. No waiver, by conduct or otherwise, by any party of any term, provision, or condition of this Agreement, shall be deemed or construed as a further or continuing waiver of any such term, provision, or condition nor as a waiver of a similar or dissimilar condition or provision at the same time or at any prior or subsequent time.

9.3 Rights Cumulative. The rights under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by any party to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any party preclude any other or future exercise thereof or the exercise of any other right.

9.4 Notice. Except as otherwise provided in this Agreement, any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon any person in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by fax or cable, or sent prepaid by either registered or certified mail with return receipt requested or national overnight delivery service and shall be deemed given (i) if personally served or by national overnight delivery service, when delivered to the person to whom such notice is addressed, (ii) if given by fax or cable, when sent, or (iii) if given by mail, two (2) business days following deposit in the United States mail. Any notice given by fax or cable shall be confirmed in writing, by overnight mail or national overnight delivery service within forty-eight (48) hours after being sent. Such notices shall be addressed to the party to whom such notice is to be given at the party's address set forth below or as such party shall otherwise direct.

If to the Company:

Gevo, Inc.
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112
Attn: General Counsel

If to the Executive:

Mark Smith
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112

9.5 Assignments. This Agreement is binding upon the parties hereto and their respective successors, assigns, heirs and personal representatives. Except as otherwise provided herein, neither of the parties hereto may make any assignment of this Agreement, or any interest herein, without the prior written consent of the other party, except that, without such consent, this Agreement shall be assigned to any corporation or entity which shall succeed to the business presently being operated by Company, by operation of law or otherwise, including by dissolution, merger, consolidation, transfer of assets, or otherwise.

9.6 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, without giving effect to the principles of conflict of laws thereof.

9.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. The parties agree that facsimile copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

9.8 Severability. The provisions of this Agreement are agreed to be severable, and if any provision, or application thereof, is held invalid or unenforceable, then such holding shall not affect any other provision or application.

9.9 Construction. As used herein, and as the circumstances require, the plural term shall include the singular, the singular shall include the plural, the neuter term shall include the masculine and feminine genders, and the feminine term shall include the neuter and the masculine genders.

9.10 Arbitration. Except as otherwise provided in Section 8.4 hereof, any controversy or claim arising out of, or related to, this Agreement, or the breach thereof, shall be settled by binding arbitration in Denver, Colorado, in accordance with the employment arbitration rules then in effect of the American Arbitration Association including the right to discovery, and the arbitrator’s decision shall be binding and final, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party hereto shall pay its or their own

expenses incident to the negotiation, preparation and resolution of any controversy or claim arising out of, or related to, this Agreement, or the breach thereof; *provided*, *however*, the Company shall pay and be solely responsible for any attorneys' fees and expenses and court or arbitration costs incurred by the Executive as a result of a claim brought by either the Executive or the Company alleging that the other party breached or otherwise failed to perform this Agreement or any provision hereof to be performed by the other party if the Executive prevails in the contest in whole or in part.

9.11 Code Section 409A Compliance. Each payment under this Agreement shall be considered a separate payment for purposes of Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Internal Revenue Code Section 409A ("Section 409A") and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" (within the meaning of Section 409A) on the date of the Executive's separation from service, then any payments or benefits that otherwise would be payable under this Agreement within the first six months following the Executive's separation from service (the "409A Suspension Period"), shall instead be paid in a lump sum within fourteen (14) days after the end of the sixth month period following the Executive's separation from service, or Executive's death, if sooner, but only to the extent that such payments or benefits provide for the "deferral of compensation" within the meaning of Section 409A, after application of the exemptions provided in Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(ii)-(v) thereof. After the 409A Suspension Period, the Executive will receive any remaining payments and benefits due pursuant to this Agreement in accordance with its terms (as if there had not been any suspension beforehand). To the extent that severance payments or benefits under this Agreement are conditioned on the execution of a release by Executive, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered to the Company within the time required by this Agreement. Whenever a payment under this Agreement specified a payment period with respect to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. The Company will cooperate with the Executive in making any amendments to this Agreement that the Executive reasonably requests to avoid the imposition of taxes or penalties under Section 409A of the Code provided that such changes do not provide the Executive with additional benefits (other than de minimus benefits) under this Agreement.

9.12 Survival. The covenants contained in Articles 5, 6, 9.1 – 9.5 and 9.10 – 9.13 shall survive any termination of the Executive's employment with the Company and any expiration or termination of this Agreement.

9.13 No Mitigation or Offset. The Executive shall not have any duty to seek other employment or to reduce any amounts or benefits payable to him under Section 1.1 or Article 6, and no such amounts or benefits shall be reduced, on account of any compensation received by the Executive from any other employment or source. The Company shall not have the right to offset any amount owed to it against payments due to the Executive under Section 1.1, Article 5 or Article 6 (other than as expressly provided therein).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

GEVO, INC.

By: /s/ Pat Gruber
Name: Pat Gruber
Title: Chief Executive Officer

EXECUTIVE

/s/ Mark Smith
Mark Smith

Exhibit 10.16

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of June 4, 2010, by and between Gevo, Inc., a Delaware corporation (the "Company"), and Chris Ryan (the "Executive"). This Agreement will become effective immediately on the date after completion by the Company of an initial public offering (such date, the "Commencement Date"); provided that if (a) the Company does not complete an initial public offering by June 4, 2011 or (b) the Executive does not remain continuously employed by the Company from the date hereof through date the Company completes an initial public offering, this Agreement shall be void *ab initio* (*e.g.*, it shall never take effect).

RECITALS

WHEREAS, the Executive is employed by the Company as its Executive Vice President Business Development, pursuant to that certain Offer Letter, dated May 22, 2009 (the "Prior Employment Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") and the Executive desire to terminate and supersede the Prior Employment Agreement as of the Commencement Date pursuant to the terms hereof to assure the Company of the Executive's continued employment in an executive capacity and to compensate him therefor;

WHEREAS, the Board considers the establishment and maintenance of a sound management to be essential to protecting and enhancing the best interests of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to retain the Executive and to reinforce and encourage his continued attention and dedication to his assigned duties and the Company desires to retain the services of the Executive, and the Executive desires to be employed by the Company pursuant to the terms and conditions of this Agreement.

WHEREAS, the Company and the Executive both acknowledge that there is no assurance that the Company will complete an initial public offering prior to June 4, 2011 or at all at any time and that if it does not, the Commencement Date will not occur and this Agreement will not take effect.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with reference to the above recitals, the parties hereby agree as follows:

ARTICLE 1
TERM OF EMPLOYMENT

1.1 Term of Employment. The "Term" of employment shall mean the period commencing on the Commencement Date and ending on the date the Executive's employment terminates pursuant to Article 6.

ARTICLE 2
POSITION AND DUTIES; BOARD APPOINTMENT

2.1 Position and Duties. The Company shall employ the Executive as its Executive Vice President Business Development. The Executive shall (a) perform the duties of Executive Vice President Business Development as set from time to time by the Chief Executive Officer or the Board; (b) be a full time employee devoting his attention and energies to the business of the Company; (c) use his best efforts to promote the interests of the Company; (d) perform such functions and services as shall lawfully be directed by the Chief Executive Officer or the Board; (e) act in accordance with the policies and directives of the Company; and (f) report directly to the Chief Executive Officer.

2.2 Restrictions. Except as provided in Section 8.2, the Executive covenants and agrees that, while actually employed by the Company, he shall not engage in any employment, business or activity that is in any way competitive with the business or proposed business of the Company, whether for compensation or otherwise, without the prior consent of the Chief Executive Officer. However, the Executive may, without the prior consent of the Chief Executive Officer, (a) participate in charitable, community or professional activities, provided that such activities do not materially interfere with the services required under this Agreement, and (b) make passive personal investments or conduct personal business, financial or legal affairs or other personal matters if those activities do not materially interfere with the services required under this Agreement.

ARTICLE 3
COMPENSATION

3.1 Base Salary. As compensation for the services to be rendered by the Executive pursuant to this Agreement, the Company hereby agrees to pay the Executive an annual base salary (the "Base Salary") of Three Hundred Twenty Five Thousand Dollars (U.S. $325,000.00) (or such higher amount as the Company is paying the Executive as of the Commencement Date) during the Term of this Agreement, which amount shall be reviewed by the Board (or designated committee thereof) at least annually and may be increased (but not reduced) by the Board (or designated committee thereof) in such amounts as the Board (or designated committee thereof) deems appropriate. The Base Salary shall be paid in accordance with the normal payroll practices of the Company.

3.2 Bonus. The Executive shall be eligible to receive an annual bonus of up to 40% of his Base Salary based on the Company's and the Executive's attaining certain business goals established by the Board (or designated committee thereof) (the "Bonus"). Provided that the Commencement Date occurs during the first half of a calendar year, the annual goals for the calendar year in which the Commencement Date occurs shall be determined and communicated in writing to the Executive no later than ninety (90) days after the Commencement Date. The annual goals for each subsequent year during the Term shall be determined and communicated in writing to the Executive no later than ninety (90) days after the first day of the year. In addition, the Executive may be entitled to receive such additional bonus amounts as the Board (or designated committee thereof) shall determine in its discretion. In determining such additional amounts, if any, the Board (or designated committee thereof) shall consider among other things the Executive's contribution to the accomplishment of the Company's long-range business goals, the success of various corporate strategies in which the Executive participated, and the Executive's unique services in connection with the maintenance of or increase in stockholder value in the Company. Any bonus shall be paid as promptly as practicable following the end of the fiscal year, but not later than the March 15th immediately following the end of such fiscal year.

3.3 Stock Options and Related Incentive Plans. During each calendar year of the Term, the Company shall grant the Executive an award consisting of restricted stock and/or stock options (both with reference to Company common stock) with an aggregate fair market value on the date of grant equal to $200,000 (as reasonably determined by the Company) and such award shall be granted under the Company's equity incentive plan existing at the time of any such grant. The Company may grant the Executive additional stock awards for shares of the Company's common stock in such amounts and terms (including performance-based terms) as the Board (or designated committee therefore) deems appropriate, with the aggregate value of such grants expected not to exceed $395,000 for the first year. In addition to the foregoing, the Executive shall be eligible to participate in the Company's existing incentive programs and any additional or successor incentive plan or plans. Any grants made to the Executive pursuant to such plans shall provide for an expiration date consistent with the provisions of such plans; *provided, however*, that in no event shall any option remain exercisable beyond its stated expiration date.

3.4 Withholding. The Company shall have the right to deduct or withhold from any payments made pursuant to this Agreement any and all amounts it is required to deduct or withhold and any and all amounts the Executive agrees it may deduct or withhold (e.g., for federal income and employee social security taxes and all state or local income taxes now applicable or that may be enacted and become applicable during the Term).

ARTICLE 4
EMPLOYEE BENEFITS; BUSINESS EXPENSES

4.1 Employee Benefits.

(a) *Benefits.* The Company agrees that the Executive shall be entitled to all ordinary and customary perquisites afforded generally to executive officers of the Company from time to time (except to the extent employee contributions may be required under the Company's benefit plans as they may now or hereafter exist), but in any event shall include any qualified or nonqualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, life insurance coverages, any medical, dental, health and welfare plans or insurance coverages and any stock purchase programs that are approved in writing by the Board, in its sole discretion.

(b) *Vacation*. The Executive shall be entitled to the number of paid vacation days in each calendar year determined by the Board from time to time for its senior executive officers (prorated in any calendar year during which the Executive is employed by the Company for less than the entire calendar year in accordance with the number of days in such calendar year during which he is so employed). The Executive shall also be entitled to all paid holidays given by the Company to its senior executive officers.

4.2 Business Expenses.

(a) *Expenses.* The Company shall pay or reimburse the Executive for all reasonable and authorized business expenses incurred by the Executive during the Term; such payment or reimbursement shall not be unreasonably withheld so long as said business expenses have been incurred for and promote the business of the Company and are normally and customarily incurred by employees in comparable positions at other comparable businesses in the same or similar market. Notwithstanding the foregoing, the Company shall not pay or reimburse the Executive for the costs of any membership fees or dues for private clubs, civic organizations, and similar organizations or entities, unless such organizations and the fees and costs associated therewith have first been approved in writing by the Board, in its sole discretion.

(b) *Travel Costs*. Subject to the provisions of Section 4.2, the Company shall reimburse the Executive for expenses incurred with business-related travel. The Executive shall be reimbursed for first class travel expenses for business-related flights.

(c) *Records*. As a condition to reimbursement under Section 4.2, the Executive shall furnish to the Company adequate records and other documentary evidence required by federal and state statutes and regulations for the substantiation of each expenditure. The Executive acknowledges and agrees that failure to furnish the required documentation may result in the Company denying all or part of the expense for which reimbursement is sought.

(d) *Time Requirements*. Executive understands that no reimbursements will be provided under this Section 4.2, unless Executive submits a request for reimbursement in accordance with this Section 4.2 within 6 months after incurring the expense and that any reimbursable expense will be reimbursed not later than six months after submission.

ARTICLE 5
CHANGE OF CONTROL

5.1 Payments Upon Change of Control.

(a) *Change of Control Payment.* Notwithstanding Article 1, in the event of a Change of Control (as defined in Section 5.3) of the Company during the Term while the Executive remains employed by the Company, the Company shall pay to the Executive, concurrently with the consummation of such Change of Control, a lump sum amount, in cash, equal to two (2) times the sum of (A) the Executive’s annual Base Salary (determined as the Executive’s latest annual Base Salary during the Term prior to the Change of Control) and (B) the Bonus (determined as one hundred percent (100%) of the Executive’s eligible bonus during the Term prior to the Change of Control) (the “Change of Control Payment”). The date on which the Executive becomes entitled to receive the Change of Control Payment under this Section 5.1(a) shall be referred to herein as the “Change of Control Payment Date.”

(b) *Effect of Termination of Employment.*

(i) If the Executive's employment with the Company is terminated pursuant to Section 6.2 prior to the Change of Control Payment Date, then notwithstanding anything in Section 5.1(a), the Executive shall be entitled to receive all amounts due pursuant to Section 6.2 and he shall not be entitled to receive any payments under Section 5.1(a).

(ii) If the Executive's employment with the Company is terminated pursuant to Section 6.2 on the Change of Control Payment Date or within ninety (90) days thereafter, then notwithstanding anything set forth in Section 6.2, the Company shall not be required to make any payments to the Executive pursuant to Section 6.2 and the Executive shall be entitled to receive the amounts due pursuant to Section 5.1(a). For the avoidance of doubt, the Executive shall only be entitled to one Change of Control Payment under Section 5.1. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

5.2 Acceleration of Equity Awards Upon Change of Control. If the Executive becomes entitled to the Change of Control Payment, then on the Change of Control Payment Date, the Company shall vest all of the Executive's unvested stock options and other equity awards (if any) outstanding on the Change of Control Payment Date, regardless of when such options or equity awards were granted.

5.3 Definition of Change of Control. For purposes of this Agreement "Change of Control" means the occurrence of any of the following:

(a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation, but not including any underwritten public offering registered under the Securities Act of 1933 ("Public Offering") or any offering of securities under Rule 144A promulgated under the Securities Act of 1933 ("Rule 144A Offering")) in one or a series of related transactions of all or substantially all of the assets of the Company taken as a whole to any individual, corporation, limited liability company, partnership, or other entity (each, a "Person") or group of Persons acting together (each a "Group") (other than any of the Company's wholly-owned subsidiaries or any Company employee pension or benefits plan);

(b) the consummation of any transactions (including any stock or asset purchase, sale, acquisition, disposition, merger, consolidation or reorganization, but not including any Public Offering or Rule 144A Offering) the result of which is that any Person or Group (other than any of the Company's wholly-owned Subsidiaries, any underwriter temporarily holding securities pursuant to a Public Offering or any Company employee pension or benefits plan), becomes the beneficial owners of more than forty percent (40%) of the aggregate voting power of all classes of stock of the Company having the right to elect directors under ordinary circumstances.

ARTICLE 6
TERMINATION OF EMPLOYMENT

6.1 Termination by the Company for Cause.

(a) The Company may, during the Term, upon written notice to the Executive, terminate the Executive's employment under this Agreement and discharge the Executive for Cause (as defined in Section 6.1(b)) and, in such event, except as set forth in Section 6.1, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4.

(b) As used herein, the term "Cause" shall refer to the termination of the Executive's employment as a result of any one or more of the following: (i) any conviction of, or pleading of nolo contendre by, the Executive for any felony; (ii) any willful misconduct of the Executive which has a materially injurious effect on the business or reputation of the Company; (iii) the dishonesty of the Executive which has a materially injurious effect on the business or reputation of the Company; or (iv) a material failure to consistently discharge his duties under this Agreement other than such failure resulting from his Disability (as defined in Section 6.3(b)). For purposes of Section 6.1, no act or failure to act, on the part of the Executive, shall be considered "willful" if it is done, or omitted to be done, by the Executive in good faith or with reasonable belief that his action or omission was in the best interest of the Company. The Executive shall have the opportunity to cure any such acts or omissions under clause (iv) above within thirty (30) days of the Executive's receipt of a copy of a resolution, duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of acts or omissions constituting "Cause" and specifying the particulars thereof in detail.

6.2 Termination by the Company Without Cause or by the Executive for Good Reason.

(a) The Board acting for the Company shall have the right, at any time in its sole discretion, to terminate the Executive's employment under this Agreement at any time for any reason other than Cause, or no reason at all (any such termination, a termination "Without Cause"), upon not less than thirty (30) days prior written notice to the Executive, and the Executive may, by written notice to the Board, terminate his employment under this Agreement (and he hereby has such right) by reason of any act, decision or omission by the Company or the Board that: (i) materially diminishes the Executive's Base Salary; (ii) materially diminishes the Executive's authority, duties, or responsibilities (other than such changes that typically occur in connection with a company becoming a publicly-traded company); (iii) relocates the Executive without his consent from the Company's offices located at 345 Inverness Drive South, Building C, Suite 310, Englewood, Colorado to any other location in excess of fifty (50) miles beyond the geographic limits of Englewood, Colorado that increases the Executive's one-way commute to work by at least 50 miles based on the Executive's primary residence immediately prior to the time such relocation is announced; or (iv) constitutes a material breach of this Agreement (each a "Good Reason"). The Executive must give the Company written notice of the condition that gives rise to the Good Reason within ninety (90) days of the occurrence of the condition, in which event the Company shall have thirty (30) days to remedy the condition, and after which the Executive may resign for Good Reason within ninety (90) days after the Company fails to reasonably remedy the condition.

(b) In the event the Company or the Executive shall exercise the termination right granted pursuant to Section 6.2(a), then except as set forth below, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay to the Executive (i) an amount equal to twelve (12) months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination) plus one time the Bonus (determined as one hundred percent (100%) of the Executive's eligible bonus during the Term prior to such termination), and (ii) any amount due and owing as of the Termination Date pursuant to Section 3.1, Section 3.2 (including a Bonus for the year in which the termination occurs prorated to the date of termination based on the Executive's average bonus received for the immediately preceding three years) and Article 4. Such amounts shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that the payments pursuant to clause (i) above are contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

6.3 Termination of Employment Upon Death Or Disability.

(a) *Death*. The Executive's employment hereunder shall terminate automatically upon his death during the Term. Upon such termination, the Company neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive's estate any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and the Company shall pay to such person as the Executive shall have designated in a notice filed with the Company, or, if no such person shall be designated, to his estate as a death benefit, a lump sum amount, in cash, equal to the Executive's Base Salary at the rate in effect on the date of the Executive's death. This amount shall be exclusive of and in addition to any payments the Executive's surviving spouse, beneficiaries or estate may be entitled to receive pursuant to any pension or employee benefit plan or life insurance policy maintained by the Company. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

(b) *Disability.* If the Company determines in good faith that the Disability of the Executive has occurred during the Term, subject to applicable laws, it may give written notice to the Executive of its intention to terminate his employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of his duties. During any period that the Executive fails to perform his duties hereunder as a result of the Disability, the Executive shall continue to receive his full Base Salary and incentive compensation until the Executive's employment is terminated pursuant to this Section 6.3(b). Upon any such termination neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and, after termination an amount equal to 12 months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination). Such 12 months of Base Salary shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that this payment is contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. For purposes of this Agreement, "Disability" shall mean the inability of the Executive to perform his duties to the Company on account of physical or mental illness or incapacity for a period of 120 consecutive calendar days, or for a period of 180 calendar days, whether or not consecutive, during any 365 day period. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.4 Termination by the Executive Without Good Reason. Anything in this Agreement to the contrary notwithstanding, during the Term the Executive shall have the right, in his sole discretion, to terminate his employment under this Agreement without Good Reason upon not less than thirty (30) days prior written notice to the Company and, in such event, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.5 Acceleration of Equity Awards. If the Company shall terminate the Executive's employment other than pursuant to Sections 6.1 or if the Executive shall terminate his employment for Good Reason pursuant to Section 6.2, then, in addition to any payment the Executive is entitled to under Article 6, the Company shall vest, effective as of immediately prior to the applicable Termination Date, all of the Executive's unvested stock options and other equity awards (if any) outstanding as of immediately prior to the applicable Termination Date, regardless of when such options of equity awards were granted.

6.6 Date of Termination. For purposes of this Agreement "Termination Date" shall mean the date the Executive's employment terminates.

ARTICLE 7
COOPERATION

7.1 Certain Events. In the event that Executive receives payment pursuant to this Agreement and the Company (or its successor) is later required to restate its financial statements due in whole or in part to the fraud or misconduct of Executive, then Executive shall promptly repay to the Company (or its successor) any such amounts Executive received that were based in whole or part on the financial statements that were required to be restated and Executive shall not be entitled to any further payments that are based in whole or part on the financial statements that were required to be restated. In addition, Executive's bonuses and other incentive-based compensation and profits on stock sales shall be subject to potential disgorgement pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

ARTICLE 8
RESTRICTIVE COVENANTS

8.1 Confidential Information. The Executive has entered into and agrees to be bound by the terms and conditions of the Company's Employee Proprietary Information and Inventions Agreement, dated August 10, 2009 (the "Confidentiality Agreement"). The Executive agrees to execute such other documents (including, but not limited to, new versions of the Confidentiality Agreement) as may be necessary in order to protect the Company's confidential and proprietary information. Expiration of this Agreement shall not have any effect on the Confidentiality Agreement, which shall at all times remain separately and independently enforceable, subject to the terms of this Article 8.

8.2 Covenant Not to Solicit. During the Term and through the one (1) year anniversary of the Termination Date, the Executive will not, directly or indirectly, without the express written consent of the Board, solicit (a) clients, customers or accounts of the Company for, on behalf of or otherwise related to any Competitive Business; (b) or hire any person who is or shall be in the employ or service of the Company to leave such employ or service for employment with or service to the Executive, an affiliate of the Executive or any third party; or (c) or hire any person who was within six (6) months of such solicitation in the employ or service of the Company to become employed by or provide services to the Executive, an affiliate of the Executive or any third party.

8.3 Specific Performance. Recognizing that irreparable damage will result to the Company in the event of the breach or threatened breach of any of the foregoing covenants and assurances by the Executive contained in Sections 8.1 and 8.2, and that the Company's remedies at law for any such breach or threatened breach may be inadequate, the Company and its successors and assigns, in addition to such other remedies which may be available to them, shall, upon making a sufficient showing under applicable law, be entitled to an injunction to be issued by any court of competent jurisdiction ordering compliance with this Agreement or enjoining and restraining the Executive, and each and every person, firm or company acting in concert or participation with him, from the continuation of such breach. The obligations of the Executive and rights of the Company pursuant to this Article 8 shall survive the termination of the Executive's employment under this Agreement. The covenants and obligations of the Executive set forth in this Article 8 are in addition to and not in lieu of or exclusive of any other obligations and duties the Executive owes to the Company, whether expressed or implied in fact or law. The Company shall pay and be solely responsible for any attorney's fees, expenses, costs and court or arbitration costs incurred by the Executive in any matter or dispute between the Executive and the Company which pertains to this Article 8 if the Executive prevails in the contest in whole or in part.

ARTICLE 9
GENERAL PROVISIONS

9.1 Final Agreement. This Agreement is intended to be the final, complete and exclusive agreement between the parties relating to the employment of the Executive by the Company and, effective as of the Commencement Date, supersedes all prior or contemporaneous understandings, employment agreements, representations and statements, both oral or written, relating to the subject matter hereof, including the Prior Employment Agreement. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

9.2 No Waiver. No waiver, by conduct or otherwise, by any party of any term, provision, or condition of this Agreement, shall be deemed or construed as a further or continuing waiver of any such term, provision, or condition nor as a waiver of a similar or dissimilar condition or provision at the same time or at any prior or subsequent time.

9.3 Rights Cumulative. The rights under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by any party to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any party preclude any other or future exercise thereof or the exercise of any other right.

9.4 Notice. Except as otherwise provided in this Agreement, any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon any person in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by fax or cable, or sent prepaid by either registered or certified mail with return receipt requested or national overnight delivery service and shall be deemed given (i) if personally served or by national overnight delivery service, when delivered to the person to whom such notice is addressed, (ii) if given by fax or cable, when sent, or (iii) if given by mail, two (2) business days following deposit in the United States mail. Any notice given by fax or cable shall be confirmed in writing, by overnight mail or national overnight delivery service within forty-eight (48) hours after being sent. Such notices shall be addressed to the party to whom such notice is to be given at the party's address set forth below or as such party shall otherwise direct.

If to the Company:

Gevo, Inc.
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112
Attn: General Counsel

If to the Executive:

Chris Ryan
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112

9.5 Assignments. This Agreement is binding upon the parties hereto and their respective successors, assigns, heirs and personal representatives. Except as otherwise provided herein, neither of the parties hereto may make any assignment of this Agreement, or any interest herein, without the prior written consent of the other party, except that, without such consent, this Agreement shall be assigned to any corporation or entity which shall succeed to the business presently being operated by Company, by operation of law or otherwise, including by dissolution, merger, consolidation, transfer of assets, or otherwise.

9.6 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, without giving effect to the principles of conflict of laws thereof.

9.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. The parties agree that facsimile copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

9.8 Severability. The provisions of this Agreement are agreed to be severable, and if any provision, or application thereof, is held invalid or unenforceable, then such holding shall not affect any other provision or application.

9.9 Construction. As used herein, and as the circumstances require, the plural term shall include the singular, the singular shall include the plural, the neuter term shall include the masculine and feminine genders, and the feminine term shall include the neuter and the masculine genders.

9.10 Arbitration. Except as otherwise provided in Section 8.4 hereof, any controversy or claim arising out of, or related to, this Agreement, or the breach thereof, shall be settled by binding arbitration in Denver, Colorado, in accordance with the employment arbitration rules then in effect of the American Arbitration Association including the right to discovery, and the arbitrator’s decision shall be binding and final, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party hereto shall pay its or their own

expenses incident to the negotiation, preparation and resolution of any controversy or claim arising out of, or related to, this Agreement, or the breach thereof; *provided*, *however*, the Company shall pay and be solely responsible for any attorneys' fees and expenses and court or arbitration costs incurred by the Executive as a result of a claim brought by either the Executive or the Company alleging that the other party breached or otherwise failed to perform this Agreement or any provision hereof to be performed by the other party if the Executive prevails in the contest in whole or in part.

9.11 Code Section 409A Compliance. Each payment under this Agreement shall be considered a separate payment for purposes of Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Internal Revenue Code Section 409A ("Section 409A") and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" (within the meaning of Section 409A) on the date of the Executive's separation from service, then any payments or benefits that otherwise would be payable under this Agreement within the first six months following the Executive's separation from service (the "409A Suspension Period"), shall instead be paid in a lump sum within fourteen (14) days after the end of the sixth month period following the Executive's separation from service, or Executive's death, if sooner, but only to the extent that such payments or benefits provide for the "deferral of compensation" within the meaning of Section 409A, after application of the exemptions provided in Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(ii)-(v) thereof. After the 409A Suspension Period, the Executive will receive any remaining payments and benefits due pursuant to this Agreement in accordance with its terms (as if there had not been any suspension beforehand). To the extent that severance payments or benefits under this Agreement are conditioned on the execution of a release by Executive, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered to the Company within the time required by this Agreement. Whenever a payment under this Agreement specified a payment period with respect to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. The Company will cooperate with the Executive in making any amendments to this Agreement that the Executive reasonably requests to avoid the imposition of taxes or penalties under Section 409A of the Code provided that such changes do not provide the Executive with additional benefits (other than de minimus benefits) under this Agreement.

9.12 Survival. The covenants contained in Articles 5, 6, 9.1 – 9.5 and 9.10 – 9.13 shall survive any termination of the Executive's employment with the Company and any expiration or termination of this Agreement.

9.13 No Mitigation or Offset. The Executive shall not have any duty to seek other employment or to reduce any amounts or benefits payable to him under Section 1.1 or Article 6, and no such amounts or benefits shall be reduced, on account of any compensation received by the Executive from any other employment or source. The Company shall not have the right to offset any amount owed to it against payments due to the Executive under Section 1.1, Article 5 or Article 6 (other than as expressly provided therein).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

GEVO, INC.

By: /s/ Pat Gruber
Name: Pat Gruber
Title: Chief Executive Officer

EXECUTIVE

/s/ Chris Ryan
Chris Ryan

Exhibit 10.17

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of June 4, 2010, by and between Gevo, Inc., a Delaware corporation (the "Company"), and Dave Glassner (the "Executive"). This Agreement will become effective immediately on the date after completion by the Company of an initial public offering (such date, the "Commencement Date"); provided that if (a) the Company does not complete an initial public offering by June 4, 2011 or (b) the Executive does not remain continuously employed by the Company from the date hereof through date the Company completes an initial public offering, this Agreement shall be void *ab initio* (*e.g.*, it shall never take effect).

RECITALS

WHEREAS, the Executive is employed by the Company as its Executive Vice President Technology, pursuant to that certain Offer Letter, dated June 13, 2007 (the "Prior Employment Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") and the Executive desire to terminate and supersede the Prior Employment Agreement as of the Commencement Date pursuant to the terms hereof to assure the Company of the Executive's continued employment in an executive capacity and to compensate him therefor;

WHEREAS, the Board considers the establishment and maintenance of a sound management to be essential to protecting and enhancing the best interests of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to retain the Executive and to reinforce and encourage his continued attention and dedication to his assigned duties and the Company desires to retain the services of the Executive, and the Executive desires to be employed by the Company pursuant to the terms and conditions of this Agreement.

WHEREAS, the Company and the Executive both acknowledge that there is no assurance that the Company will complete an initial public offering prior to June 4, 2011 or at all at any time and that if it does not, the Commencement Date will not occur and this Agreement will not take effect.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with reference to the above recitals, the parties hereby agree as follows:

ARTICLE 1
TERM OF EMPLOYMENT

1.1 Term of Employment. The "Term" of employment shall mean the period commencing on the Commencement Date and ending on the date the Executive's employment terminates pursuant to Article 6.

ARTICLE 2
POSITION AND DUTIES; BOARD APPOINTMENT

2.1 Position and Duties. The Company shall employ the Executive as its Executive Vice President Technology. The Executive shall (a) perform the duties of Executive Vice President Technology as set from time to time by the Chief Executive Officer or the Board; (b) be a full time employee devoting his attention and energies to the business of the Company; (c) use his best efforts to promote the interests of the Company; (d) perform such functions and services as shall lawfully be directed by the Chief Executive Officer or the Board; (e) act in accordance with the policies and directives of the Company; and (f) report directly to the Chief Executive Officer.

2.2 Restrictions. Except as provided in Section 8.2, the Executive covenants and agrees that, while actually employed by the Company, he shall not engage in any employment, business or activity that is in any way competitive with the business or proposed business of the Company, whether for compensation or otherwise, without the prior consent of the Chief Executive Officer. However, the Executive may, without the prior consent of the Chief Executive Officer, (a) participate in charitable, community or professional activities, provided that such activities do not materially interfere with the services required under this Agreement, and (b) make passive personal investments or conduct personal business, financial or legal affairs or other personal matters if those activities do not materially interfere with the services required under this Agreement.

ARTICLE 3
COMPENSATION

3.1 Base Salary. As compensation for the services to be rendered by the Executive pursuant to this Agreement, the Company hereby agrees to pay the Executive an annual base salary (the “Base Salary”) of Three Hundred Thousand Dollars (U.S. $300,000.00) (or such higher amount as the Company is paying the Executive as of the Commencement Date) during the Term of this Agreement, which amount shall be reviewed by the Board (or designated committee thereof) at least annually and may be increased (but not reduced) by the Board (or designated committee thereof) in such amounts as the Board (or designated committee thereof) deems appropriate. The Base Salary shall be paid in accordance with the normal payroll practices of the Company.

3.2 Bonus. The Executive shall be eligible to receive an annual bonus of up to 30% of his Base Salary based on the Company’s and the Executive’s attaining certain business goals established by the Board (or designated committee thereof) (the “Bonus”). Provided that the Commencement Date occurs during the first half of a calendar year, the annual goals for the calendar year in which the Commencement Date occurs shall be determined and communicated in writing to the Executive no later than ninety (90) days after the Commencement Date. The annual goals for each subsequent year during the Term shall be determined and communicated in writing to the Executive no later than ninety (90) days after the first day of the year. In addition, the Executive may be entitled to receive such additional bonus amounts as the Board (or designated committee thereof) shall determine in its discretion. In determining such additional amounts, if any, the Board (or designated committee thereof) shall consider among other things the Executive's contribution to the accomplishment of the Company's long-range business goals, the success of various corporate strategies in which the Executive participated, and the Executive's unique services in connection with the maintenance of or increase in stockholder value in the Company. Any bonus shall be paid as promptly as practicable following the end of the fiscal year, but not later than the March 15th immediately following the end of such fiscal year.

3.3 Stock Options and Related Incentive Plans. During each calendar year of the Term, the Company shall grant the Executive an award consisting of restricted stock and/or stock options (both with reference to Company common stock) with an aggregate fair market value on the date of grant equal to $75,000 (as reasonably determined by the Company) and such award shall be granted under the Company's equity incentive plan existing at the time of any such grant. The Company may grant the Executive additional stock awards for shares of the Company's common stock in such amounts and terms (including performance-based terms) as the Board (or designated committee therefore) deems appropriate, with the aggregate value of such grants expected not to exceed $270,000 for the first year. In addition to the foregoing, the Executive shall be eligible to participate in the Company's existing incentive programs and any additional or successor incentive plan or plans. Any grants made to the Executive pursuant to such plans shall provide for an expiration date consistent with the provisions of such plans; *provided, however*, that in no event shall any option remain exercisable beyond its stated expiration date.

3.4 Withholding. The Company shall have the right to deduct or withhold from any payments made pursuant to this Agreement any and all amounts it is required to deduct or withhold and any and all amounts the Executive agrees it may deduct or withhold (e.g., for federal income and employee social security taxes and all state or local income taxes now applicable or that may be enacted and become applicable during the Term).

ARTICLE 4
EMPLOYEE BENEFITS; BUSINESS EXPENSES

4.1 Employee Benefits.

(a) *Benefits.* The Company agrees that the Executive shall be entitled to all ordinary and customary perquisites afforded generally to executive officers of the Company from time to time (except to the extent employee contributions may be required under the Company's benefit plans as they may now or hereafter exist), but in any event shall include any qualified or nonqualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, life insurance coverages, any medical, dental, health and welfare plans or insurance coverages and any stock purchase programs that are approved in writing by the Board, in its sole discretion.

(b) *Vacation*. The Executive shall be entitled to the number of paid vacation days in each calendar year determined by the Board from time to time for its senior executive officers (prorated in any calendar year during which the Executive is employed by the Company for less than the entire calendar year in accordance with the number of days in such calendar year during which he is so employed). The Executive shall also be entitled to all paid holidays given by the Company to its senior executive officers.

4.2 Business Expenses.

(a) *Expenses.* The Company shall pay or reimburse the Executive for all reasonable and authorized business expenses incurred by the Executive during the Term; such payment or reimbursement shall not be unreasonably withheld so long as said business expenses have been incurred for and promote the business of the Company and are normally and customarily incurred by employees in comparable positions at other comparable businesses in the same or similar market. Notwithstanding the foregoing, the Company shall not pay or reimburse the Executive for the costs of any membership fees or dues for private clubs, civic organizations, and similar organizations or entities, unless such organizations and the fees and costs associated therewith have first been approved in writing by the Board, in its sole discretion.

(b) *Travel Costs*. Subject to the provisions of Section 4.2, the Company shall reimburse the Executive for expenses incurred with business-related travel. The Executive shall be reimbursed for first class travel expenses for business-related flights.

(c) *Records.* As a condition to reimbursement under Section 4.2, the Executive shall furnish to the Company adequate records and other documentary evidence required by federal and state statutes and regulations for the substantiation of each expenditure. The Executive acknowledges and agrees that failure to furnish the required documentation may result in the Company denying all or part of the expense for which reimbursement is sought.

(d) *Time Requirements.* Executive understands that no reimbursements will be provided under this Section 4.2, unless Executive submits a request for reimbursement in accordance with this Section 4.2 within 6 months after incurring the expense and that any reimbursable expense will be reimbursed not later than six months after submission.

ARTICLE 5
CHANGE OF CONTROL

5.1 Payments Upon Change of Control.

(a) *Change of Control Payment.* Notwithstanding Article 1, in the event of a Change of Control (as defined in Section 5.3) of the Company during the Term while the Executive remains employed by the Company, the Company shall pay to the Executive, concurrently with the consummation of such Change of Control, a lump sum amount, in cash, equal to two (2) times the sum of (A) the Executive's annual Base Salary (determined as the Executive's latest annual Base Salary during the Term prior to the Change of Control) and (B) the Bonus (determined as one hundred percent (100%) of the Executive's eligible bonus during the Term prior to the Change of Control) (the "Change of Control Payment"). The date on which the Executive becomes entitled to receive the Change of Control Payment under this Section 5.1(a) shall be referred to herein as the "Change of Control Payment Date."

(b) *Effect of Termination of Employment.*

(i) If the Executive's employment with the Company is terminated pursuant to Section 6.2 prior to the Change of Control Payment Date, then notwithstanding anything in Section 5.1(a), the Executive shall be entitled to receive all amounts due pursuant to Section 6.2 and he shall not be entitled to receive any payments under Section 5.1(a).

(ii) If the Executive's employment with the Company is terminated pursuant to Section 6.2 on the Change of Control Payment Date or within ninety (90) days thereafter, then notwithstanding anything set forth in Section 6.2, the Company shall not be required to make any payments to the Executive pursuant to Section 6.2 and the Executive shall be entitled to receive the amounts due pursuant to Section 5.1(a). For the avoidance of doubt, the Executive shall only be entitled to one Change of Control Payment under Section 5.1. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

5.2 Acceleration of Equity Awards Upon Change of Control. If the Executive becomes entitled to the Change of Control Payment, then on the Change of Control Payment Date, the Company shall vest all of the Executive's unvested stock options and other equity awards (if any) outstanding on the Change of Control Payment Date, regardless of when such options or equity awards were granted.

5.3 Definition of Change of Control. For purposes of this Agreement "Change of Control" means the occurrence of any of the following:

(a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation, but not including any underwritten public offering registered under the Securities Act of 1933 ("Public Offering") or any offering of securities under Rule 144A promulgated under the Securities Act of 1933 ("Rule 144A Offering")) in one or a series of related transactions of all or substantially all of the assets of the Company taken as a whole to any individual, corporation, limited liability company, partnership, or other entity (each, a "Person") or group of Persons acting together (each a "Group") (other than any of the Company's wholly-owned subsidiaries or any Company employee pension or benefits plan);

(b) the consummation of any transactions (including any stock or asset purchase, sale, acquisition, disposition, merger, consolidation or reorganization, but not including any Public Offering or Rule 144A Offering) the result of which is that any Person or Group (other than any of the Company's wholly-owned Subsidiaries, any underwriter temporarily holding securities pursuant to a Public Offering or any Company employee pension or benefits plan), becomes the beneficial owners of more than forty percent (40%) of the aggregate voting power of all classes of stock of the Company having the right to elect directors under ordinary circumstances.

ARTICLE 6
TERMINATION OF EMPLOYMENT

6.1 Termination by the Company for Cause.

(a) The Company may, during the Term, upon written notice to the Executive, terminate the Executive’s employment under this Agreement and discharge the Executive for Cause (as defined in Section 6.1(b)) and, in such event, except as set forth in Section 6.1, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4.

(b) As used herein, the term “Cause” shall refer to the termination of the Executive’s employment as a result of any one or more of the following: (i) any conviction of, or pleading of nolo contendre by, the Executive for any felony; (ii) any willful misconduct of the Executive which has a materially injurious effect on the business or reputation of the Company; (iii) the dishonesty of the Executive which has a materially injurious effect on the business or reputation of the Company; or (iv) a material failure to consistently discharge his duties under this Agreement other than such failure resulting from his Disability (as defined in Section 6.3(b)). For purposes of Section 6.1, no act or failure to act, on the part of the Executive, shall be considered “willful” if it is done, or omitted to be done, by the Executive in good faith or with reasonable belief that his action or omission was in the best interest of the Company. The Executive shall have the opportunity to cure any such acts or omissions under clause (iv) above within thirty (30) days of the Executive’s receipt of a copy of a resolution, duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of acts or omissions constituting “Cause” and specifying the particulars thereof in detail.

6.2 Termination by the Company Without Cause or by the Executive for Good Reason.

(a) The Board acting for the Company shall have the right, at any time in its sole discretion, to terminate the Executive’s employment under this Agreement at any time for any reason other than Cause, or no reason at all (any such termination, a termination “Without Cause”), upon not less than thirty (30) days prior written notice to the Executive, and the Executive may, by written notice to the Board, terminate his employment under this Agreement (and he hereby has such right) by reason of any act, decision or omission by the Company or the Board that: (i) materially diminishes the Executive’s Base Salary; (ii) materially diminishes the Executive’s authority, duties, or responsibilities (other than such changes that typically occur in connection with a company becoming a publicly-traded company); (iii) relocates the Executive without his consent from the Company’s offices located at 345 Inverness Drive South, Building C, Suite 310, Englewood, Colorado to any other location in excess of fifty (50) miles beyond the geographic limits of Englewood, Colorado that increases the Executive’s one-way commute to work by at least 50 miles based on the Executive’s primary residence immediately prior to the time such relocation is announced; or (iv) constitutes a material breach of this Agreement (each a "Good Reason"). The Executive must give the Company written notice of the condition that gives rise to the Good Reason within ninety (90) days of the occurrence of the condition, in which event the Company shall have thirty (30) days to remedy the condition, and after which the Executive may resign for Good Reason within ninety (90) days after the Company fails to reasonably remedy the condition.

(b) In the event the Company or the Executive shall exercise the termination right granted pursuant to Section 6.2(a), then except as set forth below, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay to the Executive (i) an amount equal to twelve (12) months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination) plus one time the Bonus (determined as one hundred percent (100%) of the Executive's eligible bonus during the Term prior to such termination), and (ii) any amount due and owing as of the Termination Date pursuant to Section 3.1, Section 3.2 (including a Bonus for the year in which the termination occurs prorated to the date of termination based on the Executive's average bonus received for the immediately preceding three years) and Article 4. Such amounts shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that the payments pursuant to clause (i) above are contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

6.3 Termination of Employment Upon Death Or Disability.

(a) *Death*. The Executive's employment hereunder shall terminate automatically upon his death during the Term. Upon such termination, the Company neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive's estate any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and the Company shall pay to such person as the Executive shall have designated in a notice filed with the Company, or, if no such person shall be designated, to his estate as a death benefit, a lump sum amount, in cash, equal to the Executive's Base Salary at the rate in effect on the date of the Executive's death. This amount shall be exclusive of and in addition to any payments the Executive's surviving spouse, beneficiaries or estate may be entitled to receive pursuant to any pension or employee benefit plan or life insurance policy maintained by the Company. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

(b) *Disability.* If the Company determines in good faith that the Disability of the Executive has occurred during the Term, subject to applicable laws, it may give written notice to the Executive of its intention to terminate his employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of his duties. During any period that the Executive fails to perform his duties hereunder as a result of the Disability, the Executive shall continue to receive his full Base Salary and incentive compensation until the Executive's employment is terminated pursuant to this Section 6.3(b). Upon any such termination neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and, after termination an amount equal to 12 months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination). Such 12 months of Base Salary shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that this payment is contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. For purposes of this Agreement, "Disability" shall mean the inability of the Executive to perform his duties to the Company on account of physical or mental illness or incapacity for a period of 120 consecutive calendar days, or for a period of 180 calendar days, whether or not consecutive, during any 365 day period. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.4 Termination by the Executive Without Good Reason. Anything in this Agreement to the contrary notwithstanding, during the Term the Executive shall have the right, in his sole discretion, to terminate his employment under this Agreement without Good Reason upon not less than thirty (30) days prior written notice to the Company and, in such event, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.5 Acceleration of Equity Awards. If the Company shall terminate the Executive's employment other than pursuant to Sections 6.1 or if the Executive shall terminate his employment for Good Reason pursuant to Section 6.2, then, in addition to any payment the Executive is entitled to under Article 6, the Company shall vest, effective as of immediately prior to the applicable Termination Date, all of the Executive's unvested stock options and other equity awards (if any) outstanding as of immediately prior to the applicable Termination Date, regardless of when such options of equity awards were granted.

6.6 Date of Termination. For purposes of this Agreement "Termination Date" shall mean the date the Executive's employment terminates.

ARTICLE 7
COOPERATION

7.1 Certain Events. In the event that Executive receives payment pursuant to this Agreement and the Company (or its successor) is later required to restate its financial statements due in whole or in part to the fraud or misconduct of Executive, then Executive shall promptly repay to the Company (or its successor) any such amounts Executive received that were based in whole or part on the financial statements that were required to be restated and Executive shall not be entitled to any further payments that are based in whole or part on the financial statements that were required to be restated. In addition, Executive's bonuses and other incentive-based compensation and profits on stock sales shall be subject to potential disgorgement pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

ARTICLE 8
RESTRICTIVE COVENANTS

8.1 Confidential Information. The Executive has entered into and agrees to be bound by the terms and conditions of the Company's Employee Proprietary Information and Inventions Agreement, dated February 21, 2008 (the "Confidentiality Agreement"). The Executive agrees to execute such other documents (including, but not limited to, new versions of the Confidentiality Agreement) as may be necessary in order to protect the Company's confidential and proprietary information. Expiration of this Agreement shall not have any effect on the Confidentiality Agreement, which shall at all times remain separately and independently enforceable, subject to the terms of this Article 8.

8.2 Covenant Not to Solicit. During the Term and through the one (1) year anniversary of the Termination Date, the Executive will not, directly or indirectly, without the express written consent of the Board, solicit (a) clients, customers or accounts of the Company for, on behalf of or otherwise related to any Competitive Business; (b) or hire any person who is or shall be in the employ or service of the Company to leave such employ or service for employment with or service to the Executive, an affiliate of the Executive or any third party; or (c) or hire any person who was within six (6) months of such solicitation in the employ or service of the Company to become employed by or provide services to the Executive, an affiliate of the Executive or any third party.

8.3 Specific Performance. Recognizing that irreparable damage will result to the Company in the event of the breach or threatened breach of any of the foregoing covenants and assurances by the Executive contained in Sections 8.1 and 8.2, and that the Company's remedies at law for any such breach or threatened breach may be inadequate, the Company and its successors and assigns, in addition to such other remedies which may be available to them, shall, upon making a sufficient showing under applicable law, be entitled to an injunction to be issued by any court of competent jurisdiction ordering compliance with this Agreement or enjoining and restraining the Executive, and each and every person, firm or company acting in concert or participation with him, from the continuation of such breach. The obligations of the Executive and rights of the Company pursuant to this Article 8 shall survive the termination of the Executive's employment under this Agreement. The covenants and obligations of the Executive set forth in this Article 8 are in addition to and not in lieu of or exclusive of any other obligations and duties the Executive owes to the Company, whether expressed or implied in fact or law. The Company shall pay and be solely responsible for any attorney's fees, expenses, costs and court or arbitration costs incurred by the Executive in any matter or dispute between the Executive and the Company which pertains to this Article 8 if the Executive prevails in the contest in whole or in part.

ARTICLE 9
GENERAL PROVISIONS

9.1 Final Agreement. This Agreement is intended to be the final, complete and exclusive agreement between the parties relating to the employment of the Executive by the Company and, effective as of the Commencement Date, supersedes all prior or contemporaneous understandings, employment agreements, representations and statements, both oral or written, relating to the subject matter hereof, including the Prior Employment Agreement. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

9.2 No Waiver. No waiver, by conduct or otherwise, by any party of any term, provision, or condition of this Agreement, shall be deemed or construed as a further or continuing waiver of any such term, provision, or condition nor as a waiver of a similar or dissimilar condition or provision at the same time or at any prior or subsequent time.

9.3 Rights Cumulative. The rights under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by any party to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any party preclude any other or future exercise thereof or the exercise of any other right.

9.4 Notice. Except as otherwise provided in this Agreement, any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon any person in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by fax or cable, or sent prepaid by either registered or certified mail with return receipt requested or national overnight delivery service and shall be deemed given (i) if personally served or by national overnight delivery service, when delivered to the person to whom such notice is addressed, (ii) if given by fax or cable, when sent, or (iii) if given by mail, two (2) business days following deposit in the United States mail. Any notice given by fax or cable shall be confirmed in writing, by overnight mail or national overnight delivery service within forty-eight (48) hours after being sent. Such notices shall be addressed to the party to whom such notice is to be given at the party's address set forth below or as such party shall otherwise direct.

If to the Company:

Gevo, Inc.
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112
Attn: General Counsel

If to the Executive:

David Glassner
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112

9.5 Assignments. This Agreement is binding upon the parties hereto and their respective successors, assigns, heirs and personal representatives. Except as otherwise provided herein, neither of the parties hereto may make any assignment of this Agreement, or any interest herein, without the prior written consent of the other party, except that, without such consent, this Agreement shall be assigned to any corporation or entity which shall succeed to the business presently being operated by Company, by operation of law or otherwise, including by dissolution, merger, consolidation, transfer of assets, or otherwise.

9.6 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, without giving effect to the principles of conflict of laws thereof.

9.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. The parties agree that facsimile copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

9.8 Severability. The provisions of this Agreement are agreed to be severable, and if any provision, or application thereof, is held invalid or unenforceable, then such holding shall not affect any other provision or application.

9.9 Construction. As used herein, and as the circumstances require, the plural term shall include the singular, the singular shall include the plural, the neuter term shall include the masculine and feminine genders, and the feminine term shall include the neuter and the masculine genders.

9.10 Arbitration. Except as otherwise provided in Section 8.4 hereof, any controversy or claim arising out of, or related to, this Agreement, or the breach thereof, shall be settled by binding arbitration in Denver, Colorado, in accordance with the employment arbitration rules then in effect of the American Arbitration Association including the right to discovery, and the arbitrator’s decision shall be binding and final, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party hereto shall pay its or their own

expenses incident to the negotiation, preparation and resolution of any controversy or claim arising out of, or related to, this Agreement, or the breach thereof; *provided*, *however*, the Company shall pay and be solely responsible for any attorneys' fees and expenses and court or arbitration costs incurred by the Executive as a result of a claim brought by either the Executive or the Company alleging that the other party breached or otherwise failed to perform this Agreement or any provision hereof to be performed by the other party if the Executive prevails in the contest in whole or in part.

9.11 Code Section 409A Compliance. Each payment under this Agreement shall be considered a separate payment for purposes of Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Internal Revenue Code Section 409A ("Section 409A") and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" (within the meaning of Section 409A) on the date of the Executive's separation from service, then any payments or benefits that otherwise would be payable under this Agreement within the first six months following the Executive's separation from service (the "409A Suspension Period"), shall instead be paid in a lump sum within fourteen (14) days after the end of the sixth month period following the Executive's separation from service, or Executive's death, if sooner, but only to the extent that such payments or benefits provide for the "deferral of compensation" within the meaning of Section 409A, after application of the exemptions provided in Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(ii)-(v) thereof. After the 409A Suspension Period, the Executive will receive any remaining payments and benefits due pursuant to this Agreement in accordance with its terms (as if there had not been any suspension beforehand). To the extent that severance payments or benefits under this Agreement are conditioned on the execution of a release by Executive, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered to the Company within the time required by this Agreement. Whenever a payment under this Agreement specified a payment period with respect to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. The Company will cooperate with the Executive in making any amendments to this Agreement that the Executive reasonably requests to avoid the imposition of taxes or penalties under Section 409A of the Code provided that such changes do not provide the Executive with additional benefits (other than de minimus benefits) under this Agreement.

9.12 Survival. The covenants contained in Articles 5, 6, 9.1 – 9.5 and 9.10 – 9.13 shall survive any termination of the Executive's employment with the Company and any expiration or termination of this Agreement.

9.13 No Mitigation or Offset. The Executive shall not have any duty to seek other employment or to reduce any amounts or benefits payable to him under Section 1.1 or Article 6, and no such amounts or benefits shall be reduced, on account of any compensation received by the Executive from any other employment or source. The Company shall not have the right to offset any amount owed to it against payments due to the Executive under Section 1.1, Article 5 or Article 6 (other than as expressly provided therein).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

GEVO, INC.

By: /s/ Pat Gruber
Name: Pat Gruber
Title: Chief Executive Officer

EXECUTIVE

/s/ Dave Glassner
Dave Glassner

Exhibit 10.18

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of June 4, 2010, by and between Gevo, Inc., a Delaware corporation (the "Company"), and Brett Lund (the "Executive"). This Agreement will become effective immediately on the date after completion by the Company of an initial public offering (such date, the "Commencement Date"); provided that if (a) the Company does not complete an initial public offering by June 4, 2011 or (b) the Executive does not remain continuously employed by the Company from the date hereof through date the Company completes an initial public offering, this Agreement shall be void *ab initio* (*e.g.*, it shall never take effect).

RECITALS

WHEREAS, the Executive is employed by the Company as its Executive Vice President and General Counsel, pursuant to that certain Offer Letter, dated November 29, 2007 (the "Prior Employment Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") and the Executive desire to terminate and supersede the Prior Employment Agreement as of the Commencement Date pursuant to the terms hereof to assure the Company of the Executive's continued employment in an executive capacity and to compensate him therefor;

WHEREAS, the Board considers the establishment and maintenance of a sound management to be essential to protecting and enhancing the best interests of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to retain the Executive and to reinforce and encourage his continued attention and dedication to his assigned duties and the Company desires to retain the services of the Executive, and the Executive desires to be employed by the Company pursuant to the terms and conditions of this Agreement.

WHEREAS, the Company and the Executive both acknowledge that there is no assurance that the Company will complete an initial public offering prior to June 4, 2011 or at all at any time and that if it does not, the Commencement Date will not occur and this Agreement will not take effect.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with reference to the above recitals, the parties hereby agree as follows:

ARTICLE 1
TERM OF EMPLOYMENT

1.1 Term of Employment. The "Term" of employment shall mean the period commencing on the Commencement Date and ending on the date the Executive's employment terminates pursuant to Article 6.

ARTICLE 2
POSITION AND DUTIES; BOARD APPOINTMENT

2.1 Position and Duties. The Company shall employ the Executive as its Executive Vice President and General Counsel. The Executive shall (a) perform the duties of Executive Vice President and General Counsel as set forth from time to time by the Board provided that such duties are consistent with the Executive's present duties and with the Executive's position (any modification of Executive's duties that are required by virtue of the Company becoming publicly traded shall be deemed to be consistent with Executive's present duties and position); (b) be a full time employee devoting his attention and energies to the business of the Company; (c) use his best efforts to promote the interests of the Company; (d) perform such functions and services as shall lawfully be directed by the Chief Executive Officer or the Board; (e) act in accordance with the policies and directives of the Company; and (f) report directly to the Chief Executive Officer and the Board.

2.2 Restrictions. Except as provided in Section 8.2, the Executive covenants and agrees that, while actually employed by the Company, he shall not engage in any employment, business or activity that is in any way competitive with the business or proposed business of the Company, whether for compensation or otherwise, without the prior consent of the Chief Executive Officer. However, the Executive may, without the prior consent of the Chief Executive Officer, (a) participate in charitable, community or professional activities, provided that such activities do not materially interfere with the services required under this Agreement, and (b) make passive personal investments or conduct personal business, financial or legal affairs or other personal matters if those activities do not materially interfere with the services required under this Agreement.

ARTICLE 3
COMPENSATION

3.1 Base Salary. As compensation for the services to be rendered by the Executive pursuant to this Agreement, the Company hereby agrees to pay the Executive an annual base salary (the "Base Salary") of Three Hundred Thousand Dollars (U.S. $300,000.00) (or such higher amount as the Company is paying the Executive as of the Commencement Date) during the Term of this Agreement, which amount shall be reviewed by the Board (or designated committee thereof) at least annually and may be increased (but not reduced) by the Board (or designated committee thereof) in such amounts as the Board (or designated committee thereof) deems appropriate. The Base Salary shall be paid in accordance with the normal payroll practices of the Company.

3.2 Bonus. The Executive shall be eligible to receive an annual bonus of up to 30% of his Base Salary based on the Company's and the Executive's attaining certain business goals established by the Board (or designated committee thereof) (the "Bonus"). Provided that the Commencement Date occurs during the first half of a calendar year, the annual goals for the calendar year in which the Commencement Date occurs shall be determined and communicated in writing to the Executive no later than ninety (90) days after the Commencement Date. The annual goals for each subsequent year during the Term shall be determined and communicated in writing to the Executive no later than ninety (90) days after the first day of the year. In addition,

the Executive may be entitled to receive such additional bonus amounts as the Board (or designated committee thereof) shall determine in its discretion. In determining such additional amounts, if any, the Board (or designated committee thereof) shall consider among other things the Executive's contribution to the accomplishment of the Company's long-range business goals, the success of various corporate strategies in which the Executive participated, and the Executive's unique services in connection with the maintenance of or increase in stockholder value in the Company. Any bonus shall be paid as promptly as practicable following the end of the fiscal year, but not later than the March 15th immediately following the end of such fiscal year.

3.3 Stock Options and Related Incentive Plans. During each calendar year of the Term, the Company shall grant the Executive an award consisting of restricted stock and/or stock options (both with reference to Company common stock) with an aggregate fair market value on the date of grant equal to $65,000 (as reasonably determined by the Company) and such award shall be granted under the Company's equity incentive plan existing at the time of any such grant. The Company may grant the Executive additional stock awards for shares of the Company's common stock in such amounts and terms (including performance-based terms) as the Board (or designated committee therefore) deems appropriate, with the aggregate value of such grants expected not to exceed $260,000 for the first year. In addition to the foregoing, the Executive shall be eligible to participate in the Company's existing incentive programs and any additional or successor incentive plan or plans. Any grants made to the Executive pursuant to such plans shall provide for an expiration date consistent with the provisions of such plans; *provided, however*, that in no event shall any option remain exercisable beyond its stated expiration date.

3.4 Withholding. The Company shall have the right to deduct or withhold from any payments made pursuant to this Agreement any and all amounts it is required to deduct or withhold and any and all amounts the Executive agrees it may deduct or withhold (e.g., for federal income and employee social security taxes and all state or local income taxes now applicable or that may be enacted and become applicable during the Term).

ARTICLE 4
EMPLOYEE BENEFITS; BUSINESS EXPENSES

4.1 Employee Benefits.

(a) *Benefits.* The Company agrees that the Executive shall be entitled to all ordinary and customary perquisites afforded generally to executive officers of the Company from time to time (except to the extent employee contributions may be required under the Company's benefit plans as they may now or hereafter exist), but in any event shall include any qualified or nonqualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, life insurance coverages, any medical, dental, health and welfare plans or insurance coverages and any stock purchase programs that are approved in writing by the Board, in its sole discretion.

(b) *Vacation*. The Executive shall be entitled to the number of paid vacation days in each calendar year determined by the Board from time to time for its senior executive

officers (prorated in any calendar year during which the Executive is employed by the Company for less than the entire calendar year in accordance with the number of days in such calendar year during which he is so employed). The Executive shall also be entitled to all paid holidays given by the Company to its senior executive officers.

4.2 Business Expenses.

(a) *Expenses.* The Company shall pay or reimburse the Executive for all reasonable and authorized business expenses incurred by the Executive during the Term; such payment or reimbursement shall not be unreasonably withheld so long as said business expenses have been incurred for and promote the business of the Company and are normally and customarily incurred by employees in comparable positions at other comparable businesses in the same or similar market. Notwithstanding the foregoing, the Company shall not pay or reimburse the Executive for the costs of any membership fees or dues for private clubs, civic organizations, and similar organizations or entities, unless such organizations and the fees and costs associated therewith have first been approved in writing by the Board, in its sole discretion.

(b) *Travel Costs*. Subject to the provisions of Section 4.2, the Company shall reimburse the Executive for expenses incurred with business-related travel. The Executive shall be reimbursed for first class travel expenses for business-related flights.

(c) *Records*. As a condition to reimbursement under Section 4.2, the Executive shall furnish to the Company adequate records and other documentary evidence required by federal and state statutes and regulations for the substantiation of each expenditure. The Executive acknowledges and agrees that failure to furnish the required documentation may result in the Company denying all or part of the expense for which reimbursement is sought.

(d) *Time Requirements*. Executive understands that no reimbursements will be provided under this Section 4.2, unless Executive submits a request for reimbursement in accordance with this Section 4.2 within 6 months after incurring the expense and that any reimbursable expense will be reimbursed not later than six months after submission.

ARTICLE 5
CHANGE OF CONTROL

5.1 Payments Upon Change of Control.

(a) *Change of Control Payment.* Notwithstanding Article 1, in the event of a Change of Control (as defined in Section 5.3) of the Company during the Term while the Executive remains employed by the Company, the Company shall pay to the Executive, concurrently with the consummation of such Change of Control, a lump sum amount, in cash, equal to two (2) times the sum of (A) the Executive's annual Base Salary (determined as the Executive's latest annual Base Salary during the Term prior to the Change of Control) and (B) the Bonus (determined as one hundred percent (100%) of the Executive's eligible bonus during the Term prior to the Change of Control) (the "Change of Control Payment"). The date on which the Executive becomes entitled to receive the Change of Control Payment under this Section 5.1(a) shall be referred to herein as the "Change of Control Payment Date."

(b) *Effect of Termination of Employment.*

(i) If the Executive's employment with the Company is terminated pursuant to Section 6.2 prior to the Change of Control Payment Date, then notwithstanding anything in Section 5.1(a), the Executive shall be entitled to receive all amounts due pursuant to Section 6.2 and he shall not be entitled to receive any payments under Section 5.1(a).

(ii) If the Executive's employment with the Company is terminated pursuant to Section 6.2 on the Change of Control Payment Date or within ninety (90) days thereafter, then notwithstanding anything set forth in Section 6.2, the Company shall not be required to make any payments to the Executive pursuant to Section 6.2 and the Executive shall be entitled to receive the amounts due pursuant to Section 5.1(a). For the avoidance of doubt, the Executive shall only be entitled to one Change of Control Payment under Section 5.1. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

5.2 Acceleration of Equity Awards Upon Change of Control. If the Executive becomes entitled to the Change of Control Payment, then on the Change of Control Payment Date, the Company shall vest all of the Executive's unvested stock options and other equity awards (if any) outstanding on the Change of Control Payment Date, regardless of when such options or equity awards were granted.

5.3 Definition of Change of Control. For purposes of this Agreement "Change of Control" means the occurrence of any of the following:

(a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation, but not including any underwritten public offering registered under the Securities Act of 1933 ("Public Offering") or any offering of securities under Rule 144A promulgated under the Securities Act of 1933 ("Rule 144A Offering")) in one or a series of related transactions of all or substantially all of the assets of the Company taken as a whole to any individual, corporation, limited liability company, partnership, or other entity (each, a "Person") or group of Persons acting together (each a "Group") (other than any of the Company's wholly-owned subsidiaries or any Company employee pension or benefits plan);

(b) the consummation of any transactions (including any stock or asset purchase, sale, acquisition, disposition, merger, consolidation or reorganization, but not including any Public Offering or Rule 144A Offering) the result of which is that any Person or Group (other than any of the Company's wholly-owned Subsidiaries, any underwriter temporarily holding securities pursuant to a Public Offering or any Company employee pension or benefits plan), becomes the beneficial owners of more than forty percent (40%) of the

aggregate voting power of all classes of stock of the Company having the right to elect directors under ordinary circumstances.

ARTICLE 6
TERMINATION OF EMPLOYMENT

6.1 Termination by the Company for Cause.

(a) The Company may, during the Term, upon written notice to the Executive, terminate the Executive's employment under this Agreement and discharge the Executive for Cause (as defined in Section 6.1(b)) and, in such event, except as set forth in Section 6.1, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4.

(b) As used herein, the term "Cause" shall refer to the termination of the Executive's employment as a result of any one or more of the following: (i) any conviction of, or pleading of nolo contendre by, the Executive for any felony; (ii) any willful misconduct of the Executive which has a materially injurious effect on the business or reputation of the Company; (iii) the dishonesty of the Executive which has a materially injurious effect on the business or reputation of the Company; or (iv) a material failure to consistently discharge his duties under this Agreement other than such failure resulting from his Disability (as defined in Section 6.3(b)). For purposes of Section 6.1, no act or failure to act, on the part of the Executive, shall be considered "willful" if it is done, or omitted to be done, by the Executive in good faith or with reasonable belief that his action or omission was in the best interest of the Company. The Executive shall have the opportunity to cure any such acts or omissions under clause (iv) above within thirty (30) days of the Executive's receipt of a copy of a resolution, duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of acts or omissions constituting "Cause" and specifying the particulars thereof in detail.

6.2 Termination by the Company Without Cause or by the Executive for Good Reason.

(a) The Board acting for the Company shall have the right, at any time in its sole discretion, to terminate the Executive's employment under this Agreement at any time for any reason other than Cause, or no reason at all (any such termination, a termination "Without Cause"), upon not less than thirty (30) days prior written notice to the Executive, and the Executive may, by written notice to the Board, terminate his employment under this Agreement (and he hereby has such right) by reason of any act, decision or omission by the Company or the Board that: (i) materially diminishes the Executive's Base Salary; (ii) materially diminishes the Executive's authority, duties, or responsibilities (other than such changes that typically occur in connection with a company becoming a publicly-traded company); (iii) relocates the Executive without his consent from the Company's offices located at 345 Inverness Drive South, Building

C, Suite 310, Englewood, Colorado to any other location in excess of fifty (50) miles beyond the geographic limits of Englewood, Colorado that increases the Executive's one-way commute to work by at least 50 miles based on the Executive's primary residence immediately prior to the time such relocation is announced; or (iv) constitutes a material breach of this Agreement (each a "Good Reason"). The Executive must give the Company written notice of the condition that gives rise to the Good Reason within ninety (90) days of the occurrence of the condition, in which event the Company shall have thirty (30) days to remedy the condition, and after which the Executive may resign for Good Reason within ninety (90) days after the Company fails to reasonably remedy the condition.

(b) In the event the Company or the Executive shall exercise the termination right granted pursuant to Section 6.2(a), then except as set forth below, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay to the Executive (i) an amount equal to twelve (12) months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination) plus one time the Bonus (determined as one hundred percent (100%) of the Executive's eligible bonus during the Term prior to such termination), and (ii) any amount due and owing as of the Termination Date pursuant to Section 3.1, Section 3.2 (including a Bonus for the year in which the termination occurs prorated to the date of termination based on the Executive's average bonus received for the immediately preceding three years) and Article 4. Such amounts shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that the payments pursuant to clause (i) above are contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

6.3 Termination of Employment Upon Death Or Disability.

(a) *Death.* The Executive's employment hereunder shall terminate automatically upon his death during the Term. Upon such termination, the Company neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay the Executive's estate any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and the Company shall pay to such person as the Executive shall have designated in a notice filed with the Company, or, if no such person shall be designated, to his estate as a death benefit, a lump sum amount, in cash, equal to the Executive's Base Salary at the rate in effect on the date of the Executive's death. This amount shall be exclusive of and in addition to any payments the Executive's surviving spouse, beneficiaries or estate may be entitled to receive pursuant to any pension or employee benefit plan or life insurance policy maintained by the Company. Any equity awards held by the

Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

(b) *Disability.* If the Company determines in good faith that the Disability of the Executive has occurred during the Term, subject to applicable laws, it may give written notice to the Executive of its intention to terminate his employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of his duties. During any period that the Executive fails to perform his duties hereunder as a result of the Disability, the Executive shall continue to receive his full Base Salary and incentive compensation until the Executive's employment is terminated pursuant to this Section 6.3(b). Upon any such termination neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and, after termination an amount equal to 12 months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination). Such 12 months of Base Salary shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that this payment is contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. For purposes of this Agreement, "Disability" shall mean the inability of the Executive to perform his duties to the Company on account of physical or mental illness or incapacity for a period of 120 consecutive calendar days, or for a period of 180 calendar days, whether or not consecutive, during any 365 day period. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.4 Termination by the Executive Without Good Reason. Anything in this Agreement to the contrary notwithstanding, during the Term the Executive shall have the right, in his sole discretion, to terminate his employment under this Agreement without Good Reason upon not less than thirty (30) days prior written notice to the Company and, in such event, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.5 Acceleration of Equity Awards. If the Company shall terminate the Executive's employment other than pursuant to Sections 6.1 or if the Executive shall terminate his employment for Good Reason pursuant to Section 6.2, then, in addition to any payment the Executive is entitled to under Article 6, the Company shall vest, effective as of immediately prior to the applicable Termination Date, all of the Executive's unvested stock options and other equity awards (if any) outstanding as of immediately prior to the applicable Termination Date, regardless of when such options of equity awards were granted.

6.6 Date of Termination. For purposes of this Agreement “Termination Date” shall mean the date the Executive’s employment terminates.

ARTICLE 7
COOPERATION

7.1 Certain Events. In the event that Executive receives payment pursuant to this Agreement and the Company (or its successor) is later required to restate its financial statements due in whole or in part to the fraud or misconduct of Executive, then Executive shall promptly repay to the Company (or its successor) any such amounts Executive received that were based in whole or part on the financial statements that were required to be restated and Executive shall not be entitled to any further payments that are based in whole or part on the financial statements that were required to be restated. In addition, Executive’s bonuses and other incentive-based compensation and profits on stock sales shall be subject to potential disgorgement pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

ARTICLE 8
RESTRICTIVE COVENANTS

8.1 Confidential Information. The Executive has entered into and agrees to be bound by the terms and conditions of the Company’s Employee Proprietary Information and Inventions Agreement, dated November 29, 2007 (the “Confidentiality Agreement”). The Executive agrees to execute such other documents (including, but not limited to, new versions of the Confidentiality Agreement) as may be necessary in order to protect the Company’s confidential and proprietary information. Expiration of this Agreement shall not have any effect on the Confidentiality Agreement, which shall at all times remain separately and independently enforceable, subject to the terms of this Article 8.

8.2 Covenant Not to Solicit. During the Term and through the one (1) year anniversary of the Termination Date, the Executive will not, directly or indirectly, without the express written consent of the Board, solicit (a) clients, customers or accounts of the Company for, on behalf of or otherwise related to any Competitive Business; (b) or hire any person who is or shall be in the employ or service of the Company to leave such employ or service for employment with or service to the Executive, an affiliate of the Executive or any third party; or (c) or hire any person who was within six (6) months of such solicitation in the employ or service of the Company to become employed by or provide services to the Executive, an affiliate of the Executive or any third party.

8.3 Specific Performance. Recognizing that irreparable damage will result to the Company in the event of the breach or threatened breach of any of the foregoing covenants and assurances by the Executive contained in Sections 8.1 and 8.2, and that the Company’s remedies at law for any such breach or threatened breach may be inadequate, the Company and its successors and assigns, in addition to such other remedies which may be available to them, shall, upon making a sufficient showing under applicable law, be entitled to an injunction to be issued by any court of competent jurisdiction ordering compliance with this Agreement or enjoining and restraining the Executive, and each and every person, firm or company acting in concert or participation with him, from the continuation of such breach. The obligations of the Executive

and rights of the Company pursuant to this Article 8 shall survive the termination of the Executive's employment under this Agreement. The covenants and obligations of the Executive set forth in this Article 8 are in addition to and not in lieu of or exclusive of any other obligations and duties the Executive owes to the Company, whether expressed or implied in fact or law. The Company shall pay and be solely responsible for any attorney's fees, expenses, costs and court or arbitration costs incurred by the Executive in any matter or dispute between the Executive and the Company which pertains to this Article 8 if the Executive prevails in the contest in whole or in part.

ARTICLE 9
GENERAL PROVISIONS

9.1 Final Agreement. This Agreement is intended to be the final, complete and exclusive agreement between the parties relating to the employment of the Executive by the Company and, effective as of the Commencement Date, supersedes all prior or contemporaneous understandings, employment agreements, representations and statements, both oral or written, relating to the subject matter hereof, including the Prior Employment Agreement. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

9.2 No Waiver. No waiver, by conduct or otherwise, by any party of any term, provision, or condition of this Agreement, shall be deemed or construed as a further or continuing waiver of any such term, provision, or condition nor as a waiver of a similar or dissimilar condition or provision at the same time or at any prior or subsequent time.

9.3 Rights Cumulative. The rights under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by any party to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any party preclude any other or future exercise thereof or the exercise of any other right.

9.4 Notice. Except as otherwise provided in this Agreement, any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon any person in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by fax or cable, or sent prepaid by either registered or certified mail with return receipt requested or national overnight delivery service and shall be deemed given (i) if personally served or by national overnight delivery service, when delivered to the person to whom such notice is addressed, (ii) if given by fax or cable, when sent, or (iii) if given by mail, two (2) business days following deposit in the United States mail. Any notice given by fax or cable shall be confirmed in writing, by overnight mail or national overnight delivery service within forty-eight (48) hours after being sent. Such notices shall be addressed to the party to whom such notice is to be given at the party's address set forth below or as such party shall otherwise direct.

If to the Company:

Gevo, Inc.
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112
Attn: General Counsel

If to the Executive:

Brett Lund
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112

9.5 Assignments. This Agreement is binding upon the parties hereto and their respective successors, assigns, heirs and personal representatives. Except as otherwise provided herein, neither of the parties hereto may make any assignment of this Agreement, or any interest herein, without the prior written consent of the other party, except that, without such consent, this Agreement shall be assigned to any corporation or entity which shall succeed to the business presently being operated by Company, by operation of law or otherwise, including by dissolution, merger, consolidation, transfer of assets, or otherwise.

9.6 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, without giving effect to the principles of conflict of laws thereof.

9.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. The parties agree that facsimile copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

9.8 Severability. The provisions of this Agreement are agreed to be severable, and if any provision, or application thereof, is held invalid or unenforceable, then such holding shall not affect any other provision or application.

9.9 Construction. As used herein, and as the circumstances require, the plural term shall include the singular, the singular shall include the plural, the neuter term shall include the masculine and feminine genders, and the feminine term shall include the neuter and the masculine genders.

9.10 Arbitration. Except as otherwise provided in Section 8.4 hereof, any controversy or claim arising out of, or related to, this Agreement, or the breach thereof, shall be settled by binding arbitration in Denver, Colorado, in accordance with the employment arbitration rules then in effect of the American Arbitration Association including the right to discovery, and the arbitrator’s decision shall be binding and final, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party hereto shall pay its or their own

expenses incident to the negotiation, preparation and resolution of any controversy or claim arising out of, or related to, this Agreement, or the breach thereof; *provided*, *however*, the Company shall pay and be solely responsible for any attorneys' fees and expenses and court or arbitration costs incurred by the Executive as a result of a claim brought by either the Executive or the Company alleging that the other party breached or otherwise failed to perform this Agreement or any provision hereof to be performed by the other party if the Executive prevails in the contest in whole or in part.

9.11 Code Section 409A Compliance. Each payment under this Agreement shall be considered a separate payment for purposes of Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Internal Revenue Code Section 409A ("Section 409A") and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" (within the meaning of Section 409A) on the date of the Executive's separation from service, then any payments or benefits that otherwise would be payable under this Agreement within the first six months following the Executive's separation from service (the "409A Suspension Period"), shall instead be paid in a lump sum within fourteen (14) days after the end of the sixth month period following the Executive's separation from service, or Executive's death, if sooner, but only to the extent that such payments or benefits provide for the "deferral of compensation" within the meaning of Section 409A, after application of the exemptions provided in Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(ii)-(v) thereof. After the 409A Suspension Period, the Executive will receive any remaining payments and benefits due pursuant to this Agreement in accordance with its terms (as if there had not been any suspension beforehand). To the extent that severance payments or benefits under this Agreement are conditioned on the execution of a release by Executive, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered to the Company within the time required by this Agreement. Whenever a payment under this Agreement specified a payment period with respect to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. The Company will cooperate with the Executive in making any amendments to this Agreement that the Executive reasonably requests to avoid the imposition of taxes or penalties under Section 409A of the Code provided that such changes do not provide the Executive with additional benefits (other than de minimus benefits) under this Agreement.

9.12 Survival. The covenants contained in Articles 5, 6, 9.1 – 9.5 and 9.10 – 9.13 shall survive any termination of the Executive's employment with the Company and any expiration or termination of this Agreement.

9.13 No Mitigation or Offset. The Executive shall not have any duty to seek other employment or to reduce any amounts or benefits payable to him under Section 1.1 or Article 6, and no such amounts or benefits shall be reduced, on account of any compensation received by the Executive from any other employment or source. The Company shall not have the right to offset any amount owed to it against payments due to the Executive under Section 1.1, Article 5 or Article 6 (other than as expressly provided therein).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

GEVO, INC.

By: /s/ Pat Gruber
Name: Pat Gruber
Title: Chief Executive Officer

EXECUTIVE

/s/ Brett Lund
Brett Lund

Exhibit 10.19

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of August 10, 2010, by and between Gevo, Inc., a Delaware corporation (the "Company"), and Jack Huttner (the "Executive"). This Agreement will become effective immediately on the date after completion by the Company of an initial public offering (such date, the "Commencement Date"); provided that if (a) the Company does not complete an initial public offering by June 4, 2011 or (b) the Executive does not remain continuously employed by the Company from the date hereof through date the Company completes an initial public offering, this Agreement shall be void *ab initio* (*e.g.*, it shall never take effect).

RECITALS

WHEREAS, the Executive is employed by the Company as its Executive Vice President Corporate Development and Public Affairs, pursuant to that certain Offer Letter, dated June 25, 2009 (the "Prior Employment Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") and the Executive desire to terminate and supersede the Prior Employment Agreement as of the Commencement Date pursuant to the terms hereof to assure the Company of the Executive's continued employment in an executive capacity and to compensate him therefor;

WHEREAS, the Board considers the establishment and maintenance of a sound management to be essential to protecting and enhancing the best interests of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to retain the Executive and to reinforce and encourage his continued attention and dedication to his assigned duties and the Company desires to retain the services of the Executive, and the Executive desires to be employed by the Company pursuant to the terms and conditions of this Agreement.

WHEREAS, the Company and the Executive both acknowledge that there is no assurance that the Company will complete an initial public offering prior to June 4, 2011 or at all at any time and that if it does not, the Commencement Date will not occur and this Agreement will not take effect.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with reference to the above recitals, the parties hereby agree as follows:

ARTICLE 1
TERM OF EMPLOYMENT

1.1 Term of Employment. The "Term" of employment shall mean the period commencing on the Commencement Date and ending on the date the Executive's employment terminates pursuant to Article 6.

ARTICLE 2
POSITION AND DUTIES; BOARD APPOINTMENT

2.1 Position and Duties. The Company shall employ the Executive as its Executive Vice President Corporate Development and Public Affairs. The Executive shall (a) perform the duties of Executive Vice President Corporate Development and Public Affairs as set forth from time to time by the Board provided that such duties are consistent with the Executive's present duties and with the Executive's position (any modification of Executive's duties that are required by virtue of the Company becoming publicly traded shall be deemed to be consistent with Executive's present duties and position); (b) be a full time employee devoting his attention and energies to the business of the Company; (c) use his best efforts to promote the interests of the Company; (d) perform such functions and services as shall lawfully be directed by the Chief Executive Officer or the Board; (e) act in accordance with the policies and directives of the Company; and (f) report directly to the Chief Executive Officer and the Board.

2.2 Restrictions. Except as provided in Section 8.2, the Executive covenants and agrees that, while actually employed by the Company, he shall not engage in any employment, business or activity that is in any way competitive with the business or proposed business of the Company, whether for compensation or otherwise, without the prior consent of the Chief Executive Officer. However, the Executive may, without the prior consent of the Chief Executive Officer, (a) participate in charitable, community or professional activities, provided that such activities do not materially interfere with the services required under this Agreement, and (b) make passive personal investments or conduct personal business, financial or legal affairs or other personal matters if those activities do not materially interfere with the services required under this Agreement.

ARTICLE 3
COMPENSATION

3.1 Base Salary. As compensation for the services to be rendered by the Executive pursuant to this Agreement, the Company hereby agrees to pay the Executive an annual base salary (the "Base Salary") of Three Hundred Thousand Dollars (U.S. $300,000.00) (or such higher amount as the Company is paying the Executive as of the Commencement Date) during the Term of this Agreement, which amount shall be reviewed by the Board (or designated committee thereof) at least annually and may be increased (but not reduced) by the Board (or designated committee thereof) in such amounts as the Board (or designated committee thereof) deems appropriate. The Base Salary shall be paid in accordance with the normal payroll practices of the Company.

3.2 Bonus. The Executive shall be eligible to receive an annual bonus of up to 30% of his Base Salary based on the Company's and the Executive's attaining certain business goals established by the Board (or designated committee thereof) (the "Bonus"). Provided that the Commencement Date occurs during the first half of a calendar year, the annual goals for the calendar year in which the Commencement Date occurs shall be determined and communicated in writing to the Executive no later than ninety (90) days after the Commencement Date. The annual goals for each subsequent year during the Term shall be determined and communicated in writing to the Executive no later than ninety (90) days after the first day of the year. In addition,

the Executive may be entitled to receive such additional bonus amounts as the Board (or designated committee thereof) shall determine in its discretion. In determining such additional amounts, if any, the Board (or designated committee thereof) shall consider among other things the Executive's contribution to the accomplishment of the Company's long-range business goals, the success of various corporate strategies in which the Executive participated, and the Executive's unique services in connection with the maintenance of or increase in stockholder value in the Company. Any bonus shall be paid as promptly as practicable following the end of the fiscal year, but not later than the March 15th immediately following the end of such fiscal year.

3.3 Stock Options and Related Incentive Plans. During each calendar year of the Term, the Company shall grant the Executive an award consisting of restricted stock and/or stock options (both with reference to Company common stock) with an aggregate fair market value on the date of grant equal to $65,000 (as reasonably determined by the Company) and such award shall be granted under the Company's equity incentive plan existing at the time of any such grant. The Company may grant the Executive additional stock awards for shares of the Company's common stock in such amounts and terms (including performance-based terms) as the Board (or designated committee therefore) deems appropriate, with the aggregate value of such grants expected not to exceed $260,000 for the first year. In addition to the foregoing, the Executive shall be eligible to participate in the Company's existing incentive programs and any additional or successor incentive plan or plans. Any grants made to the Executive pursuant to such plans shall provide for an expiration date consistent with the provisions of such plans; *provided, however*, that in no event shall any option remain exercisable beyond its stated expiration date.

3.4 Withholding. The Company shall have the right to deduct or withhold from any payments made pursuant to this Agreement any and all amounts it is required to deduct or withhold and any and all amounts the Executive agrees it may deduct or withhold (e.g., for federal income and employee social security taxes and all state or local income taxes now applicable or that may be enacted and become applicable during the Term).

ARTICLE 4
EMPLOYEE BENEFITS; BUSINESS EXPENSES

4.1 Employee Benefits.

(a) *Benefits.* The Company agrees that the Executive shall be entitled to all ordinary and customary perquisites afforded generally to executive officers of the Company from time to time (except to the extent employee contributions may be required under the Company's benefit plans as they may now or hereafter exist), but in any event shall include any qualified or nonqualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, life insurance coverages, any medical, dental, health and welfare plans or insurance coverages and any stock purchase programs that are approved in writing by the Board, in its sole discretion.

(b) *Vacation*. The Executive shall be entitled to the number of paid vacation days in each calendar year determined by the Board from time to time for its senior executive

officers (prorated in any calendar year during which the Executive is employed by the Company for less than the entire calendar year in accordance with the number of days in such calendar year during which he is so employed). The Executive shall also be entitled to all paid holidays given by the Company to its senior executive officers.

4.2 Business Expenses.

(a) *Expenses.* The Company shall pay or reimburse the Executive for all reasonable and authorized business expenses incurred by the Executive during the Term; such payment or reimbursement shall not be unreasonably withheld so long as said business expenses have been incurred for and promote the business of the Company and are normally and customarily incurred by employees in comparable positions at other comparable businesses in the same or similar market. Notwithstanding the foregoing, the Company shall not pay or reimburse the Executive for the costs of any membership fees or dues for private clubs, civic organizations, and similar organizations or entities, unless such organizations and the fees and costs associated therewith have first been approved in writing by the Board, in its sole discretion.

(b) *Travel Costs*. Subject to the provisions of Section 4.2, the Company shall reimburse the Executive for expenses incurred with business-related travel. The Executive shall be reimbursed for first class travel expenses for business-related flights.

(c) *Records.* As a condition to reimbursement under Section 4.2, the Executive shall furnish to the Company adequate records and other documentary evidence required by federal and state statutes and regulations for the substantiation of each expenditure. The Executive acknowledges and agrees that failure to furnish the required documentation may result in the Company denying all or part of the expense for which reimbursement is sought.

(d) *Time Requirements.* Executive understands that no reimbursements will be provided under this Section 4.2, unless Executive submits a request for reimbursement in accordance with this Section 4.2 within 6 months after incurring the expense and that any reimbursable expense will be reimbursed not later than six months after submission.

ARTICLE 5
CHANGE OF CONTROL

5.1 Payments Upon Change of Control.

(a) *Change of Control Payment.* Notwithstanding Article 1, in the event of a Change of Control (as defined in Section 5.3) of the Company during the Term while the Executive remains employed by the Company, the Company shall pay to the Executive, concurrently with the consummation of such Change of Control, a lump sum amount, in cash, equal to two (2) times the sum of (A) the Executive’s annual Base Salary (determined as the Executive’s latest annual Base Salary during the Term prior to the Change of Control) and (B) the Bonus (determined as one hundred percent (100%) of the Executive’s eligible bonus during the Term prior to the Change of Control) (the “Change of Control Payment”). The date on which the Executive becomes entitled to receive the Change of Control Payment under this Section 5.1(a) shall be referred to herein as the “Change of Control Payment Date.”

(b) *Effect of Termination of Employment.*

(i) If the Executive's employment with the Company is terminated pursuant to Section 6.2 prior to the Change of Control Payment Date, then notwithstanding anything in Section 5.1(a), the Executive shall be entitled to receive all amounts due pursuant to Section 6.2 and he shall not be entitled to receive any payments under Section 5.1(a).

(ii) If the Executive's employment with the Company is terminated pursuant to Section 6.2 on the Change of Control Payment Date or within ninety (90) days thereafter, then notwithstanding anything set forth in Section 6.2, the Company shall not be required to make any payments to the Executive pursuant to Section 6.2 and the Executive shall be entitled to receive the amounts due pursuant to Section 5.1(a). For the avoidance of doubt, the Executive shall only be entitled to one Change of Control Payment under Section 5.1. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

5.2 Acceleration of Equity Awards Upon Change of Control. If the Executive becomes entitled to the Change of Control Payment, then on the Change of Control Payment Date, the Company shall vest all of the Executive's unvested stock options and other equity awards (if any) outstanding on the Change of Control Payment Date, regardless of when such options or equity awards were granted.

5.3 Definition of Change of Control. For purposes of this Agreement "Change of Control" means the occurrence of any of the following:

(a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation, but not including any underwritten public offering registered under the Securities Act of 1933 ("Public Offering") or any offering of securities under Rule 144A promulgated under the Securities Act of 1933 ("Rule 144A Offering")) in one or a series of related transactions of all or substantially all of the assets of the Company taken as a whole to any individual, corporation, limited liability company, partnership, or other entity (each, a "Person") or group of Persons acting together (each a "Group") (other than any of the Company's wholly-owned subsidiaries or any Company employee pension or benefits plan);

(b) the consummation of any transactions (including any stock or asset purchase, sale, acquisition, disposition, merger, consolidation or reorganization, but not including any Public Offering or Rule 144A Offering) the result of which is that any Person or Group (other than any of the Company's wholly-owned Subsidiaries, any underwriter temporarily holding securities pursuant to a Public Offering or any Company employee pension or benefits plan), becomes the beneficial owners of more than forty percent (40%) of the

aggregate voting power of all classes of stock of the Company having the right to elect directors under ordinary circumstances.

ARTICLE 6
TERMINATION OF EMPLOYMENT

6.1 Termination by the Company for Cause.

(a) The Company may, during the Term, upon written notice to the Executive, terminate the Executive's employment under this Agreement and discharge the Executive for Cause (as defined in Section 6.1(b)) and, in such event, except as set forth in Section 6.1, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4.

(b) As used herein, the term "Cause" shall refer to the termination of the Executive's employment as a result of any one or more of the following: (i) any conviction of, or pleading of nolo contendre by, the Executive for any felony; (ii) any willful misconduct of the Executive which has a materially injurious effect on the business or reputation of the Company; (iii) the dishonesty of the Executive which has a materially injurious effect on the business or reputation of the Company; or (iv) a material failure to consistently discharge his duties under this Agreement other than such failure resulting from his Disability (as defined in Section 6.3(b)). For purposes of Section 6.1, no act or failure to act, on the part of the Executive, shall be considered "willful" if it is done, or omitted to be done, by the Executive in good faith or with reasonable belief that his action or omission was in the best interest of the Company. The Executive shall have the opportunity to cure any such acts or omissions under clause (iv) above within thirty (30) days of the Executive's receipt of a copy of a resolution, duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of acts or omissions constituting "Cause" and specifying the particulars thereof in detail.

6.2 Termination by the Company Without Cause or by the Executive for Good Reason.

(a) The Board acting for the Company shall have the right, at any time in its sole discretion, to terminate the Executive's employment under this Agreement at any time for any reason other than Cause, or no reason at all (any such termination, a termination "Without Cause"), upon not less than thirty (30) days prior written notice to the Executive, and the Executive may, by written notice to the Board, terminate his employment under this Agreement (and he hereby has such right) by reason of any act, decision or omission by the Company or the Board that: (i) materially diminishes the Executive's Base Salary; (ii) materially diminishes the Executive's authority, duties, or responsibilities (other than such changes that typically occur in connection with a company becoming a publicly-traded company); (iii) relocates the Executive without his consent from the Company's offices located at 345 Inverness Drive South, Building

C, Suite 310, Englewood, Colorado to any other location in excess of fifty (50) miles beyond the geographic limits of Englewood, Colorado that increases the Executive's one-way commute to work by at least 50 miles based on the Executive's primary residence immediately prior to the time such relocation is announced; or (iv) constitutes a material breach of this Agreement (each a "Good Reason"). The Executive must give the Company written notice of the condition that gives rise to the Good Reason within ninety (90) days of the occurrence of the condition, in which event the Company shall have thirty (30) days to remedy the condition, and after which the Executive may resign for Good Reason within ninety (90) days after the Company fails to reasonably remedy the condition.

(b) In the event the Company or the Executive shall exercise the termination right granted pursuant to Section 6.2(a), then except as set forth below, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay to the Executive (i) an amount equal to twelve (12) months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination) plus one time the Bonus (determined as one hundred percent (100%) of the Executive's eligible bonus during the Term prior to such termination), and (ii) any amount due and owing as of the Termination Date pursuant to Section 3.1, Section 3.2 (including a Bonus for the year in which the termination occurs prorated to the date of termination based on the Executive's average bonus received for the immediately preceding three years) and Article 4. Such amounts shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that the payments pursuant to clause (i) above are contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. In addition, the Company shall provide the Executive (and his family members) with 6 months of paid COBRA coverage for any Company sponsored group health plan (excluding any flexible spending account) in which the Executive is enrolled at the time of Executive's termination of employment (provided, however, that if doing so would result in adverse tax consequences (e.g., under Internal Revenue Code Section 105(h)), the Company shall instead pay executive an amount equal to one month of COBRA continuation premiums with respect to each such group health plan on the first day of each of the first 6 months following Executive's termination of employment).

6.3 Termination of Employment Upon Death Or Disability.

(a) *Death.* The Executive's employment hereunder shall terminate automatically upon his death during the Term. Upon such termination, the Company neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided*, *however*, that the Company shall pay the Executive's estate any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and the Company shall pay to such person as the Executive shall have designated in a notice filed with the Company, or, if no such person shall be designated, to his estate as a death benefit, a lump sum amount, in cash, equal to the Executive's Base Salary at the rate in effect on the date of the Executive's death. This amount shall be exclusive of and in addition to any payments the Executive's surviving spouse, beneficiaries or estate may be entitled to receive pursuant to any pension or employee benefit plan or life insurance policy maintained by the Company. Any equity awards held by the

Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

(b) *Disability.* If the Company determines in good faith that the Disability of the Executive has occurred during the Term, subject to applicable laws, it may give written notice to the Executive of its intention to terminate his employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of his duties. During any period that the Executive fails to perform his duties hereunder as a result of the Disability, the Executive shall continue to receive his full Base Salary and incentive compensation until the Executive's employment is terminated pursuant to this Section 6.3(b). Upon any such termination neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4 and, after termination an amount equal to 12 months of the Executive's Base Salary (determined as the Executive's last annual Base Salary during the Term prior to such termination). Such 12 months of Base Salary shall be paid in a single lump sum 75 days after Executive terminates employment, provided, however, that this payment is contingent on the Executive having executed a release in favor of the Company within 60 days following Executive's termination of employment and not thereafter revoking such release. For purposes of this Agreement, "Disability" shall mean the inability of the Executive to perform his duties to the Company on account of physical or mental illness or incapacity for a period of 120 consecutive calendar days, or for a period of 180 calendar days, whether or not consecutive, during any 365 day period. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.4 Termination by the Executive Without Good Reason. Anything in this Agreement to the contrary notwithstanding, during the Term the Executive shall have the right, in his sole discretion, to terminate his employment under this Agreement without Good Reason upon not less than thirty (30) days prior written notice to the Company and, in such event, neither party shall have any rights or obligations under Article 1, Article 2, Section 3.1, Section 3.2, or Article 4; *provided, however*, that the Company shall pay the Executive any amount due and owing as of the Termination Date pursuant to Section 3.1 and Section 3.2 (excluding a Bonus for the year in which the termination occurs) and Article 4. Any equity awards held by the Executive shall be governed by the terms and conditions of the relevant plan and grant documents.

6.5 Acceleration of Equity Awards. If the Company shall terminate the Executive's employment other than pursuant to Sections 6.1 or if the Executive shall terminate his employment for Good Reason pursuant to Section 6.2, then, in addition to any payment the Executive is entitled to under Article 6, the Company shall vest, effective as of immediately prior to the applicable Termination Date, all of the Executive's unvested stock options and other equity awards (if any) outstanding as of immediately prior to the applicable Termination Date, regardless of when such options of equity awards were granted.

6.6 Date of Termination. For purposes of this Agreement "Termination Date" shall mean the date the Executive's employment terminates.

ARTICLE 7
COOPERATION

7.1 Certain Events. In the event that Executive receives payment pursuant to this Agreement and the Company (or its successor) is later required to restate its financial statements due in whole or in part to the fraud or misconduct of Executive, then Executive shall promptly repay to the Company (or its successor) any such amounts Executive received that were based in whole or part on the financial statements that were required to be restated and Executive shall not be entitled to any further payments that are based in whole or part on the financial statements that were required to be restated. In addition, Executive's bonuses and other incentive-based compensation and profits on stock sales shall be subject to potential disgorgement pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

ARTICLE 8
RESTRICTIVE COVENANTS

8.1 Confidential Information. The Executive has entered into and agrees to be bound by the terms and conditions of the Company's Employee Proprietary Information and Inventions Agreement, dated September 3, 2009 (the "Confidentiality Agreement"). The Executive agrees to execute such other documents (including, but not limited to, new versions of the Confidentiality Agreement) as may be necessary in order to protect the Company's confidential and proprietary information. Expiration of this Agreement shall not have any effect on the Confidentiality Agreement, which shall at all times remain separately and independently enforceable, subject to the terms of this Article 8.

8.2 Covenant Not to Solicit. During the Term and through the one (1) year anniversary of the Termination Date, the Executive will not, directly or indirectly, without the express written consent of the Board, solicit (a) clients, customers or accounts of the Company for, on behalf of or otherwise related to any Competitive Business; (b) or hire any person who is or shall be in the employ or service of the Company to leave such employ or service for employment with or service to the Executive, an affiliate of the Executive or any third party; or (c) or hire any person who was within six (6) months of such solicitation in the employ or service of the Company to become employed by or provide services to the Executive, an affiliate of the Executive or any third party.

8.3 Specific Performance. Recognizing that irreparable damage will result to the Company in the event of the breach or threatened breach of any of the foregoing covenants and assurances by the Executive contained in Sections 8.1 and 8.2, and that the Company's remedies at law for any such breach or threatened breach may be inadequate, the Company and its successors and assigns, in addition to such other remedies which may be available to them, shall, upon making a sufficient showing under applicable law, be entitled to an injunction to be issued by any court of competent jurisdiction ordering compliance with this Agreement or enjoining and restraining the Executive, and each and every person, firm or company acting in concert or participation with him, from the continuation of such breach. The obligations of the Executive

and rights of the Company pursuant to this Article 8 shall survive the termination of the Executive's employment under this Agreement. The covenants and obligations of the Executive set forth in this Article 8 are in addition to and not in lieu of or exclusive of any other obligations and duties the Executive owes to the Company, whether expressed or implied in fact or law. The Company shall pay and be solely responsible for any attorney's fees, expenses, costs and court or arbitration costs incurred by the Executive in any matter or dispute between the Executive and the Company which pertains to this Article 8 if the Executive prevails in the contest in whole or in part.

ARTICLE 9
GENERAL PROVISIONS

9.1 Final Agreement. This Agreement is intended to be the final, complete and exclusive agreement between the parties relating to the employment of the Executive by the Company and, effective as of the Commencement Date, supersedes all prior or contemporaneous understandings, employment agreements, representations and statements, both oral or written, relating to the subject matter hereof, including the Prior Employment Agreement. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

9.2 No Waiver. No waiver, by conduct or otherwise, by any party of any term, provision, or condition of this Agreement, shall be deemed or construed as a further or continuing waiver of any such term, provision, or condition nor as a waiver of a similar or dissimilar condition or provision at the same time or at any prior or subsequent time.

9.3 Rights Cumulative. The rights under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by any party to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any party preclude any other or future exercise thereof or the exercise of any other right.

9.4 Notice. Except as otherwise provided in this Agreement, any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon any person in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by fax or cable, or sent prepaid by either registered or certified mail with return receipt requested or national overnight delivery service and shall be deemed given (i) if personally served or by national overnight delivery service, when delivered to the person to whom such notice is addressed, (ii) if given by fax or cable, when sent, or (iii) if given by mail, two (2) business days following deposit in the United States mail. Any notice given by fax or cable shall be confirmed in writing, by overnight mail or national overnight delivery service within forty-eight (48) hours after being sent. Such notices shall be addressed to the party to whom such notice is to be given at the party's address set forth below or as such party shall otherwise direct.

If to the Company:

Gevo, Inc.
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112
Attn: General Counsel

If to the Executive:

Jack Huttner
345 Inverness Drive South
Bldg. C, Suite 310
Englewood, Colorado 80112

9.5 Assignments. This Agreement is binding upon the parties hereto and their respective successors, assigns, heirs and personal representatives. Except as otherwise provided herein, neither of the parties hereto may make any assignment of this Agreement, or any interest herein, without the prior written consent of the other party, except that, without such consent, this Agreement shall be assigned to any corporation or entity which shall succeed to the business presently being operated by Company, by operation of law or otherwise, including by dissolution, merger, consolidation, transfer of assets, or otherwise.

9.6 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, without giving effect to the principles of conflict of laws thereof.

9.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. The parties agree that facsimile copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

9.8 Severability. The provisions of this Agreement are agreed to be severable, and if any provision, or application thereof, is held invalid or unenforceable, then such holding shall not affect any other provision or application.

9.9 Construction. As used herein, and as the circumstances require, the plural term shall include the singular, the singular shall include the plural, the neuter term shall include the masculine and feminine genders, and the feminine term shall include the neuter and the masculine genders.

9.10 Arbitration. Except as otherwise provided in Section 8.4 hereof, any controversy or claim arising out of, or related to, this Agreement, or the breach thereof, shall be settled by binding arbitration in Denver, Colorado, in accordance with the employment arbitration rules then in effect of the American Arbitration Association including the right to discovery, and the arbitrator’s decision shall be binding and final, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party hereto shall pay its or their own

expenses incident to the negotiation, preparation and resolution of any controversy or claim arising out of, or related to, this Agreement, or the breach thereof; *provided*, *however*, the Company shall pay and be solely responsible for any attorneys' fees and expenses and court or arbitration costs incurred by the Executive as a result of a claim brought by either the Executive or the Company alleging that the other party breached or otherwise failed to perform this Agreement or any provision hereof to be performed by the other party if the Executive prevails in the contest in whole or in part.

9.11 Code Section 409A Compliance. Each payment under this Agreement shall be considered a separate payment for purposes of Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Internal Revenue Code Section 409A ("Section 409A") and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" (within the meaning of Section 409A) on the date of the Executive's separation from service, then any payments or benefits that otherwise would be payable under this Agreement within the first six months following the Executive's separation from service (the "409A Suspension Period"), shall instead be paid in a lump sum within fourteen (14) days after the end of the sixth month period following the Executive's separation from service, or Executive's death, if sooner, but only to the extent that such payments or benefits provide for the "deferral of compensation" within the meaning of Section 409A, after application of the exemptions provided in Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(ii)-(v) thereof. After the 409A Suspension Period, the Executive will receive any remaining payments and benefits due pursuant to this Agreement in accordance with its terms (as if there had not been any suspension beforehand). To the extent that severance payments or benefits under this Agreement are conditioned on the execution of a release by Executive, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered to the Company within the time required by this Agreement. Whenever a payment under this Agreement specified a payment period with respect to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. The Company will cooperate with the Executive in making any amendments to this Agreement that the Executive reasonably requests to avoid the imposition of taxes or penalties under Section 409A of the Code provided that such changes do not provide the Executive with additional benefits (other than de minimus benefits) under this Agreement.

9.12 Survival. The covenants contained in Articles 5, 6, 9.1 – 9.5 and 9.10 – 9.13 shall survive any termination of the Executive's employment with the Company and any expiration or termination of this Agreement.

9.13 No Mitigation or Offset. The Executive shall not have any duty to seek other employment or to reduce any amounts or benefits payable to him under Section 1.1 or Article 6, and no such amounts or benefits shall be reduced, on account of any compensation received by the Executive from any other employment or source. The Company shall not have the right to offset any amount owed to it against payments due to the Executive under Section 1.1, Article 5 or Article 6 (other than as expressly provided therein).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

GEVO, INC.

By: /s/ Patrick Gruber
Name: Patrick Gruber
Title: Chief Executive Officer

EXECUTIVE

/s/ Jack Huttner
Jack Huttner

Exhibit 10.20

gevo™

345 Inverness Drive South
Building C, Suite 310
Englewood, CO 80112

T 303-858-8358

gevo.com

June 7, 2010

Mr. Stacy Smith
345 Inverness Drive South
Building C, Suite 310
Englewood, CO 80112

Dear Stacy:

We are very excited that you have expressed an interest in joining the Board of Directors (the "Board") of Gevo, Inc. ("Gevo"). Gevo has experienced tremendous growth and is ready to move to the next phase in its development. As we have discussed, we believe that your participation, insight and business acumen will be extremely helpful as we execute on our commercialization strategy. We know that you will be an invaluable addition to our team and we want you to be part of the Gevo story.

You will serve as a member of our Board. We are confident that your appointment will be approved by the Board and hope that you will join us as soon as possible.

The Board generally meets once per quarter but may meet more frequently as needed. The Board values and places a great deal of importance on director attendance and participation in Board meetings. However, we understand that on occasion scheduling conflicts may prevent a director from attending a particular meeting.

For your services as a director you will receive an annual retainer of $50,000 per year. As you know, we are in the process of preparing to file for an initial public offering ("IPO"). After joining our Board and before our IPO, Gevo will grant to you a one-time option to purchase Gevo common stock at market value and for the number of shares equal to $125,000 divided by $10.07 per share (the Gevo common stock price on the date of grant) which equals 12,413 shares that are fully vested. The option grant will be issued to you upon signing this letter.

If and when Gevo completes an IPO, for each year that you serve on the Board you will receive an annual grant of restricted stock and stock options in equal proportions and valued in the aggregate at $125,000 on the date of grant. This annual grant will be subject to a three-year vesting schedule.

Gevo will enter into an indemnification agreement with you in the same form approved for Gevo's other directors. Gevo also maintains D&O insurance for your protection. Additional terms related to your directorship are attached hereto on Appendix A.

Please indicate that you accept this offer on the terms and conditions set forth herein by signing below. Feel free to call me if you have any questions or would like to discuss the terms of this offer.

We are excited by the prospects of you joining us and look forward to working with you.

Sincerely,

/s/ Patrick Gruber

Patrick Gruber
on behalf of the Board of Directors of Gevo, Inc.

Agreed and accepted:

/s/ Stacy Smith

Stacy Smith

Date: 6/8/10

Appendix A

You agree to use Confidential Information (as defined below) only in the performance of your duties for Gevo. You will not disclose Confidential Information, directly or indirectly, at any time during or after your engagement by Gevo except to persons authorized by Gevo to receive this information. You will not use Confidential Information, directly or indirectly, at any time during or after your engagement by Gevo, for your personal benefit, for the benefit of any other person or entity, or in any manner adverse to the interests of Gevo. You will take all action reasonably necessary to protect Confidential Information from being disclosed to anyone other than persons authorized by Gevo. When your engagement by Gevo terminates, you will immediately return or destroy all materials (including without limitation, written or printed documents, email and computer disks or tapes, whether machine or user readable, computer memory, and other information reduced to any recorded format or medium) containing, summarizing, abstracting or in any way relating to Confidential Information.

As used in this letter, the term “Confidential Information” means all of the trade secrets, know-how, ideas, business plans, pricing information, the identity of and any information concerning customers or suppliers, computer programs (whether in source code or object code), procedures, processes, strategies, methods, systems, designs, discoveries, inventions, production methods and sources, marketing and sales information, information received from others that Gevo is obligated to treat as confidential or proprietary, and any other technical, operating, financial and other business information that has commercial value, relating to Gevo, its business, potential business, operations or finances, or the business of Gevo’s affiliates or customers that you have previously or may in the future develop or of which you may acquire knowledge during your engagement with Gevo, or from your colleagues during your engagement with Gevo.

You agree that during the period beginning on the initial date of your appointment and ending one (1) year after termination of your engagement with Gevo for any reason, you will not directly or indirectly, whether as owner, sole proprietor, partner, shareholder, director, member, consultant, agent, founder, co-venture partner or otherwise, (i) do anything to divert or attempt to divert from Gevo any business of any kind, including, without limitation, solicit or interfere with any of Gevo’s customers, clients, members, business partners or suppliers, (ii) solicit, induce, recruit or encourage any person engaged by Gevo to terminate his or her engagement, or (iii) engage, invest or participate in any business that is similar to those which Gevo has created, has under development or are the subject of active planning from time to time during your engagement with Gevo; provided, however, that you may own, as a passive investor, publicly-traded securities of any corporation that competes with the business of Gevo so long as such securities do not, in the aggregate, constitute more than three percent (3%) of any class of outstanding securities of such corporations.

You agree that during your tenure on the Board, in the event a conflict of interest arises based upon your employment, engagement or participation with any other firm or entity, you will promptly disclose such conflict to the Board in writing. You represent that presently no such conflict of interest exists.

This letter may not be modified or amended except by a specific written agreement, signed by you and an authorized signatory of Gevo. This letter supersedes and replaces any prior representations, understandings or agreements, whether oral, written or implied between you and Gevo.

Exhibit 10.21

gevo™

345 Inverness Drive South
Building C, Suite 310
Englewood, CO 80112

T 303-858-8358

gevo.com

June 14, 2010

Mr. Bruce Smith
345 Inverness Drive South
Building C, Suite 310
Englewood, CO 80112

Dear Bruce:

We are very excited that you have expressed an interest in joining the Board of Directors (the “Board”) of Gevo, Inc. (“Gevo”). Gevo has experienced tremendous growth and is ready to move to the next phase in its development. As we have discussed, we believe that your participation, insight and business acumen will be extremely helpful as we execute on our commercialization strategy. We know that you will be an invaluable addition to our team and we want you to be part of the Gevo story.

You will serve as a member of our Board and as the Chairman of our Audit Committee. We are confident that your appointment will be approved by the Board and hope that you will join us as soon as possible.

The Board generally meets once per quarter but may meet more frequently as needed. The Board values and places a great deal of importance on director attendance and participation in Board meetings. However, we understand that on occasion scheduling conflicts may prevent a director from attending a particular meeting.

For your services as a director you will receive an annual retainer of $50,000 per year. For your services as the chair of our audit committee, you will receive an additional annual retainer of $10,000 per year. As you know, we are in the process of preparing to file for an initial public offering (“IPO”). After joining our Board and before our IPO, Gevo will grant to you a one-time option to purchase Gevo common stock at market value and for the number of shares equal to $125,000 divided by $10.07 per share (the Gevo common stock price on the date of grant) which equals 12,413 shares that are fully vested. The option grant will be issued to you upon signing this letter.

If and when Gevo completes an IPO, for each year that you serve on the Board you will receive an annual grant of restricted stock and stock options in equal proportions and valued in the aggregate at $125,000 on the date of grant. This annual grant will be subject to a three-year vesting schedule.

Gevo will enter into an indemnification agreement with you in the same form approved for Gevo’s other directors. Gevo also maintains D&O insurance for your protection. Additional terms related to your directorship are attached hereto on Appendix A.

Please indicate that you accept this offer on the terms and conditions set forth herein by signing below. Feel free to call me if you have any questions or would like to discuss the terms of this offer.

We are excited by the prospects of you joining us and look forward to working with you.

Sincerely,

/s/ Patrick Gruber
Patrick Gruber
on behalf of the Board of Directors of Gevo, Inc.

Agreed and accepted:

/s/ Bruce Smith
Bruce Smith

Date: June 24, 2010

Appendix A

You agree to use Confidential Information (as defined below) only in the performance of your duties for Gevo. You will not disclose Confidential Information, directly or indirectly, at any time during or after your engagement by Gevo except to persons authorized by Gevo to receive this information. You will not use Confidential Information, directly or indirectly, at any time during or after your engagement by Gevo, for your personal benefit, for the benefit of any other person or entity, or in any manner adverse to the interests of Gevo. You will take all action reasonably necessary to protect Confidential Information from being disclosed to anyone other than persons authorized by Gevo. When your engagement by Gevo terminates, you will immediately return or destroy all materials (including without limitation, written or printed documents, email and computer disks or tapes, whether machine or user readable, computer memory, and other information reduced to any recorded format or medium) containing, summarizing, abstracting or in any way relating to Confidential Information.

As used in this letter, the term “Confidential Information” means all of the trade secrets, know-how, ideas, business plans, pricing information, the identity of and any information concerning customers or suppliers, computer programs (whether in source code or object code), procedures, processes, strategies, methods, systems, designs, discoveries, inventions, production methods and sources, marketing and sales information, information received from others that Gevo is obligated to treat as confidential or proprietary, and any other technical, operating, financial and other business information that has commercial value, relating to Gevo, its business, potential business, operations or finances, or the business of Gevo’s affiliates or customers that you have previously or may in the future develop or of which you may acquire knowledge during your engagement with Gevo, or from your colleagues during your engagement with Gevo.

You agree that during the period beginning on the initial date of your appointment and ending one (1) year after termination of your engagement with Gevo for any reason, you will not directly or indirectly, whether as owner, sole proprietor, partner, shareholder, director, member, consultant, agent, founder, co-venture partner or otherwise, (i) do anything to divert or attempt to divert from Gevo any business related to its fermentation products and corresponding derivatives, including, without limitation, solicit or interfere with any of Gevo’s customers, clients, members, business partners or suppliers, (ii) solicit, induce, recruit or encourage any person engaged by Gevo to terminate his or her engagement, or (iii) engage, invest or participate in any business that is similar Gevo’s fermentation products and corresponding derivatives during your engagement with Gevo; provided, however, that you may own, as a passive investor, publicly-traded securities of any corporation that competes with Gevo’s fermentation products and corresponding derivatives so long as such securities do not, in the aggregate, constitute more than three percent (3%) of any class of outstanding securities of such corporations.

You agree that during your tenure on the Board, in the event a conflict of interest arises based upon your employment, engagement or participation with any other firm or entity, you will promptly disclose such conflict to the Board in writing. You represent that presently no such conflict of interest exists.

This letter may not be modified or amended except by a specific written agreement, signed by you and an authorized signatory of Gevo. This letter supersedes and replaces any prior representations, understandings or agreements, whether oral, written or implied between you and Gevo.

Exhibit 10.26

***** Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4)
and 203.406

Ethanol Purchase and Marketing Agreement

This Agreement is entered into as of this 1st day of April 2009, by and between Agri-Energy, LP and C&N Ethanol Marketing Corporation.

Seller:
Agri-Energy, LP
502 South Walnut Avenue
Luverne, MN 56156

Buyer:
C&N Ethanol Marketing Corporation ("C&N")
8011 34th Avenue South, Suite 147
Bloomington, MN 55425

WITNESSETH:

A. Agri-Energy, LP is a manufacturer of Ethanol and C&N intends to purchase the ethanol from Agri-Energy, LP for the purposes of reselling the ethanol on the open market and under the terms and conditions of this Agreement

B. In consideration of the mutual covenants contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

Product: Fuel grade ethanol

Quality: Meets ASTM – D4806 specifications for denatured fuel ethanol and as may be more fully described on Exhibit A. During the term of this agreement, Agri-Energy, LP agrees to collect samples for each shipment and retain them for a three-month period. Each product sample will be labeled to include the customer order number, production date and any other applicable information.

Term: This agreement will begin with the commencement of ethanol production at Agri-Energy, LP for an initial one-year period. The agreement will automatically renew for subsequent year terms unless either party terminates the agreement 60 days before the end of the term.

Termination: The agreement may be terminated if either party engages in an uncured breach. After receiving written notice, the breaching party will have 30 days to cure the breach. If the breaching party does not cure the breach in the required time, the agreement will terminate 30 days later.

Volume: C&N will market Agri-Energy, LP’s entire ethanol production from Agri-Energy, LP’s ethanol plant located in Luverne, Minnesota. The current production output is estimated to be 1,820,000 gallons of ethanol per month. Notwithstanding the foregoing, Agri-Energy, LP may blend, produce, and market its own E85 ethanol from the production of the Luverne, Minnesota ethanol plant. Any gallons of ethanol which Agri-Energy, LP elects, in its discretion, to blend, produce, and market as E85 ethanol shall be deemed excluded from the production of the Luverne, Minnesota ethanol plant for purposes of this Agreement. Agri-Energy, LP will provide C&N with a forecast of production on or before the 15th day of each month for the future month.

Measurement: Net gallons temperature compensated to 60 degrees Fahrenheit

Title: Title transfers from seller to buyer at inlet flange of receiving tank

Price: C&N will pay Agri-Energy, LP the gross sales price to the customer less expenses and a [...***...] marketing fee after expenses. Expenses may include, but are not limited to: truck, rail and terminal fees.

Payment Terms: C&N will provide Agri-Energy, LP with a remittance by Wednesday of every week for shipments the previous week. Agri-Energy, LP will receive an electronic transfer of funds for the remittance the following Wednesday.

Audit of Records: During the term of this agreement, Agri-Energy, LP may request a spot invoice audit or a complete audit. Agri-Energy, LP will be responsible for any fees incurred during such audits.

Indemnity: Each party shall indemnify and hold the other harmless from any and all loss, damage, or expense (including reasonable attorneys’ fees) which the other party may incur or suffer as a result of any claim arising out of any breach of the indemnifying party’s representations, warranties, or covenants in this Agreement, or arising out of any other acts or omissions of such party in the course of performance of this Agreement. Notwithstanding the foregoing, in no event shall either party be liable to the other for any incidental or consequential damages of any kind, including, without limitation, any loss of business, profit, or revenues, or punitive damages.

Amendment/Waiver:

This Agreement may not be modified, amended or waived in any manner except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

***Confidential Treatment Requested**

Supersedes Previous Agreements:

This Agreement supersedes all prior or contemporaneous negotiations, commitments, agreements (written or oral) and writing between the parties with respect to the subject matter hereof. All such other negotiations, commitments, agreements and writings will have no further force or effect, and the parties to any such other negotiation, commitment, agreement or writing will have no further rights or obligations thereunder.

Governing Law/Compliance:

All matters affecting this Agreement, including the validity thereof, are to be governed by, interpreted and construed in accordance with the laws of the United States and the State of Minnesota.

Disputes: Any disputes that arise between the parties with respect to the performance of this Agreement shall be submitted to binding arbitration by the American Arbitration Association, to be determined and resolved by said Association under its rules and procedures in effect at the time of submission and the parties hereby agree to share equally in the costs of said arbitration.

Notices: Any notice hereunder by either party to the other shall be given in writing by personal delivery, by telecopy (with confirmation of transmission) or by certified mail, return receipt requested. A notice shall be deemed given, if by personal delivery or by telecopy, on the date of such delivery or, if by certified mail, on the date shown on the applicable return receipt.

Headings: The headings of Sections and paragraphs herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

Other: Notwithstanding any other provision of the agreement, where not in conflict with the foregoing, all other terms and conditions shall be in accordance with standard industry practice.

In witness whereof, the parties hereto have executed this Agreement on the date indicated below.

Agri-Energy, LP by its General Partner CORN-er Stone Ethanol Management, Inc.	C&N
By /s/ Norman Smeenk Norm Smeenk, President	By /s/ John Bjornstad John Bjornstad, President
Date: 3-30, 2009	Date: 4-1, 2009
Agri-Energy, LP	C&N Ethanol Marketing Corporation

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 3 to the Registration Statement No. 333-168792 on Form S-1 of our report dated August 12, 2010, except for Note 19, as to which the date is November 4, 2010, relating to the consolidated financial statements of Gevo, Inc. and its subsidiary (the “Company”) (which report expresses an unqualified opinion on the consolidated financial statements and includes explanatory paragraphs referring to the Company’s status as a development stage enterprise and the change in the method of accounting for preferred stock warrants), appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Prospectus.

/s/ Deloitte & Touche, LLP
Denver, Colorado
November 4, 2010

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We consent to the use in this Amendment No. 3 to the Registration Statement No. 333-168792 of Gevo, Inc. on Form S-1 of our report dated August 12, 2010 related to the combined financial statements of Agri-Energy as of and for the years ended December 31, 2008 and 2009 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the preparation of the combined financial statements from the separate records maintained by CORN-er Stone Farmers Cooperative), appearing in the Prospectus, which is part of this Registration Statement, and to the reference to us under the heading “Experts” in such Prospectus.

/s/ Deloitte & Touche, LLP
Denver, Colorado
November 4, 2010