



*Pacific Gas and
Electric Company*

February 23, 2009

Kent A. Larson
VP-Project Finance
Spinnaker Energy, Inc.
12555 High Bluff Drive, Suite 100
San Diego, CA 92130

Subject: San Joaquin Solar 1 & 2 PPAs -- PG&E Log Nos. 33R042 & 33R043

Dear Mr. Larsen,

Pacific Gas & Electric Company ("PG&E") and San Joaquin Solar 1 LLC and San Joaquin Solar 2 LLC (each, a "Seller") are Parties to those certain Power Purchase and Sale Agreements for As-Available Product (each, a "PPA" and collectively, the "PPAs"), each dated May 16, 2008. All capitalized terms not defined herein shall have the meaning set forth in the respective PPA.

As stated in Article 5.1(b)(v) of each PPA, "failure by Seller to satisfy the creditworthiness/collateral requirements agreed to pursuant to Section 8.3, 8.4, or 8.5 of this Agreement" is an Event of Default. Section 8.4(a)(ii) requires each Seller to deliver to Buyer Project Development Security ("PDS") "in the amount of \$2,136,000 and in the form of a Letter of Credit from a date not later than thirty (30) days following the date on which all of the Conditions Precedent set forth in Article Eleven are either satisfied or waived until Seller posts Delivery Term Security pursuant to subsection (a)(iii)" with Buyer. The Conditions Precedent for each PPA were satisfied on 01/20/09. However, each Seller failed to post the requisite Project Development Security within thirty days from the date on which the Conditions Precedent were satisfied. Accordingly, each Seller is in default under its respective PPA and PG&E has the right to declare an Early Termination Date for each PPA and exercise all available rights and remedies under the PPAs.

Notwithstanding the above, because PG&E and Spinnaker Energy, Inc. currently are engaged in negotiations to amend the PPAs, PG&E is willing to extend the deadline for each Seller to deliver the requisite PDS under Section 8.4(a)(ii) to 08/18/09.

PG&E requests that each Seller confirm its agreement to the foregoing extension by executing this letter, faxing an executed copy to me at 415-973-2151, and returning the original, executed letter to me at the above-referenced address.

This letter is not intended to be nor shall it be construed as a waiver of any of PG&E's rights or remedies under the PPAs at law or in equity. Additionally, no past, present or future written or verbal communication shall be construed as a waiver of any such rights or remedies by PG&E.

Please call Elizabeth Motley at (415) 973-2368 if you have any questions about this letter.

Sincerely,


Chad Curran
Manager, Qualifying Facilities and Renewables Contract Management

Agreed to by: San Joaquin Solar 1 LLC

Date: Feb 24, 2009

SAN JOAQUIN SOLAR 1 LLC




By: Douglas A. Wert

Its: COO

Agreed to by: San Joaquin Solar 2 LLC

Date: Feb 24, 2009

SAN JOAQUIN SOLAR 2 LLC



By: Douglas A. Wert

Its: COO