

Appendix L

*Property Ownership and
Utilities*

Appendix L: Property Ownership and Utilities

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Memorandum of Option

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ASSESSOR RECORDER
COUNTY CLERK
GARY W. FREEMAN

2001 JUL 11 AM 8:00

SAN JOAQUIN COUNTY

Recording Requested By:

First American of Stockton

Return to:

GWF ENERGY LLC
Attn: Doug Wheeler
4300 Railroad Avenue
Pittsburg, CA 94565

gk

Document Title(s)

MEMORANDUM OF OPTION

MEMORANDUM OF OPTION

This Memorandum of Option is made on July 10, 2001, 2001, between Jepsen Webb Ranch, LLC, a California limited liability company, ("Optionor") and GWF Energy LLC, a Delaware limited liability company, ("Optionee"), who agree as follows:

1. Optionor grants to Optionee the option to purchase the real property and associated easements described in the Option Agreement dated June 22, 2001 affecting the real property described in Exhibit "A" attached hereto and made a part hereof.

2. The term of the option is for a period of six (6) months commencing on June 11, 2001 at 5:00 P.M. Pacific Standard Time or as such term may be extended as provided in the Option Agreement.

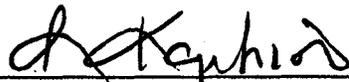
3. The option that is the subject of this Memorandum of Option is granted in accordance with an option agreement between Optionor and Optionee concerning the Option Property and dated June 22, 2001 ("Option Agreement"). This Memorandum of Option is prepared for the purpose of recordation and shall not alter or affect in any way the rights and obligations of Optionor and Optionee under the Option Agreement. In the event of any inconsistency between this Memorandum of Option and the Option Agreement, the terms of the Option Agreement shall control.

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

IN WITNESS WHEREOF, the parties have executed this Memorandum of Option.

Date: July 10, 2001

Optionor:
JEPSEN WEBB RANCH, LLC,
 a California limited liability company

By: 
RUSSELL KAGEHIRO,
 It's Authorized Manager

Optionee:
GWF ENERGY LLC,
 a Delaware limited liability company

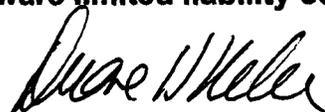
By: 
 Duane H. Nelsen
 It's President

EXHIBIT "A"

ALL THAT CERTAIN PARCEL OF LAND IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

A PORTION OF SECTION 36, TOWNSHIP 2 SOUTH, RANGE 4 EAST, MOUNT DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE 100 FOOT WIDE RAILROAD RIGHT OF WAY NOW OWNED BY THE UNION PACIFIC RAILROAD COMPANY THE MOST NORTHEASTERLY CORNER OF PARCEL OF LAND DESCRIBED IN THE DEED TO UNITED STATES OF AMERICA RECORDED AUGUST 15, 1947 IN BOOK 1096 OF OFFICIAL RECORDS OF SAN JOAQUIN COUNTY AT PAGE 85; THENCE EASTERLY ALONG SAID SOUTHERLY LINE OF THE 100 FOOT WIDE RAILROAD RIGHT OF WAY NOW OWNED BY THE UNION PACIFIC RAILROAD COMPANY, BEING A CURVE TO THE RIGHT HAVING A RADIUS OF 5,679.65 FEET, THE CENTER OF WHICH BEARS SOUTH 8° 34' 51" EAST, THROUGH A CENTRAL ANGLE OF 16° 51' 14" AN ARC DISTANCE OF 1,670.70 FEET; THENCE SOUTH 81° 43' 37" EAST, 142.00 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 5,779.65 FEET THROUGH A CENTRAL ANGLE OF 1° 45' 27" AN ARC DISTANCE OF 177.28 FEET; THENCE LEAVING SAID THE SOUTHERLY LINE OF THE 100 FOOT WIDE RAILROAD RIGHT OF WAY NOW OWNED BY THE UNION PACIFIC RAILROAD COMPANY, SOUTH 0° 27' 16" EAST, 791.84 FEET TO THE SOUTHERLY LINE OF THE 40.00 FOOT WIDE EASEMENT DESCRIBED IN THE DEED TO PACIFIC GAS AND ELECTRIC COMPANY RECORDED DECEMBER 9, 1987 INSTRUMENT NUMBER 87111480; THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF THE 40.00 FOOT WIDE EASEMENT DESCRIBED IN THE DEED TO PACIFIC GAS AND ELECTRIC COMPANY, SOUTH 72° 21' 01" WEST, 583.32 FEET; THENCE LEAVING SAID SOUTHERLY LINE OF THE 40.00 FOOT WIDE EASEMENT DESCRIBED IN THE DEED TO PACIFIC GAS AND ELECTRIC COMPANY, SOUTH 39° 32' 34" WEST, 629.01 FEET TO THE NORTHEASTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED TO UNITED STATES OF AMERICA RECORDED MARCH 10, 1947 IN BOOK 1106 AT PAGE 155, HEREIN FOR CONVENIENCE LABELED "POINT A"; THENCE ALONG SAID NORTHEASTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED TO UNITED STATES OF AMERICA (1106 OR 155), NORTH 49° 12' 07" WEST, 746.75 FEET THENCE NORTH 61° 45' 07" WEST, 207.30 FEET TO THE MOST SOUTHERLY CORNER OF SAID PARCEL OF LAND DESCRIBED IN THE DEED TO UNITED STATES OF AMERICA (1096 OR 85); THENCE ALONG THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN THE DEED TO UNITED STATES OF AMERICA (1096 OR 85), NORTH 7° 17' 07" WEST, 429.90 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 40.00 ACRES, MORE OR LESS.

PARCEL TWO:

AN EASEMENT, FOR ACCESS AND UTILITY PURPOSES, OVER, UNDER AND ACROSS A 40.00 FOOT WIDE STRIP OF LAND, THE NORTHERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE 100 FOOT WIDE RAILROAD RIGHT OF WAY NOW OWNED BY THE UNION PACIFIC RAILROAD COMPANY, AT THE NORTH EAST CORNER OF PARCEL ONE ABOVE; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF THE 100 FOOT WIDE RAILROAD RIGHT OF WAY NOW OWNED BY THE UNION PACIFIC RAILROAD COMPANY, ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 5,779.65 FEET, THE CENTER OF WHICH BEARS NORTH 6° 30' 56" EAST, THROUGH A CENTRAL ANGLE OF 31° 42' 29" AN ARC DISTANCE OF 3,198.65 FEET; THENCE NORTH 64° 48' 27" EAST, 37.04 FEET TO THE WEST LINE OF LAMMERS ROAD.

CONTAINING AN AREA OF 129,384 SQUARE FEET, OR 2.97 ACRES, MORE OR LESS.

PARCEL THREE:

AN EASEMENT, FOR PIPELINE PURPOSES, OVER, UNDER AND ACROSS A 20.00 FOOT WIDE STRIP OF LAND, THE SOUTHWESTERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF PARCEL ONE ABOVE, BEING "POINT A" IN THE DESCRIPTION OF PARCEL ONE ABOVE, AT THE NORTHEASTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED TO UNITED STATES OF AMERICA RECORDED MARCH 10, 1947 IN BOOK 1106 AT PAGE 155; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF SAID UNITED STATES OF AMERICA PARCEL (1106 OR 155), SOUTH 49° 12' 07" EAST, 1,147.95 FEET; THENCE SOUTH 40° 56' 07" EAST, 306.80 FEET TO THE SOUTH LINE OF SECTION 36, TOWNSHIP 2 SOUTH, RANGE 4 EAST, MOUNT DIABLO BASE AND MERIDIAN.

THE NORTHEAST LINE OF SAID 20.00 FOOT WIDE STRIP TO BE LENGTHENED OR SHORTENED TO MAKE A CONTINUOUS STRIP BETWEEN PARCEL ONE ABOVE AND SAID SOUTH LINE OF SECTION 36, TOWNSHIP 2 SOUTH, RANGE 4 EAST, MOUNT DIABLO BASE AND MERIDIAN.

CONTAINING AN AREA OF 29,077 SQUARE FEET, OR 0.67 ACRES, MORE OR LESS.

Acknowledgment

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN JOAQUIN)

On July 6, 2001, before me, TERESA A. MUSTIN, Notary Public in and for the State of California, personally appeared, RUSSELL KAGEHIRO, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Contra Costa

On July 10, 2001 before me, Jennifer Slimp, Notary Public,
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Duane H. Nelsen
NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (is) are subscribed to the within instrument and acknowledged to me that (he)/(she)/(they) executed the same in (his)/(her)/(their) authorized capacity(ies), and that by (his)/(her)/(their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Jennifer Slimp
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER
President
TITLE(S)
- PARTNER(S) LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

Memorandum of Option
TITLE OR TYPE OF DOCUMENT
Three (3)
NUMBER OF PAGES
July 10, 2001
DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

Russell Kagehiro
SIGNER(S) OTHER THAN NAMED ABOVE

Appendix L-2

Plain View Water District Letter



PLAIN VIEW WATER DISTRICT

Phone (209) 835-0375

Fax (209) 835-2869

pvwd@inreach.com

6715 South Tracy Blvd.,

Tracy, CA 95377

Mobile (209) 406-6853

BOARD OF DIRECTORS:

Russell S. Kageliro, President

Jack Tuso, Vice President

Charles Spatafore, Jr.

Lee H. Clemens

Jeffery L. Brown

STAFF:

Name: Rupert, MANAGER

Sandra K. Dunn, ATTORNEY AT LAW

Sonnach, Simmons & Dunn

July 31, 2001

D. W. Wheeler
Vice President
GWF Energy LLC
4300 Railroad Avenue
Pittsburg, CA 94565

Dear Mr. Wheeler:

This "will serve" letter is in response to your request to Plain View Water District (District) to supply water to the natural gas-fired peaking power plant proposed to be constructed by GWF Energy LLC on lands located within the District's boundaries. The District is a California Water District operating under Division 13 of the California Water Code. The District is legally authorized pursuant to Water Code sections 35400 and 35401 to deliver water for domestic, municipal and industrial purposes. The District holds a contract with the U.S. Bureau of Reclamation for 20,000 acre-feet of water from the Central Valley Project. The Bureau of Reclamation delivers water to the District through the Delta-Mendota Canal.

The District has ratably apportioned its water supply to each holder of title to lands within the District. In a year in which Reclamation declares a 100 percent availability of water, each landowner is apportioned 3.4 acre-feet of water per acre. GWF Energy LLC holds title to 40 acres of land within Plain View Water District and, therefore, has an allocation of 136 acre-feet of water in each year in which the Bureau of Reclamation makes available to the District its entire contract entitlement. In years in which Reclamation is unable to provide to the District its full contract amount, each land owner's allocation is reduced proportionately.

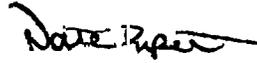
All construction of pumping and conveyance facilities will be done in accordance with the District's specifications and construction requirements. All construction costs, including any engineering or permitting costs and all costs incurred by the District, must be borne by GWF Energy LLC.

D. W. Wheeler
July 31, 2001
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The delivery of water will be subject to all rules and regulations established by the District, and GWF Energy LLC shall be required to pay the District for the cost of a l water delivered at the then-applicable municipal and industrial rate charged by the District and shall pay its proportionate share of the District's operation and maintenance costs.

This letter is only an indication of the District's intent to provide water service and should not be construed as a binding offer.

Very truly yours,



Nate Rupert
General Manager

cc: Russell Kagehiro