

## ALTAMONT RENEGOTIATION AGREEMENT

This Altamont Renegotiation Agreement ("Agreement") is by and among PACIFIC GAS AND ELECTRIC COMPANY ("PG&E"), a California corporation; U.S. WINDPOWER, INC. ("USW"), a Delaware corporation; WINDPOWER PARTNERS 1981-1, a Massachusetts limited partnership ("WPP 1981-1"); WINDPOWER PARTNERS 1982-1, a California limited partnership ("WPP 1982-1"); WINDPOWER PARTNERS 1982-2, a California limited partnership ("WPP 1982-2"); WINDPOWER PARTNERS 1983-1, a California limited partnership ("WPP 1983-1"); WINDPOWER PARTNERS 1983-2, a California limited partnership ("WPP 1983-2"); LIBERTY EQUIPMENT INVESTORS 1983, a New York limited partnership ("Liberty 83"); MLL EQUIPMENT INVESTORS-II, a New York limited partnership ("MLEI-II"); and WINDPOWER PARTNERS 1984-3, a California limited partnership ("WPP 1984-3") (the foregoing limited partnerships are sometimes referred to herein individually as "Partnership" and collectively as "Partnerships").

### Recitals

There is a Power Sales Agreement between PG&E and USW dated April 30, 1981 (the "1981 PSA"), and

There is a Power Sales Agreement between PG&E and USW dated March 4, 1983 (the "1983 PSA"), and

PG&E and USW have previously signed the interim Standard Offer No. 4 power purchase agreements ("SO4") identified on Exhibit A, attached hereto and incorporated herein, which exhibit also lists their respective PG&E log numbers; and

The 1981 PSA has been assigned to WPP 1981-1, WPP 1982-1, WPP 1982-2, and MLEI-II; and

The 1983 PSA has been assigned to WPP 1983-1 and Liberty 83; and

USW, on behalf of WPP 1983-2 and WPP 1984-3, is also a Seller (as defined in the 1983 PSA) under the 1983 PSA; and

The 1981 PSA and the 1983 PSA have been renegotiated; and

In connection with such renegotiation, the interim SO4 agreements identified on Exhibit A have been restructured; and

In connection with such renegotiation, PG&E and USW have entered into a Solano Deferral Agreement of even date herewith (the "Solano Deferral Agreement").

Therefore, in consideration of the mutual agreements contained herein, PG&E, USW, and each and every Partnership (the foregoing are sometimes referred to herein individually as "Party" and collectively as "Parties") agree to the following:

1. Limited Partnerships

USW hereby warrants and represents to PG&E that all entities to whom an interest in the 1981 PSA and/or the 1983 PSA has been assigned are parties to this Agreement.

2. Implementing Documents

(A) This Agreement describes a number of transactions necessary to implement the terms and conditions of this Agreement, including but not limited to termination agreements, amendments and consents to assignments (collectively, "Implementing Documents"). To accommodate USW's desire to begin adjusting its development plans as soon as possible, the Parties have executed this Agreement before preparing certain of the Implementing Documents. The Parties acknowledge that PG&E will concurrently be preparing an application to the California Public Utilities Commission ("CPUC") for approval of the Solano Deferral Agreement as provided therein and agree that preparation of such application will take precedence over preparation of such Implementing Documents. The Parties nonetheless agree to prepare and sign such Implementing Documents as soon as practicable, but no later than forty five (45) calendar days after the effective date of this Agreement (the "First Closing").

(B) Many of the Implementing Documents described in this Agreement will have an agreed upon effective date of April 1, 1988. However, neither USW nor any Partnership is entitled to interest on payments which, as a result of this Agreement, are retroactive to April 1, 1988.

3. Payment Tracking Account

(A) Under the provisions of the 1981 PSA, a Payment Tracking Account ("PTA") accumulates a balance, as further described in the 1981 PSA. Interest accrues on the PTA balance as described in the 1981 PSA. PG&E will receive payments equal to the PTA balance for each Partnership and the 1981 PSA will be terminated as described in this paragraph 3.

(B) When this Agreement is signed by PG&E, the following shall take place:

(i) PG&E will receive the following amounts from USW, each equal to the PTA balance for the respective Partnership. The payments will be made by federal funds wire transfer to an account to be specified by PG&E.

(1) For WPP 1981-1, \$780,419.83 (balance as of April 1, 1988) plus interest from April 1, 1988 to the date of payment at the interest rate specified in the 1981 PSA.

(2) For WPP 1982-1, \$593,829.98 (balance as of April 1, 1988) plus interest from April 1, 1988 through the date of payment at the interest rate specified in the 1981 PSA.

(ii) WPP 1981-1 and WPP 1982-1 shall each sign an agreement with PG&E terminating their respective portions of the 1981 PSA effective April 1, 1988. Such termination agreements shall be in the form of Exhibit C, attached hereto and incorporated herein.

(C) At the First Closing, the following shall occur:

(i) USW will deposit \$587,172.24 with PG&E (equal to the PTA balance for WPP 1982-2 as of April 1, 1988) plus an additional amount equalling interest from April 1, 1988 through the First Closing date at the interest rate specified in the 1981 PSA. The deposit will be made by federal funds wire transfer to an account to be specified by PG&E.

(1) The deposit described in paragraph 3(C)(i) above is made without restriction on PG&E's use of the funds. USW shall not be entitled to any interest on the deposit. The deposit shall become the payment of the WPP 1982-2 PTA balance in one of the following ways: (a) WPP 1982-2 shall make a payment to PG&E equal to the amount of the deposit, in which case PG&E shall thereupon refund to USW an amount equal to the deposit; or (b) If PG&E does not receive such payment from WPP 1982-2 on or before January 30, 1989, then the deposit itself shall thereupon be deemed the payment.

(ii) WPP 1982-2 shall sign an agreement with PG&E terminating its portion of the 1981 PSA effective April 1, 1988. Such termination agreement shall be in the form of Exhibit C.

(iii) WPP 1982-2 and PG&E shall sign a Standard Offer No. 1 power purchase agreement ("SO1") effective April 1, 1988 and terminating April 1, 1989 for the 333 installed USW model 56-50 wind turbines owned by WPP 1982-2.

(iv) PG&E will receive \$28,588.27 from MLEI-II (equal to the PTA balance for MLEI-II as of April 1, 1988) plus an additional amount equalling interest from April 1, 1988 through the First Closing date at the interest rate specified in the 1981 PSA. The payment will be made by federal funds wire transfer to an account to be specified by PG&E.

(v) MLEI-II shall sign an agreement with PG&E terminating its portion of the 1981 PSA effective April 1, 1988. Such termination agreement shall be in the form of Exhibit C.

(vi) MLEI-II and PG&E shall sign an SO1 effective April 1, 1988 and terminating April 1, 1989 for the 47 installed USW model 56-50 wind turbines owned by MLEI-II.

#### 4. Price Change Indicator

(A) Under the provisions of the 1983 PSA, a Price Change Indicator ("PCI") provision computes a value, as further described in the 1983 PSA. PG&E will receive payments equal to the value of the PCI for each Partnership and the 1983 PSA shall be terminated as described in this paragraph 4.

(B) At the First Closing, the following shall occur:

(i) PG&E will receive the following amounts, each equal to the PCI value for the respective Partnership. The payments shall be made by federal funds wire transfer to an account to be specified by PG&E.

(1) From Liberty 83, \$1,829,449.01 (PCI value as of April 1, 1988) plus interest from April 1, 1988 through the First Closing date at the interest rate specified in the 1983 PSA.

(2) From WPP 1983-2, \$530,298.13 (PCI value as of April 1, 1988) plus interest from April 1, 1988 through the First Closing date at the interest rate specified in the 1983 PSA.

(3) From WPP 1984-3, \$162,157.99 (PCI value as of April 1, 1988) plus interest from April 1, 1988 through the First Closing date at the interest rate specified in the 1983 PSA.

(ii) Liberty 83 and USW (on behalf of itself, WPP 1983-2 and WPP 1984-3) shall each sign agreements with PG&E terminating their respective portions of the 1983 PSA effective April 1, 1988, and WPP 1983-2 and WPP 1984-3 shall each be assigned modified interim SO4 agreements pursuant to paragraph 5 below. The termination agreements shall be in the form of Exhibit B, attached hereto and incorporated herein, and Exhibit C, as appropriate.

(iii) PG&E and Liberty 83 will sign an SO1 effective April 1, 1988 for four (4) of the installed USW model 56-100 wind turbines (to be designated by Liberty 83) owned by Liberty 83.

(iv) PG&E and USW will sign an agreement terminating the 7.55 MW unassigned, undeveloped portion of the 1983 PSA. Such termination agreement shall be in the form of Exhibit D.

(C) WPP 1983-1 represents that it intends to borrow from a third party the funds necessary to pay PG&E an amount equal to the value of its PCI. WPP 1983-1 shall therefore have ninety (90) days from the effective date of this Agreement to obtain a loan and pay PG&E the sum of \$10,413,553.74 (PCI value as of April 1, 1988) plus interest from April 1, 1988 through the date of payment at the interest rate specified in the 1983 PSA (the "PCI Payment"). WPP 1983-1 hereby agrees to use its best efforts to obtain such financing within such ninety (90) day period.

(i) If WPP 1983-1 is able to obtain financing for the PCI Payment, it shall so notify PG&E in writing and specify an approximate date on which WPP 1983-1 will make the PCI Payment and complete the transactions described below (the "Second Closing"). The Second Closing must be within ninety (90) calendar days of the effective date of this Agreement. WPP 1983-1 shall give PG&E written notice of the actual Second Closing date at least five (5) working days prior to such date. At the Second Closing the following transactions will occur:

(a) PG&E will receive the PCI Payment from WPP 1983-1. Such payment shall be made by federal funds wire transfer to an account to be specified by PG&E.

(b) PG&E and WPP 1983-1 will sign an agreement terminating WPP 1983-1's portion of the 1983 PSA effective April 1, 1988. Such termination agreement shall be in the form of Exhibit C.

(c) PG&E and WPP 1983-1 will sign an SO 1 effective April 1, 1988 for the 27 installed USW Model 56-50 wind turbines and seven (7) of the installed USW Model 56-100 wind turbines (to be designated by WPP 1983-1) owned by WPP 1983-1.

(d) PG&E will consent to an assignment from USW to WPP 1983-1 of a 41.7 MW portion of the following interim SO4 agreements. Such consent shall be in the form of Exhibit E, attached hereto and incorporated herein. The assignment shall be effective as of April 1, 1988 and shall apply to the following: an 11.7 MW portion of the 20 MW portion of the interim SO4 identified by PG&E Log # 06W146 and a 30 MW portion of the interim SO4 identified by PG&E Log # 01W144, both as more fully described in paragraph 5 below.

(e) PG&E will consent, in the form of Exhibits E and F, attached hereto and incorporated herein, as appropriate, to the following further assignments of the interim SO4 agreements described in paragraph 4(C)(i)(d) above:

(1) from WPP 1983-1 to an entity in connection with a lease of its wind turbines to such entity, and

(2) from WPP 1983-1 to a lender or investor as security for financing.

(ii) In the event WPP 1983-1, despite its best efforts, is unable to secure financing and as a result the Second Closing transactions described in paragraph 4(C)(i) above do not occur, PG&E, WPP 1983-1, and USW agree that instead of the Second Closing transactions, the following transactions shall occur on the 91st day after

the effective date of this Agreement:

(a) PG&E will receive the PCI Payment in full from WPP 1983-1 in the following manner:

(1) WPP 1983-1 will deliver to PG&E an amount equal to \$5,000,000. Such payment shall be made by federal funds wire transfer to an account to be specified by PG&E; and

(2) WPP 1983-1 will deliver to PG&E a promissory note in a form acceptable to PG&E, dated such 91st day, in the amount of the PCI Payment minus \$5,000,000 and payable in level monthly payments over a term of thirty six (36) months (the "WPP 1983-1 Note"). Interest shall accrue thereunder at a rate equal to four percent (4%) above the applicable interest rate on three (3) year U.S. Treasury bonds from time to time, but not less than 11.5%. The WPP 1983-1 Note shall provide that WPP 1983-1 has the right to prepay the note in whole or in part without penalty. If WPP 1983-1 fails to pay any amount required under the WPP 1983-1 Note when due, PG&E reserves the right to offset such amount against payments for power produced by wind turbines owned by WPP 1983-1.

(b) PG&E and WPP 1983-1 will sign an agreement terminating all provisions of WPP 1983-1's portion of the 1983 PSA except Appendix C (lien on WPP 1983-1's WGF (as defined in the 1983 PSA)) which shall remain in effect to secure repayment of the WPP 1983-1 Note. Such termination agreement shall be in the form of Exhibit C, modified to reflect the provisions of this paragraph.

(c) PG&E and WPP 1983-1 will sign an SO1 effective April 1, 1988 for twenty-seven (27) installed USW Model 56-50 wind turbines and seven (7) of the installed USW Model 56-100 wind turbines (to be designated by WPP 1983-1) owned by WPP 1983-1.

(d) PG&E will consent, in the form of Exhibit E, to an assignment from USW to WPP 1983-1 of portions of the following interim SO4 agreements totaling 41.7 MW. The assignment shall be effective as of April 1, 1988 and apply to the following: an 11.7 MW portion of

the 20 MW portion of the interim SO4 identified by PG&E Log #06W146, and a 30 MW portion of the interim SO4 identified by PG&E Log #01W144, both as more fully described in paragraph 5 below.

5. Replacement Interim Standard Offer No. 4 Agreements

(A) At the First Closing, PG&E and USW will sign amendments effective April 1, 1988 for portions of the following interim SO4 agreements totaling 80 MW as described in paragraph 5(B) below. PG&E and USW each agree that the five-year development date for the 30 MW portion of the interim SO4 identified by PG&E Log # 01W146 is October 30, 1989, and that such 30 MW portion shall terminate as to any MW not installed and operational by October 30, 1989.

<u>PG&amp;E Log #</u>	<u>Contract Capacity (MW)</u>	<u>Fixed Price Period Begins</u>	<u>Portion to Be Amended</u>
01W144	30	1-1-85	30 MW
01W146	100	1-1-88	30 MW
06W146	70	1-1-88	<u>20 MW</u>
			80 MW

(B) The specified portions of the interim SO4 agreements described in paragraph 5(A) above shall be amended as follows. Except for the amendments expressly described in this paragraph 5(B), all other terms and conditions of these interim SO4 agreements shall remain unchanged.

(i) During the Fixed Price Period (as defined in the applicable interim SO4), energy payments shall be equal to 95% of the energy price specified for the Fixed Price Period in the applicable interim SO4; and

(ii) Following the Fixed Price Period, energy payments shall be equal to 90% of the energy price specified for the remaining term of agreement in the applicable interim SO4.

(C) Pursuant to paragraphs 4(B)(ii) and 4(C) above, portions of the interim SO4 agreements described in paragraphs 5(A) and (B) above totaling 50 MW will be assigned effective April 1, 1988 by USW to Model 56-100 windmills (to be designated by the assignee Partnership) currently operating under the 1981 PSA or the 1983 PSA as follows:



<u>Partnership</u>	<u>PG&amp;E Log #</u>	<u>Amount (MW)</u>
Liberty 83	06W146	6.0
WPP 1983-2	06W146	1.8
WPP 1984-3	06W146	.5
WPP 1983-1	06W146	11.7
WPP 1983-1	01W144	<u>30.0</u>
		50.0

In the case of WPP 1983-2 and WPP 1984-3, PG&E will consent to these assignments in the form of Exhibit E. In the case of Liberty 83, USW, on behalf of Liberty 83, will remain as seller under the 6 MW portion of the interim SO4 identified by PG&E Log #06W146. In the case of WPP 1983-2, WPP 1984-3, and USW, on behalf of Liberty 83, PG&E will also consent (in the form of Exhibit F) to the further assignment of these interim SO4 agreements to a lender as security for financing.

(D) PG&E acknowledges that USW intends to dismantle some or all of the windmills currently delivering power under the 1981 PSA and install new windmills on the same or different sites. The 30 MW portion of the interim SO4 agreement identified by PG&E Log #01W146 may therefore be assigned to such new windmills located in any area of the Altamont Pass. PG&E further acknowledges that these new windmills may be owned or encumbered by entities other than USW or Partnerships under the 1981 PSA.

#### 6. Termination of Interim SO4 Agreements

At the First Closing, USW and PG&E shall sign agreements terminating portions of USW's existing interim SO4 agreements totaling 48.12 MW, as follows. Such termination agreements shall be in the form of Exhibit D, attached hereto and incorporated herein. USW shall, however, retain the 4.6 MW of interconnection priority associated with the terminated portion of PG&E Log #01W018 (priority is on PG&E's Herdlyn-Livermore line: allocation predates the Qualifying Facility Milestone Procedure ("QFMP") and is related to payment for line upgrades).

<u>PG&amp;E Log #</u>	<u>Capacity (MW)</u>	<u>Fixed Price Period Begins</u>	<u>MW Terminated</u>
16W011-2	67.32	1-1-88	43.52
01W018	10.50	1-1-88	<u>4.60</u>
			48.12 MW

7. Warranty Turbines

(A) USW and PG&E agree that the following portions of interim SO4 agreements totaling 4.6 MW shall be amended at the First Closing to provide that they may be applied only to deliveries from Warranty Turbines (as defined below) for wind projects installed by USW and operating as of December 31, 1987. Furthermore, the 3.0 MW portion of the agreement identified by PG&E Log #01W004 may be assigned only to wind projects currently operating under the PG&E Log #01W004 agreement, and the 1.6 MW portion of the agreement identified by PG&E Log #01W035 may be assigned only to wind projects currently operating under the PG&E Log #01W035 agreement. For purposes of this Agreement, "Warranty Turbines" are defined as wind turbines contributed by USW to an entity or entities for purposes of fulfilling its manufacturer's warranty obligations to such entity. The amended portions of the interim SO4 agreements identified below shall terminate as to any MW not installed and operational as of March 5, 1989.

<u>PG&amp;E Log #</u>	<u>Capacity (MW)</u>	<u>Fixed Price Period Begins</u>	<u>Amended Portion (MW)</u>
01W004	110	1986	3.0
01W035	70	1987	<u>1.6</u>
			4.6

(B) PG&E acknowledges that USW may use the following wind turbines for warranty purposes: (i) the twenty four (24) installed USW model 56-100 wind turbines currently owned by WPP 1982-2 and (ii) the five (5) installed USW model 56-100 wind turbines known as the "Annex" and located at USW Site Nos. -1 through -5. Provided the foregoing turbines are assigned to an eligible entity by the date of the First Closing, the effective date of such use shall be April 1, 1988, and PG&E will consent to such assignment in the form of Exhibit E.

8. Deferral of Interim SO4

At the First Closing, USW and PG&E will sign amendments for a 15 MW portion of the interim SO4 identified by PG&E Log# 01W146 (the "First Deferred Agreement") as follows. Except for the amendments expressly described in this paragraph 8, all other terms and conditions of the First Deferred Agreement shall remain unchanged.

(A) Initial energy deliveries to PG&E under the First Deferred Agreement may not begin before January 1, 1991 nor after December 31, 1992.

(B) The Fixed Price Period (as defined in the First Deferred Agreement) will commence as to each Windplant (as defined in the First Deferred Agreement) at the date of initial energy deliveries to PG&E from the respective Windplant under the First Deferred Agreement and continue for ten (10) years, provided such deliveries occur as required by paragraph 8(A) above.

(C) The Fixed Price Period for each Windplant will be adjusted as follows so that the end of each of the first nine (9) years of the Fixed Price Period will coincide with the end of a monthly billing period:

- (i) If the anniversary of the date of initial energy deliveries is exactly the middle of the monthly billing period, the first year of the Fixed Price Period will be extended by one half (1/2) of a monthly billing period.
- (ii) If the anniversary of the date of initial energy deliveries is between the middle and the end of the monthly billing period, the first year of the Fixed Price Period will be extended by the appropriate amount (up to one half (1/2) of a monthly billing period)
- (iii) If the anniversary of the date of initial energy deliveries is between the beginning and the middle of a monthly billing period, the first year of the Fixed Price Period will be decreased by the appropriate amount (up to one half (1/2) of a monthly billing period).

(a) For example, if the Windplant begins initial energy delivery on April 17, 1990, and the monthly billing period coinciding with April 1991, ran from April 1 through April 30, 1991, the first year prices of the Fixed Price Period would extend until April 30, 1991. However, if the Windplant began initial energy deliveries on April 13, 1990, the first year prices of the Fixed Price Period would end on March 31, 1991.

(iv) The final year of the Fixed Price Period will be adjusted in the opposite direction from the first year so that the term of the Fixed Price Period will equal exactly ten (10) years. All other years of

the Fixed Price Period will each last 12 monthly billing periods.

(D) Energy and capacity prices paid during the Fixed Price Period will be the prices provided by the First Deferred Agreement for the Fixed Price Period 1988 to 1997.

(E) If less than 15 MW are installed and operational under the First Deferred Agreement by December 31, 1992, the First Deferred Agreement shall terminate as to those MW not so installed and operational.

9. Deferral and Discount of Interim SO4

At the First Closing, USW and PG&E will sign amendments for an 11.9 MW portion of the interim SO4 identified by PG&E Log #01W146 (the "Second Deferred Agreement") as follows. Except for the provisions expressly described in this paragraph 9, all other terms and conditions of the Second Deferred Agreement shall remain unchanged.

(A) During the Fixed Price Period (as defined in the Second Deferred Agreement), energy payments shall be reduced to 95% of the energy price specified in the Second Deferred Agreement for the Fixed Price Period.

(B) Following the Fixed Price Period, energy payments shall be reduced to 90% of the energy price specified in the Second Deferred Agreement for the remaining term of agreement.

(C) Initial energy deliveries to PG&E under the Second Deferred Agreement may not commence before January 1, 1990 nor after December 31, 1992.

(D) The Fixed Price Period for each Windplant (as defined in the Second Deferred Agreement) will commence at the date of initial energy deliveries to PG&E from the respective Windplant under the Second Deferred Agreement and continue for only nine (9) years, provided such deliveries occur as required by paragraph 9(C) above.

(E) The Fixed Price Period for each Windplant will be adjusted as follows so that the end of each of the first eight (8) years of the Fixed Price Period will coincide with the end of a monthly billing period:

(i) If the anniversary of the date of initial energy deliveries is exactly the middle of the

monthly billing period, the first year of the Fixed Price Period will be extended by one half (1/2) of a monthly billing period.

(ii) If the anniversary of the date of initial energy deliveries is between the middle and the end of the monthly billing period, the first year of the Fixed Price Period will be extended by the appropriate amount (up to one half (1/2) of a monthly billing period).

(iii) If the anniversary of the date of initial energy deliveries is between the beginning and the middle of a monthly billing period, the first year of the Fixed Price Period will be decreased by the appropriate amount (up to one half (1/2) of a monthly billing period).

(a) For example, if the Windplant begins initial energy deliveries on April 17, 1990, and the monthly billing period coinciding with April 1991, ran from April 1 through April 30, 1991, the first year prices of the Fixed Price Period would extend until April 30, 1991. However, if the Windplant began initial energy deliveries on April 13, 1990, the first year prices of the Fixed Price Period would end on March 31, 1991.

(iv) The final year of the Fixed Price Period will be adjusted in the opposite direction from the first year so that the term of the Fixed Price Period will equal exactly nine (9) years. All other years of the Fixed Price Period will each last 12 monthly billing periods.

(F) Energy and capacity prices paid during the Fixed Price Period will be the prices provided by the Second Deferred Agreement for the Fixed Price Period 1989 to 1997; and

(G) If less than 11.9 MW are installed and operational under the Second Deferred Agreement by December 31, 1992, the Second Deferred Agreement shall terminate as to those MW not so installed and operational by December 31, 1992.

10. Standard Offer No. 1

(A) The amendments described in paragraphs 8 and 9 above defer commencement of interim SO4 prices but do not necessarily require USW to defer the actual

financing and construction of its projects. To accommodate deliveries from projects, if any, which are installed and operational prior to the applicable commencement dates for the First Deferred Agreement and the Second Deferred Agreement, PG&E and USW agree to sign SO 1 agreements at the First Closing as described below:

- i) A 15 MW SO1 terminating December 31, 1990; and
- ii) An 11.9 MW SO1 terminating December 31, 1989.

#### 11. Escrow Account

(A) There is an Agreement to Establish an Escrow Account between USW and PG&E dated May 9, 1985 (the "First Escrow Agreement"). Pursuant to the First Escrow Agreement, funds were deposited with an escrow agent so as to reserve transmission access priority pursuant to the CPUC's QFMP. USW has met all required QFMP milestones to date and so has maintained priority. When USW and PG&E sign the agreement terminating the 43.52 MW portion of PG&E Log #16W011-2 pursuant to paragraph 6 above, PG&E shall issue an order to the escrow agent to disburse to USW the funds in the escrow account associated with a 41.42 MW portion of this priority. Upon disbursement of the funds, USW shall lose the QFMP priority associated with this 41.42 MW but shall retain priority as to the remaining 2.10 MW.

(B) There is an Agreement to Establish An Escrow Account between USW and PG&E dated September 20, 1985 (the "Second Escrow Agreement"). Pursuant to the Second Escrow Agreement, funds were deposited with an escrow agent so as to reserve 25.45 MW of transmission access priority pursuant to the CPUC's QFMP. USW has met all required QFMP milestones to date and so has maintained priority. USW represents that as a direct result of the restructuring of USW's development plans under this Agreement, it may not develop all the sites associated with this priority. Therefore, USW may submit project description forms listing different site locations for up to 12 MW associated with this priority, provided the projects associated with these new sites will interconnect to the same PG&E lines for which USW originally obtained priority. USW may use this priority in connection with the 30 MW portion of the interim SO4 identified by PG&E Log #01W146, the First Deferred Agreement and/or the Second Deferred Agreement. Interconnection of the remaining 13.45 MW portion of the 25.45 MW of priority shall be restricted to the same

PG&E lines for which USW originally obtained priority and/or the Herdlyn/Livermore line.

## 12. Other Interim SO4 Agreements

USW agrees that it will not hereafter acquire, directly or indirectly through an agent or affiliate (as defined in paragraph 14(C) below), undeveloped wind project interim SO4 agreements from unaffiliated entities. USW further agrees that if it hereafter acquires, directly or indirectly through an agent or affiliate partly developed wind project interim SO4 agreements from unaffiliated entities, USW will immediately terminate the undeveloped portions of such agreements. Nothing in this paragraph 12 shall be construed to prohibit USW from acquiring, operating, maintaining or repairing existing windpower facilities.

## 13. Curtailement

At the First Closing, USW and PG&E shall sign an agreement amending the 23.8 MW operational portion of the interim SO4 identified by PG&E Log# 16W011-2 (67.32 MW contract capacity, of which 43.52 MW are to be terminated pursuant to paragraph 6 above) to change the curtailment provision from Curtailment Option A (Hydro Spill and Negative Avoided Cost), to Curtailment Option B (Adjusted Price Period). This amendment will be effective as of January 1, 1989.

## 14. Assignments

(A) At the First Closing, the following shall occur:

(i) PG&E and USW shall sign agreements amending the First Deferred Agreement and the Second Deferred Agreement to provide that (a) the total Windplants (as defined in the First Deferred Agreement and the Second Deferred Agreement, as appropriate) under the First Deferred Agreement and the Second Deferred Agreement combined shall not exceed three (3) in number and (b) each Windplant shall have a nameplate rating of at least 5,000 kW.

(ii) PG&E and USW shall sign an agreement amending the 30 MW portion of the interim SO4 identified by PG&E Log #01W146 to provide that each Windplant shall have a nameplate rating of at least 10,000 kW and deleting all clauses limiting the number of Windplants.

(B) PG&E and USW each agree that any PG&E consent to an assignment by USW of the 30 MW portion of the interim SO4 identified by PG&E Log #01W146 (see paragraph 5 above) shall be substantially in the form of Exhibit E or Exhibit F, as appropriate, provided such consent is signed by all parties except PG&E and delivered to PG&E on or before January 31, 1989. In addition, PG&E and USW each agree that, in connection with any PG&E consent to an assignment by USW of such 30 MW portion, the First Deferred Agreement, the Second Deferred Agreement, or PPA 1 or the 50 MW PPA 2 (each of the latter as defined in the Solano Deferral Agreement), or portions thereof, after January 31, 1989, (i) PG&E shall respond to or comment on any written request for consent to such a proposed assignment within 60 calendar days of PG&E's receipt of such request, and (ii) subject to the qualifications below, any such consent shall not include a provision granting PG&E the right to withhold, set off or deduct from payments due to the seller thereunder any amount due PG&E which does not arise out of or in connection with the assigned agreement or portion thereof. Notwithstanding the foregoing, nothing herein shall be construed to affect PG&E's right, to the extent provided by law or under the terms of the assigned agreement to set off or deduct from payments due to the seller thereunder each and every amount due PG&E from seller and/or the assignor arising out of or in connection with the assigned agreement. Furthermore, nothing herein shall be construed to require PG&E to consent to any assignment until payments under contracts, tariffs and judicial or administrative decisions or orders which by the terms of such contracts, tariffs, decisions or orders are due and payable to PG&E by USW, its affiliates (as defined below) and/or persons (as defined below) controlled by USW and/or its affiliates are either paid or arrangements satisfactory to PG&E have been made for their payment.

(C) As used in this Agreement, "affiliate" means the following:

- (i) any individual, partnership, corporation or other entity (collectively, "person") directly or indirectly owning, controlling or holding with power to vote, 5% (five percent) or more of the outstanding voting securities of USW;



- (ii) any person 5% (five percent) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by USW;
- (iii) any person directly or indirectly controlling, controlled by, or under common control with USW;

#### 15. Captions

Paragraph captions are included herein for ease of reference only. The captions are not intended to affect the meaning of the contents or scope of this Agreement.

#### 16. Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, provided, however, that the Parties agree to execute additional agreements to implement the terms of this Agreement, as described herein. This Agreement supersedes any and all prior negotiations, correspondence, understandings and agreements between or among the Parties with respect to the specific subject matter hereof.

#### 17. Modification

This Agreement may be amended or modified only by a written instrument signed by each and every Party hereto.

#### 18. Choice of Laws

This Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

#### 19. Non-Waiver

Failure by any Party hereto to enforce any right or obligation with respect to any matter arising in connection with this Agreement shall not constitute a waiver as to that matter or any other matter.

#### 20. Solano Deferral Agreement

This Agreement and the Solano Deferral Agreement have been negotiated concurrently. USW shall deliver to PG&E copies of both this Agreement and the Solano Deferral Agreement executed by all Parties except PG&E as a condition

of receiving the agreement of PG&E to this Agreement.

## 21. Regulatory Review

(A) PG&E agrees that it will not submit this Agreement to the CPUC for advance approval. In the event that this Agreement or any provision hereof is nevertheless reviewed by the CPUC, PG&E agrees that no order, direction, finding of fact or other determination by the CPUC concerning this Agreement, including without limitation a determination that some or all of the amounts to be paid by PG&E pursuant to this Agreement and/or the Implementing Documents may not appropriately be charged to PG&E's ratepayers, shall have any effect on PG&E's obligation to perform under the terms of this Agreement and/or the Implementing Documents, nor shall any such determination diminish any liability PG&E may have to USW for damages, if any, suffered by USW as a result of a failure by PG&E to so perform.

(B) In the event a dispute arises as to the applicability of paragraph 21(A) above, PG&E agrees that it will continue to make payments for power delivered under the affected power purchase agreement pending final resolution of such dispute by a court of competent jurisdiction; provided, however, that if it is ultimately determined that the seller of such power was not entitled to such payments, such seller shall repay such payments to PG&E with interest from the date of payment by PG&E at the higher of the following annual rates of interest: (i) the prime rate announced from time to time by Bank of America, N.A., plus one percent (1%) or (ii) such rate as the court may award. PG&E agrees that a failure to make any such payment while such a dispute is pending would cause irreparable injury to the affected seller(s) for which no legal remedy would be adequate and further agrees that it will not oppose a petition by such seller(s) to a court of competent jurisdiction for a temporary restraining order or other injunctive relief to compel such payments.

## 22. Notices

All notices hereunder shall be in writing and shall be deemed received (i) at the close of business on the date of receipt, if delivered by hand or (ii) when signed for by recipient, if sent registered or certified mail, postage prepaid, provided such notice was properly addressed to the appropriate address indicated on the signature page hereof or to such other address as a Party may designate by prior written notice to the other Parties.

23. Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if all Parties had signed the same document. All such counterparts shall be construed together and shall constitute one agreement.

24. Severability

Any illegality or invalidity, in whole or in part, of any provision of this Agreement shall not affect the validity of the remaining portions of the Agreement.

25. Interpretation

This Agreement is the result of negotiation. Moreover, each Party and each Party's respective counsel has reviewed this Agreement. Accordingly the normal rule of construction to the effect that any ambiguities shall be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

26. No Publicity

(A) Each Party hereto agrees that it shall not disclose the provisions of this Agreement to third parties except as follows:

- (1) Such disclosures as are required by a governmental authority having competent jurisdiction or as otherwise required by law;
- (2) Such disclosures to the CPUC as PG&E deems necessary in connection with the Application; and
- (3) Such disclosures as are necessary to meet the requirements of the Parties' respective auditors and/or lenders, provided such auditors and/or lenders have agreed in writing to protect the confidentiality of such information; and
- (4) PG&E may disclose the provisions of this Agreement to its consultant(s) who have agreed in writing to protect the confidentiality of such information; and

(5) Such additional disclosures as the Parties may give their consent by prior written approval.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives, and it is effective as of the last date set forth below:

PACIFIC GAS AND ELECTRIC  
COMPANY

PACIFIC GAS AND ELECTRIC  
COMPANY

Attn: Paula G. Rosput  
Manager, QF Contracts  
77 Beale St., 23rd Floor  
San Francisco, CA 94106

By: *Robert J. Haywood*  
Robert J. Haywood  
Vice President  
Power Planning and Contracts

Approved as to form *clw.* Signed: May 27, 1988

Attorney

U.S. WINDPOWER, INC.

U.S. WINDPOWER, INC.  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111  
Attn: General Counsel

By: *Gerald R. Addison*  
Name: Gerald R. Addison  
Title: President

Date Signed: May 24, 1988

WINDPOWER PARTNERS 1981-1  
a Massachusetts limited partnership

WINDPOWER PARTNERS 1981-1  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111

By: U.S. Windpower 1981, Inc.  
a Massachusetts corporation, its  
General Partner

By: *Gerald R. Addison*  
Its: President

Date Signed: May 22, 1988

WINDPOWER PARTNERS 1982-1  
a California limited partnership

By: U.S. Windpower 1982-1, Inc.  
a Massachusetts corporation, its  
Managing General Partner

By: [Signature]  
Its: President

Date Signed: May 22, 1988

WINDPOWER PARTNERS 1982-1  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111

WINDPOWER PARTNERS 1982-2  
a California limited partnership

By: U.S. Windpower 1982-2, Inc.  
a Massachusetts corporation,  
its Managing General Partner

By: [Signature]  
Its: President

Date Signed: May 22, 1988

WINDPOWER PARTNERS 1982-2  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111

WINDPOWER PARTNERS 1983-1  
a California limited partnership

By: U.S. Windpower 1983-1, Inc.  
a California corporation,  
its Managing General Partner

By: [Signature]  
Its: President

Date Signed: May 22, 1988

WINDPOWER PARTNERS 1983-1  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111

WINDPOWER PARTNERS 1983-2  
a California limited partnership

By: U.S. Windpower 1983-2, Inc.  
a California corporation, its  
General Partner

By:   
Its: President


Date Signed: May 26, 1988

WINDPOWER PARTNERS 1983-2  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111

WINDPOWER PARTNERS 1984-3  
a California limited partnership

By: Windpower Management  
Associates 1984-3  
a California limited  
partnership, its General Partner

By: Windpower Management  
Associates 1984-3, Inc.  
a California corporation,  
its General Partner

By:   
Its: General Partner - President

Date Signed: May 23, 1988

WINDPOWER PARTNERS 1984-3  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111

LIBERTY EQUIPMENT INVESTORS 1983  
a New York limited partnership

By: Maiden Lane Partners, Inc.  
a Delaware corporation, its  
General Partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: May \_\_, 1988

LIBERTY EQUIPMENT  
INVESTORS 1983  
Merrill Lynch World  
Headquarters  
North Tower  
World Financial Center  
New York, NY 10281-1201

Attn: Maiden Lane  
Partners, Inc.  
General Partner

WINDPOWER PARTNERS 1983-2  
a California limited partnership

By: U.S. Windpower 1983-2, Inc.  
a California corporation, its  
General Partner

WINDPOWER PARTNERS 1983-2  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: May \_\_, 1988

WINDPOWER PARTNERS 1984-3  
a California limited partnership

By: Windpower Management  
Associates 1984-3  
a California limited  
partnership, its General Partner

WINDPOWER PARTNERS 1984-3  
500 Sansome Street  
Suite 600  
San Francisco, CA 94111

By: Windpower Management  
Associates 1984-3, Inc.  
a California corporation,  
its General Partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: May \_\_, 1988

LIBERTY EQUIPMENT INVESTORS 1983  
a New York limited partnership

By: Maiden Lane Partners, Inc.  
a Delaware corporation, its  
General Partner

By: *Lester Schumpert*  
Its: PRESIDENT

LIBERTY EQUIPMENT  
INVESTORS 1983  
Merrill Lynch World  
Headquarters  
North Tower  
World Financial Center  
New York, NY 10281-1201


Attn: Maiden Lane  
Partners, Inc.  
General Partner

Date Signed: May 25, 1988

MLL EQUIPMENT INVESTORS-II  
a New York limited partnership

By: ML Leasing Partners, Inc.  
a Delaware corporation, its  
General Partner

By:  
Its:

  
PRESIDENT

MLL EQUIPMENT INVESTORS-II  
Merrill Lynch Capital  
Markets  
Merrill Lynch World  
Headquarters  
World Financial Center  
New York, NY 10281  
Attn: M.L. Leasing  
Partners, Inc.

Date Signed: May 25, 1988



EXHIBIT A

PG&E  
Log #

Certain Interim Standard Offer #4 Power Purchase Agreements for Long-term Energy and Capacity ("SO4"), between U.S. Windpower, Inc. ("USW") and Pacific Gas and Electric Company ("PG&E")

01W144 SO4 between USW and PG&E, executed by PG&E on March 2, 1984 and by USW on March 5, 1984, as amended, relating to a 30,000 kW Facility and identifying the initial scheduled operation date of the Facility as January 1, 1985.

01W004 SO4 between USW and PG&E, executed by PG&E on March 2, 1984 and by USW on March 5, 1984, as amended, relating to a 110,000 kW Facility and identifying the initial scheduled operation date of the Facility as January 1, 1986.

01W035 SO4 between USW and PG&E, executed by PG&E on March 2, 1984 and by USW on March 5, 1984, as amended relating to a 70,000 kW Facility and identifying the initial scheduled operation date of the Facility as April 1, 1987.

06W146 SO4 between USW and PG&E, executed by PG&E on March 2, 1984 and by USW on March 5, 1984, as amended relating to a 70,000 kW Facility and identifying the initial scheduled operation date of the Facility as January 1, 1988.

06W148 SO4 between USW and PG&E, executed by PG&E on November 5, 1984 and by USW on October 29, 1984, as amended, relating to a 10,000 kW Facility and identifying the initial scheduled operation date of the Facility as January 1, 1988.

01W146 SO4 between USW and PG&E, executed by PG&E on November 5, 1984 and by USW on October 29, 1984, as amended, relating to a 100,000 kW Facility and identifying the initial scheduled operation date of the Facility as January 1, 1988.

16W011-2 SO4 between Tera Power Corporation and PG&E, executed by PG&E on April 16, 1985 and by Tera Power Corporation on April 12, 1985, as amended, relating to a 70,000 kW Facility, as to the 67.32 MW portion acquired by USW and acknowledged by PG&E on December 16, 1986.

01W018 SO4 between WindMaster, Inc. and PG&E, executed by PG&E on February 22, 1985 and by WindMaster, Inc. on February 6, 1985, as amended, relating to a 10,500 kW Facility, which was assigned to USW.

EXHIBIT B

TERMINATION AGREEMENT

[Power Sales Agreement: USW]

THIS AGREEMENT is made by and between PACIFIC GAS AND ELECTRIC COMPANY ("PG&E"), a California corporation, and U.W. WINDPOWER, INC. ("USW") a Delaware corporation.

A. Reference is made to the Power Sales Agreement dated March 4, 1983 (the "PSA") between PG&E and USW.

B. USW is a Seller (as defined in the PSA) under a portion of the PSA on behalf of Windpower Partners [1983-2] [1984-3], a California limited partnership (such portion is hereinafter referred to as the "Partnership PSA").

C. The PSA has been renegotiated in connection with an Altamont Renegotiation Agreement dated as of \_\_\_\_\_, 1988 (the "Renegotiation Agreement").

D. Pursuant to the Renegotiation Agreement, PG&E and USW each now desire to terminate the Partnership PSA.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

The Partnership PSA and all terms, covenants, conditions and obligations contained therein, is hereby terminated effective April 1, 1988. PG&E hereby fully releases, relinquishes and terminates its security interest in and/or lien against the WGF (as defined in the Partnership PSA) under the Partnership PSA and agrees to promptly execute and deliver to USW such Uniform Commercial Code (UCC) termination statements as USW may reasonably require to effect such release and termination. PG&E also waives and relinquishes any right of first refusal it may have under the Partnership PSA to purchase the WGF.

On the effective date of this Agreement, PG&E shall, pursuant to the Renegotiation Agreement, receive an amount equal to the value of the Price Change Indicator ("PCI") (as defined in the Partnership PSA) as of April 1, 1988 plus interest from April 1, 1988 through the effective date of this Agreement, as more fully described in the Renegotiation Agreement. PG&E hereby accepts such amount as payment in full of any obligation USW may have to PG&E under

Appendix B, Schedule of Power Purchase Prices, of the Partnership PSA.

This Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, PG&E and USW have each caused this Agreement to be executed by their duly authorized representatives, and it is effective as of the last date set forth below.

U.S. WINDPOWER, INC.

PACIFIC GAS AND ELECTRIC COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Acknowledged and Agreed:

[WINDPOWER PARTNERS 1983-2  
a California limited partnership

By: U.S. Windpower 1983-2, Inc.  
a California corporation, its  
General Partner

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date Signed: May \_\_, 1988]

[WINDPOWER PARTNERS 1984-3  
a California limited partnership

By: Windpower Management  
Associates 1984-3  
a California limited  
partnership, its General Partner

By: Windpower Management Associates  
1984-3, Inc.  
a California corporation,  
its General Partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: \_\_\_\_\_ ]

EXHIBIT C

TERMINATION AGREEMENT

[Power Sales Agreement]

THIS AGREEMENT is made by and between PACIFIC GAS AND ELECTRIC COMPANY ("PG&E"), a California corporation, and \_\_\_\_\_, a \_\_\_\_\_ limited partnership (the "Partnership").

A. Reference is made to the Power Sales Agreement dated [April 30, 1981] [March 4, 1983] (the "PSA") between PG&E and U.S. Windpower, Inc. ("USW"), a portion of which was assigned by USW to the Partnership (such portion is hereinafter referred to as the "Partnership PSA").

B. The PSA has been renegotiated in connection with an Altamont Renegotiation Agreement dated as of \_\_\_\_\_, 1988 (the "Renegotiation Agreement").

C. Pursuant to the Renegotiation Agreement, PG&E and the Partnership each now desire to terminate the Partnership PSA.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

The Partnership PSA and all terms, covenants, conditions and obligations contained therein, is hereby terminated effective April 1, 1988. PG&E hereby fully releases, relinquishes and terminates its security interest in and/or lien against the WGF (as defined in the Partnership PSA) under the Partnership PSA and agrees to promptly execute and deliver to the Partnership such Uniform Commercial Code (UCC) termination statements as the Partnership may reasonably require to effect such release and termination. PG&E also waives and relinquishes any right of first refusal it may have under the Partnership PSA to purchase the WGF.

On the effective date of this Agreement, PG&E shall, pursuant to the Renegotiation Agreement, receive an amount equal to the value of the [Payment Tracking Account ("PTA")/Price Change Indicator ("PCI")] (as defined in the Partnership PSA) as of April 1, 1988 plus interest from April 1, 1988 through the effective date of this

Agreement, as more fully described in the Renegotiation Agreement. PG&E hereby accepts such amount as payment in full of any obligation the Partnership may have to PG&E under Appendix B, Schedule of Power Purchase Prices, of the Partnership PSA.

This Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, PG&E and the Partnership have each caused this Agreement to be executed by their duly authorized representatives, and it is effective as of the last date set forth below.

PACIFIC GAS AND ELECTRIC COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

\_\_\_\_\_ [name of Partnership]

a \_\_\_\_\_

By: \_\_\_\_\_

a \_\_\_\_\_ corporation,  
its General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

EXHIBIT D

Termination Agreement

(Power Purchase Agreement)

This Agreement is made by and between Pacific Gas and Electric Company ("PG&E") a California corporation and U.S. Windpower, Inc. ("USW"), a Delaware corporation.

A. Pursuant to the Altamont Renegotiation Agreement dated as of May \_\_, 1988, PG&E and USW agreed that USW would terminate certain portions of its undeveloped power purchase agreements [{"PPA"}].

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PG&E and USW agree as follows:

[1. The 67.32 MW portion of the interim SO4 PPA between Tera Power Corporation and PG&E, signed by PG&E on April 16, 1985, as amended and as assigned to USW, is hereby terminated to the extent of 43.52 MW.]

[1. The 10.5 MW interim SO4 PPA between WindMaster, Inc., and PG&E, signed by PG&E on \_\_\_\_\_, 19\_\_, is hereby terminated to the extent of 4.6 MW; provided, however, that USW shall retain the 4.6 MW of interconnection priority to PG&E's Herdlyn-Livermore line which is associated with this PPA.]

[1. The Power Sales Agreement between USW and PG&E dated March 4, 1983 is hereby terminated to the extent of the 7.55 MW portion held by USW.]

2. This Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, PG&E and USW have each caused this Agreement to be executed by their duly authorized representatives, and it is effective as of the last date set forth below.

U.S. WINDPOWER, INC.

PACIFIC GAS AND ELECTRIC COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_, 1988

Date Signed: \_\_\_\_\_, 1988

EXHIBIT E

CONSENT TO ASSIGNMENT AND AGREEMENT

This Consent to Assignment and Agreement is by and among PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("PG&E"), U.S. WINDPOWER, INC., a Delaware corporation [("USW" or "Assignor")] [("USW"), and \_\_\_\_\_, a \_\_\_\_\_ ("Assignor")], and \_\_\_\_\_, a \_\_\_\_\_ ("Assignee").

RECITALS

WHEREAS, USW has previously constructed a wind generation facility more fully described in Exhibit B, attached hereto and incorporated herein, (collectively, the "Windplant"); and

WHEREAS, Assignor desires to assign to Assignee whatever right, title and interest Assignor may have in and to the agreements described as the "Assigned Agreements" on Exhibit A, attached hereto and incorporated herein, to the extent described in said Exhibit A (the "Assigned Agreements"), in connection with the Windplant; and

WHEREAS, USW has instructed PG&E pursuant to a letter dated December 30, 1985 to send to Bank of New England, N.A. ("Agent"), all payments due or to become due to Seller under the Assigned Agreements. PG&E acknowledged such instructions on January 16, 1986.

NOW, THEREFORE, PG&E hereby consents to the assignment by Assignor to Assignee of whatever right, title and interest Assignor may have in and to the Assigned Agreements, under the following terms and conditions:

1. Assignor hereby agrees that it shall remain liable to PG&E for each and every duty and obligation belonging to the Seller (as defined in the Assigned Agreements) under the Assigned Agreements.
2. Assignee hereby agrees to assume each and every duty and obligation of the Seller under the Assigned Agreements, including but not limited to each and every such duty and obligation arising prior to the date of the foregoing assumption, and shall also exercise and enjoy whatever right, title and interest in and to the Assigned Agreements as was assigned to it.



3. Assignee acknowledges that the assignment of rights to it may be subject to previous assignments, liens or claims executed or arising prior to the date of execution of this Consent to Assignment and Agreement. Assignee further agrees that it takes this assignment subject to any defenses or causes of action PG&E may have against Assignor arising out of or in connection with the Assigned Agreements.

4. Assignee hereby agrees that it will not reassign either the right, title, or interest in, or the duties and obligations under, the Assigned Agreements without the prior consent of PG&E, which consent, pursuant to section A-13 of the Assigned Agreements, shall not be unreasonably withheld. Assignee further agrees that in the event of any future assignment, Assignee shall remain liable to PG&E for each and every duty and obligation belonging to the Seller under the Assigned Agreements.

5. Assignor and Assignee hereby request that PG&E continue to send to Agent all payments due or to become due to Seller under the Assigned Agreements. Assignee releases PG&E from all liability for making such payments to Agent.

6. All notices hereunder shall be in writing and shall be deemed received (i) at the close of business on the date of receipt, if delivered by hand or (ii) when signed for by recipient, if sent registered or certified mail, postage prepaid, provided such notice was properly addressed to the appropriate address indicated on the signature page hereof or to such other address as a party may designate by prior written notice to the other parties.

7. This Consent to Assignment and Agreement is neither a modification of nor an amendment to the Assigned Agreements.

8. The parties hereto agree that this Consent to Assignment and Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

9. No term, covenant or condition hereof shall be deemed waived and no breach excused unless such waiver or excuse shall be in writing and signed by the party claimed to have so waived or excused.

10. PG&E is not a party to, has no obligation under, and has no knowledge of the existence or content of any of the documents referenced herein other than those which it has signed.

PACIFIC GAS AND  
ELECTRIC COMPANY

U.S. WINDPOWER, INC.

77 Beale Street  
San Francisco, California 94106  
Attention: Vice President -  
Power Generation

500 Sansome Street, Suite 600  
San Francisco, California 94111  
Attention: General Counsel

\_\_\_\_\_  
By

\_\_\_\_\_  
By

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Date of Signature: \_\_\_\_\_, 1988

Date of Signature: \_\_\_\_\_, 1988

[ \_\_\_\_\_ [name of assignor] \_\_\_\_\_

\_\_\_\_\_ [name of assignee] \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Attention:

\_\_\_\_\_  
\_\_\_\_\_  
Attention:

\_\_\_\_\_  
By

\_\_\_\_\_  
By

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Date of Signature: \_\_\_\_\_, 1988]

Date of Signature: \_\_\_\_\_, 1988

EXHIBIT A

As used in this Consent to Assignment and Agreement, "Assigned Agreements" shall mean the following:

California Public Utilities Commission Interim Standard Offer #4 Power Purchase Agreement for Long-Term Energy and Capacity between USW and PG&E, signed by PG&E on \_\_\_\_\_, 19\_\_, as amended, relating to a \_\_\_\_\_ kilowatt facility, to the extent of \_\_\_\_\_ kilowatts.



EXHIBIT F

CONSENT TO SECURITY ASSIGNMENT AND AGREEMENT

This Consent to Security Assignment and Agreement is by and among PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("PG&E"), U.S. WINDPOWER, INC., a Delaware corporation ("USW"), \_\_\_\_\_, a \_\_\_\_\_ ("Assignor"), and \_\_\_\_\_ [name of lender] \_\_\_\_\_ ("Assignee").

PG&E hereby consents to an assignment by Assignor to Assignee of whatever rights, title and interest it may have in and to the agreement(s) described as "Assigned Agreements" on Exhibit A, attached hereto and incorporated herein, to the extent described in said Exhibit A, (the "Assigned Agreements"), for the wind generation facility described in Exhibit B, attached hereto and incorporated herein (the "Windplant"), under the following terms and conditions:

1. The assignment shall be made as security for payment by Assignor of its obligations to Assignee secured pursuant to the agreement dated on or about \_\_\_\_\_, 1988 executed by Assignor in favor of Assignee (the "Security Agreement"). Assignee shall have no right under the assignment, or otherwise, to enforce any provision of the Assigned Agreements unless and until an event of default has occurred under the Security Agreement.

2. USW and Assignor hereby agree that upon the occurrence of an event of default under the Security Agreement, Assignee may give notice to PG&E requesting that payments from PG&E due to the Seller under the Assigned Agreements be made directly to Assignee. PG&E hereby agrees that it will make such payments to Assignee; provided, however, that Assignee releases PG&E from all liability for failure to direct such payments to Assignee. Assignor agrees that the foregoing notice given by Assignee to PG&E shall, for purposes of this Consent to Security Assignment and Agreement, be conclusive as to the existence of an event of default under the Security Agreement. Assignor and USW each release PG&E from all liability for making payment to Assignee upon receipt by PG&E of such notice.

3. To the extent provided by law or under the terms of the Assigned Agreements, Assignee, Assignor and USW each agree that PG&E shall have the right to set off or deduct from payments due to the Seller each and every amount due PG&E from Assignor arising out of or in connection with the Assigned Agreements. Assignee further agrees that it takes this assignment subject to any defenses or causes of action PG&E may have against Assignor under the Assigned Agreements.

4. PG&E makes no representation or warranty as to the existence or nonexistence of previous assignments, liens or claims executed or arising prior to the date of execution of this Consent to Security Assignment and Agreement.

5. Assignee agrees that in the event that Assignee operates the Windplant, directly or indirectly through an agent or through a subsidiary, affiliate or other entity in which Assignee holds an ownership interest, Assignee shall at such time assume each and every duty and obligation of the Seller arising out of or in connection with the Assigned Agreements, including but not limited to each and every such duty and obligation arising prior to the date of such assumption, and shall also at such time exercise and enjoy whatever right, title and interest in and to the Assigned Agreements as was assigned to it.

6. Assignor and USW each hereby agree that they shall remain liable to PG&E for each and every duty and obligation belonging to the Seller under the Assigned Agreements.

7. All notices hereunder shall be in writing and shall be deemed received (i) at the close of business on the date of receipt, if delivered by hand or (ii) when signed for by recipient, if sent registered or certified mail, postage prepaid, provided such notice was properly addressed to the appropriate address indicated on the signature page hereof or to such other address as a party may designate by prior written notice as to the other parties.

8. Assignee hereby agrees that it will not reassign its rights, title or interest in and to the Assigned Agreements without the prior consent of PG&E, which consent, pursuant to section A-13 of the Assigned Agreements, shall not be unreasonably withheld.

9. This Consent to Security Assignment and Agreement is neither a modification of nor an amendment to the Assigned Agreements.

10. The parties hereto agree that this Consent to Security Assignment and Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

11. No term, covenant or condition hereof shall be deemed waived and no breach excused unless such waiver or excuse shall be in writing and signed by the party claimed to have so waived or excused, and any such waiver shall be effective only with respect to the specific term, covenant or condition so waived, and shall not constitute a continuing waiver of the same.

12. PG&E is not a party to, has no obligation under, and has no knowledge of the existence or content of any of the documents referenced herein other than those which it has signed.

PACIFIC GAS AND ELECTRIC  
COMPANY

U.S. WINDPOWER, INC.

77 Beale Street  
San Francisco, CA 94106  
Attention: Vice President,  
Power Generation

500 Sansome Street, Suite 600  
San Francisco, CA 94111  
Attention: General Counsel

\_\_\_\_\_  
By

\_\_\_\_\_  
By

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Date of Signature: \_\_\_\_\_, 1988

Date of Signature \_\_\_\_\_, 1988

\_\_\_\_\_ [name of Assignor]

\_\_\_\_\_ [name of Assignee]

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Attention: \_\_\_\_\_

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Attention: \_\_\_\_\_

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By

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Date of Signature: \_\_\_\_\_, 1988

Date of Signature: \_\_\_\_\_, 1988

EXHIBIT A

As used in this Consent to Security Assignment and Agreement, "Assigned Agreements" shall mean the following:

California Public Utilities Commission Interim Standard Offer No. 4 Power Purchase Agreement for Long-Term Energy and Capacity between USW and PG&E, executed by PG&E on \_\_\_\_\_, 19\_\_, as amended, relating to a \_\_\_\_\_ kilowatt facility, to the extent of \_\_\_\_\_ kilowatts.



## EXHIBIT B

### Description of the Windplant

The Windplant consists of (i) the \_\_\_\_\_ windmills (as hereinafter described) owned by Assignor and constructed by USW pursuant to that certain Windplant Construction Contract (the "Construction Contract") (each a "Windmill") and (ii) the power collection system (as hereinafter described) described in the Construction Contract and (iii) a communications system. The Windplant is located on property in the Altamont Pass area of California.

Each Windmill consists of (i) a Model 56-100 wind turbine generator, each with a power output rating of 100 kW and each designed to operate at wind speeds between 12 MPH and 44 MPH, and each consisting of three fiberglass blades, a drive-shaft, a pitch control mechanism, a hub, a mechanical transmission, an electrical generator and a brake, all of which are assembled on a welded steel frame and mounted on a free-turning yaw bearing; (ii) a 60-foot or 80-foot steel tower, on which such wind turbine generator is mounted; and (iii) a concrete foundation pier, into which the tower legs are attached.

The power collection system consists of conductors from each wind turbine generator to a down tower box (containing switchgear, instrumentation, terminal points and fuses) and conductors and conduits from the down tower box that are connected to step-up transformers located nearby each Windmill on concrete pads.

The communications system consists of a data processing unit contained within each Windmill, communications cables running to each down tower box, and from each down tower box to a central collection point owned by USW.