EMAIL NUMBER: 0

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RE: Merger of Raptor 2 and 3At: 2000-11-07T09:59:00.000ZFrom: mary.cook@enron.comTo: sara.shackleton@enron.com angela.davis@enron.comCC: nanBCC: nanBody:

FYI. How all of this may work with respect to the swaps in these structures

(which I believe to have been signed, but still have not been provided

executed copies) is unclear.

Enron North America Corp.

Mary Cook

1400 Smith, 38th Floor, Legal

Houston, Texas 77002-7361

(713) 345-7732 (phone)

(713) 646-3490 (fax)

mary.cook@enron.com

----- Forwarded by Mary Cook/HOU/ECT on 11/07/2000 09:57 AM -----

Joel Ephross@ENRON

11/06/2000 07:28 PM

To: Mary Cook/HOU/ECT@ECT

cc: mspradling@velaw.com

Subject: Merger of Raptor 2 and 3

FYI.

Mark -- lets give some thought to how this effects both structure and the

ability to give the FAS 125 opinions on the sale of the notes on Raptor 3.

----- Forwarded by Joel Ephross/Corp/Enron on 11/06/2000 07:14 PM -----

Jordan Mintz@ECT

11/06/2000 06:52 PM

To: Joel Ephross/Corp/Enron@ENRON

cc: Ryan Siurek/Corp/Enron@ENRON, AnnMarie Tiller/Corp/Enron@ENRON, Brent

Vasconcellos/Corp/Enron@ENRON, brenda.funk@enron.com@ENRON

Subject: Re: Raptor 2 and 3

At AMT's and/or Brent's convenience, I would like to better understand the

tax issue and discuss what steps we can take to mitigate as this proposal has

real momentum.

Thanks.

Jordan

From: Joel Ephross@ENRON on 11/06/2000 05:59 PM

To: Jordan Mintz/HOU/ECT@ECT

cc: Ryan Siurek/Corp/Enron@ENRON, AnnMarie Tiller/Corp/Enron@ENRON, Brent

Vasconcellos/Corp/Enron@ENRON, brenda.funk@enron.com

Subject: Re: Raptor 2 and 3

From discussing this with Brent and AnnMarie, there may some tax issues with

merging these 2 structures. As best I can articulate this, the merger of

Timberwolf into Porcupine would be treated as a reissuance of debt by LJM,

causing them to recognize gain [made all the worse by no associated

distribution of tax]. The TIA executed in connection with Raptor 3 would

require indemnififcation by ENE based on LJM's demand in this case, withuot

the need for the Service to take a position on the issue.

Jordan Mintz@ECT

11/06/2000 02:08 PM

To: rastin@velaw.com, Joel Ephross/Corp/Enron@ENRON

cc: AnnMarie Tiller/Corp/Enron@ENRON

Subject: Raptor 2 and 3

At his staff meeting this morning, Andy raised the possibility of some type

of "merger" between Raptor 2 and 3 so as to provide support for the hedge on

TNPC warrants. My understanding is that Ryan is currently reviewing the

feasibility of this type of arrangement from an accounting perspective. I

wanted to provide you with a heads-up in the event that this takes on some

urgency in the next few days/weeks.

Please let me know if you have any questions or comments.

Jordan

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EMAIL NUMBER: 1

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RE: FW: Monday MeetingAt: 2001-04-16T19:25:00.000ZFrom: andrew.fastow@enron.comTo: jeff.skilling@enron.comCC: nanBCC: nanBody:

Jeff:

I'm sure this is just a "misunderstanding", but I know that UBS Capital has spent innumerable hours with management. While Mark says that he doesn't want LJM to have an advantage, it looks like LJM is being put at a disadvantage. You would think that Cliff and Mark would welcome a new bidder with open arms after failing to sell this business for 2+ years. Until this is resolved, I'll assume that LJM is out of the bidding and will not do any further work. Enron is back to one bidder (the lower one) -- better for our company ???

Andy

-----Original Message-----

From: Umanoff, Adam

Sent: Monday, April 16, 2001 1:58 AM

To: Fastow, Andrew S.

Subject: Monday Meeting

Andy - Mark Metts called tonight and has asked me not to meet with you in Houston tomorrow. His stated concern is over disparate/more favorable treatment of you (LJM) as opposed to other bidders for EWC. As we have discussed, while I am very interested in an LJM financed MBO, at this stage I need you to sort out any process issues with Cliff/Mark and/or Jeff. Let's meet as soon as that gets worked out. In the meantime, I won't travel to Houston Monday but will call to chat. Thanks. Adam

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EMAIL NUMBER: 2

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RE: Project Raptor III (2 of 2 emails)At: 2000-08-29T09:31:00.000ZFrom: sara.shackleton@enron.comTo: kaye.ellis@enron.comCC: nanBCC: nanBody:

please print item 14 only

----- Forwarded by Sara Shackleton/HOU/ECT on 08/29/2000 09:31 AM -----

Carol St Clair

08/29/2000 08:14 AM

To: Sara Shackleton/HOU/ECT@ECT, Mark Taylor/HOU/ECT@ECT, Mary

Cook/HOU/ECT@ECT

cc:

Subject: Project Raptor III (2 of 2 emails)

Carol St. Clair

EB 3892

713-853-3989 (Phone)

713-646-3393 (Fax)

carol.st.clair@enron.com

----- Forwarded by Carol St Clair/HOU/ECT on 08/29/00 08:11 AM -----

"Curry, Alicia" <acurry@velaw.com>

08/28/00 01:59 PM

To: "Kopper, Michael (Enron)" <michael.kopper@enron.com>, "Tiller, AnnMarie

(Enron)" <annmarie.tiller@enron.com>, "Schnapper, Barry (Enron)"

<barry.schnapper@enron.com>, "St. Clair, Carol (Enron)"

<carol.st.clair@enron.com>, "Sefton, Scott (Enron)" <scott.sefton@enron.com>,

"'kenton@rlf.com'" <kenton@rlf.com>, "'dj@lordspv.com'" <dj@lordspv.com>,

"'aw@lordspv.com'" <aw@lordspv.com>, "'aroberts@wilmingtontrust.com'"

<aroberts@wilmingtontrust.com>, "'martha\_stuart@kirkland.com'"

<martha\_stuart@kirkland.com>, "Chandler, Trina" <tchandler@velaw.com>,

"'kevin.d.jordan@enron.com'" <kevin.d.jordan@enron.com>, "Astin, Ronald T."

<RAstin@velaw.com>, "Spradling, Mark" <MSpradling@velaw.com>, "Osterberg,

Edward" <eosterberg@velaw.com>, "'Anne Yaeger'" <Anne.Yaeger@enron.com>,

"'Ian Schachter'" <ian.schachter@us.pwcglobal.com>, "'Michael Edsall'"

<michael\_edsall@kirkland.com>, "'Brent Vasconcellos'" <bvascon@enron.com>,

"'Trushar Patel'" <trushar.patel@enron.com>, "'rsiurek@enron.com'"

<rsiurek@enron.com>, "'patty.grutzmacher@enron.com'"

<patty.grutzmacher@enron.com>, "'jennifer.stevenson@enron.com'"

<jennifer.stevenson@enron.com>, "'simpson@rlf.com'" <simpson@rlf.com>

cc: "Halbert, Elaine" <ehalbert@velaw.com>

Subject: Project Raptor III (2 of 2 emails)

Attached please find drafts of the following:

1. Security Agreement

2. UCC-1 Financing Statements

3. Stock Transfer Restriction Letter Agreement

4. Roadrunner LLC Agreement

5. Bobcat LLC Agreement

6. Enron Management Services Agreement

7. LJM Management Services Agreement

8. Tax Indemnification Agreement

9. Certificate of Incumbency of BSCS XXIII, Inc.

10. Opinion of Vinson & Elkins L.L.P.

11. Enron Corp. Demand Note

12. Confidentiality Agreement

13. Peregrine Letter Agreement

14. List of Documents

> Alicia L. Curry

> Vinson & Elkins L.L.P.

> 2300 First City Tower

> 1001 Fannin Street

> Houston, Texas 77002-6760

> Phone: 713-758-4428

> Fax: 713-615-5688

> (Licensed in New York only)

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- Ten.DOC

- Twenty-one A.DOC

- Twenty-two.DOC

- Twenty-four.WPD

- Twelve.DOC

- Fourteen.DOC

- Sixteen.DOC

- Eighteen.DOC

- Nineteen.DOC

- Seventeen.DOC

- Fifteen.DOC

- Thirteen.WPD

- Eleven.DOC

- Twenty-three.DOC

- Twenty-one B.WPD

- Twenty.DOC

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EMAIL NUMBER: 3

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RE: Westinghouse letter agreementAt: 2000-12-15T13:25:00.000ZFrom: kay.mann@enron.comTo: carlos.sole@enron.com david.lund@enron.comCC: john.schwartzenburg@enron.com mitch.robinson@enron.comBCC: john.schwartzenburg@enron.com mitch.robinson@enron.comBody:

The attached is a letter agreement reflecting the resolution of certain

issues with Westinhouse relating to the Gleason and Wheatland projects. It

also reflects that Enron isn't going to go after SWPC for a return of an

option payment for the Blue Girl equipment. SWPC has requested that

everybody sign on the dotted line, including NEPCO, EEPC and my dog Jack.

Please review and advise if there is any problem with you obtaining signature

for your respective groups.

I'll handle the LJM and ENA signatures.

Please call if you have any questions.

Kay

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EMAIL NUMBER: 4

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RE: BLUE DOGAt: 2000-06-27T09:40:00.000ZFrom: cheryl.costa@enron.comTo: scott.dieball@enron.comCC: nanBCC: nanBody:

Folks, for your convenience I am attaching a clean copy of the Blue Dog

Contract. Call me if I can be of further assistance. This is are first LJM

document.

Cheryl Costa

6.6254

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EMAIL NUMBER: 5

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RE: Datacentric BroadbandAt: 2001-05-12T01:14:00.000ZFrom: gene.humphrey@enron.comTo: jeff.skilling@enron.comCC: nanBCC: nanBody:

Jeff,

After your call I thought I should give you some background on Datacentric Broadband (DCB).

1. The company was founded by Leslie Anderson a woman entrepreneur in Conroe Texas. Leslie continues to be the largest non institutional shareholder and is Chairman of the Board. The president is Gary Remy, a Hispanic, whom you met recently at the YPO gathering.

2. DCB is in the broadband wireless access market focusing on smaller cities in Texas. They have deployed in nine different locations and have a strategy to grow from a regional player to a national player. The market they are in requires no license fees and is one where being first to locate in a city is critical to success.

3. We have invested $2 million in DCB to date and brought in Redstone Investors who also invested $2 million. Redstone should continue to participate with us in any future investments we make in DCB.

4. We have talked to Kevin Garland to solicit interest from him, however he made it clear that DCB was not in his target market and he was not interested in the investment.

5. DCB has engaged Arthur Andersen to help raise additional funds for continued growth. We along with AA have been talking to other potential investors and have found a receptive yet cautious reception.

6. About two weeks ago we were approached by representatives of Union Pacific Railroad and Norfolk Southern Railroad with a proposal to invest up to $75 million in DCB over the next five years beginning with an initial investment of $15 million. U P asked if Enron would be willing to invest a similar amount alongside them to help DCB grow into a national broadband wireless access provider to smaller cities. After this request I asked Ken Rice if EBS would be interested in an investment in DCB either in conjunction with U P or on a stand alone basis. My hope was that EBS would view DCB as a strategic fit to their business model and would be interested in a much closer relationship with DCB perhaps leading to a buyout. ( Although EBS and DCB are in different businesses I know that the trading group of EBS has used DCB to provide liquidity and last mile access for many of their trades.) Ken's response was that EBS was not interested in an investment in DCB and he didn't see a strategic fit between the two companies.

7. We have also talked to Lou's group, the Xcelerator, and to LJM about investments in DCB and it appears that LJM is very interested in committing funds however I don't think they will be ready in time to match U P's commitment.

8. At a subsequent meeting with U P we told them not to expect any additional funds from Enron other that a possible $2 to $3 million from ourselves since that is all of the capacity that we have left for this investment. They are very disappointed that Enron does not see the strategic potential of this business the way they do, but nevertheless are still moving forward in their efforts to invest in DCB in the $75 million range. We are currently in the due diligence process with U P and hope to wrap up a deal structure by the end of May.

We have solicited the support of other Enron groups all along the way while making our investment decision. I truly believe that DCB is in a space that could be very integral to the success of EBS and had hoped that we could work together more closely, however EBS does not see a strategic fit with DCB. We will continue to develop relationships with other strategic and financial partners in order to enhance and grow the value of our investment in DCB.

I will be happy to talk to you further about DCB and our investment. We will of course seek your approval for any additional investments that we make in DCB. Please call me if you have any additional questions.

Gene

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EMAIL NUMBER: 6

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RE: Re: Westinghouse letter agreementAt: 2000-12-19T07:52:00.000ZFrom: kay.mann@enron.comTo: carlos.sole@enron.comCC: nanBCC: nanBody:

It is basically the same.

From: Carlos Sole@ENRON\_DEVELOPMENT on 12/18/2000 07:05 PM

To: Kay Mann/Corp/Enron@ENRON

cc: John Schwartzenburg/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT,

davidlu@nepco.com

Subject: Re: Westinghouse letter agreement

If this is the same as the previous letter that you circulated, Dick Westfahl

can sign for it and he indicated that he had no problems with it.

Kay Mann@ENRON

12/15/2000 01:25 PM

To: Carlos Sole/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT, David

Lund/ENRON@enronXgate

cc: John Schwartzenburg/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT, Mitch

Robinson/Corp/Enron@Enron

Subject: Westinghouse letter agreement

The attached is a letter agreement reflecting the resolution of certain

issues with Westinhouse relating to the Gleason and Wheatland projects. It

also reflects that Enron isn't going to go after SWPC for a return of an

option payment for the Blue Girl equipment. SWPC has requested that

everybody sign on the dotted line, including NEPCO, EEPC and my dog Jack.

Please review and advise if there is any problem with you obtaining signature

for your respective groups.

I'll handle the LJM and ENA signatures.

Please call if you have any questions.

Kay

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EMAIL NUMBER: 7

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RE: PSCOAt: 2000-10-09T13:38:00.000ZFrom: david.delainey@enron.comTo: christopher.calger@enron.comCC: nanBCC: nanBody:

Chris, do you have a deal book -explaining the overall transaction, returns

and risk?

This will help me facilitate the process.

Regards

Delainey

---------------------- Forwarded by David W Delainey/HOU/ECT on 10/09/2000

01:37 PM ---------------------------

Christopher F Calger

10/09/2000 12:16 PM

To: David W Delainey/HOU/ECT@ECT

cc:

Subject: PSCO

Dave,

Wanted to give you a heads up...

We are looking at a DASH for approximately $1.5MM for development of PSCO.

This includes cancellation charges of approximately $350K and soft

engineering/consulting costs through November 30 (expected receipt of air

permit). The plan would be to DASH with Board/Exec Committee approval the

entire project in November. Chip Schneider of RAC is OK with this approach

given his understanding of the project risks and economics.

The plan is to keep this off balance sheet through West LB -> Turbo Park

with exit to a third party no later than Sep 30, 2001. there is likely a

need to bring in LJM to cover $2-3MM of hard costs (moving dirt) from Dec 1

through Jan 31.

We are planning on executing the PPA with PSCO this week - it has sufficient

conditions precedent to give ENA Legal (and me) comfort that we can walk if

there is any problem with permits or site costs (land, water, transmission,

fuel). In addition, there is a Board out that ENA Legal drafted, negotiated

and feels is a tangible out (unlike most Board outs). We will have a

definitive deal with NEPCO prior to execution of the PSCO PPA. I spoke with

Jacoby and Janet and told them we are planning to take the remaining two

LM6000's for this project.

I am available to talk about it at your convenience.

Regards,

Chris

---------------------- Forwarded by Christopher F Calger/PDX/ECT on

10/09/2000 09:56 AM ---------------------------

Christopher F Calger

10/08/2000 05:13 PM

To: Chip Schneider/NA/Enron@Enron

cc: Stephen Thome/HOU/ECT@ECT, Jeff G Slaughter/PDX/ECT@ECT

Subject: PSCO

Chip,

PSCO has modified their position and has accepted some of our negotiating

points (heat rate, board out, permit conditions precedent) and will accept a

6-LM6000 project with a June 2001 start date. The additional two LM6000's

materially improves our economics as both installed cost/kw and fixed o&m

decrease. We plan on executing the PPA later this week (Monday 10/16 latest)

with inclusion of project permitting conditions and Board-out language

drafted by and satisfactory to ENA Legal.

In order to hit the June 01 deadline, we must order the following additional

equipment through West LB ASAP:

6 stacks $1,188,000

3 Control Modules $375,000

1 CEMS $675,000

4 230kv Breakers $340,000

Total: $2,578,000

The above equipment is needed for our remaining LM6000's in any project.

More importantly, the cancellation charges for the above equipment are

minimal as follows:

Now through November 1: $257,800

Now through November 30: $340,000 (additional $83,000)

Additional soft costs prior to mobilization in December are estimated at:

EE&CC Tasking Letter Year to Date: $175,000

EE&CC/NEPCO Engineering through October 20: $75,000

EE&CC/NEPCO Engineering through Nov 30: $700,000

Based on the above, I will exceed $500K around October 18. Given our Board

approval flexibility from PSCo and the timing of expediting the equipment

orders, I thought it might be a good idea to seek approval for a development

project through the end of November (or perhaps December 15). The amount

might be $1.5MM which allows for equipment cancellation and engineering

costs. That would allow us to move forward aggressively and prepare a more

complete final project approval for the next regularly scheduled Board / Exec

Committe meeting in November.

How does this sound to you?

Regards,

Chris

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RE: Re: Transfer of GE Turbines Into Turbo ParkAt: 2000-11-29T07:58:00.000ZFrom: lisa.bills@enron.comTo: seanbunk@akllp.comCC: lisa.bills@enron.com catherine.clark@enron.com kay.mann@enron.com sheila.tweed@enron.com roseann.engeldorf@enron.com robtaylor@akllp.comBCC: lisa.bills@enron.com catherine.clark@enron.com kay.mann@enron.com sheila.tweed@enron.com roseann.engeldorf@enron.com robtaylor@akllp.comBody:

Sean,

1. On the signature lines for each document, please provide the role that

each party is signing as. Also, Wilmington Trust is signing as Manager for

E-Next Generation LLC.

2. Please obtain from Catherine Clark the extension and transfer documents

on the Blue Dog turbines. In mid-November, the transaction with LJM was

extended and EECC assigned their option and agency role to ENA.

3. I'll let the lawyers make their comments and direct you as to

distribution of these documents to both WestLB/counsel and TurboPark parties.

Regards, Lisa

"Bunk, Sean" <seanbunk@akllp.com> on 11/28/2000 01:43:47 PM

To: <lisa.bills@enron.com>, <catherine.clark@enron.com>,

<kay.mann@enron.com>, <sheila.tweed@enron.com>, <roseann.engeldorf@enron.com>

cc: "Taylor, Rob" <robtaylor@akllp.com>

Subject: Transfer of GE Turbines Into Turbo Park

Attached are drafts of assignment documents to effect the transfer of

the GE Turbines into the Turbo Park structure.

Please feel free to call me at (713)220-4427 if you have any questions

or comments.

<<Purchase Option Assignment and Assumption Agreement (Turbopark -

LM6000).DOC>> <<Purchase Option Assignment and Assumption Agreement -

Pastoria.DOC>> <<E-Next Generation LLC Assignment and Assumption

Agreement.DOC>>

- Purchase Option Assignment and Assumption Agreement (Turbopark -

LM6000).DOC

- Purchase Option Assignment and Assumption Agreement - Pastoria.DOC

- E-Next Generation LLC Assignment and Assumption Agreement.DOC

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RE: RE: Finance Committee Meeting(s); LJMAt: 2001-04-10T13:17:01.000ZFrom: rick.buy@enron.comTo: jordan.mintz@enron.comCC: nanBCC: nanBody:

Probably unnecessary to attend regularly from my point of view but I have no issue either way. I think it is a good idea to meet monthly with Causey. Rick

-----Original Message-----

From: Mintz, Jordan

Sent: Monday, April 09, 2001 6:49 PM

To: Buy, Rick

Subject: Finance Committee Meeting(s); LJM

Rick: As you may recall, Andy had asked me to attend the Audit and Finance Committee meetings at the last Board meeting. I was curious whether you thought it was a good idea for me to attend the Finance Committee meetings on a going forward basis (in the event of any LJM discussion, or otherwise)? I would be happy to do so, but my feelings won't be bruised if you think it unnecessary.

On a somewhat related point, during my last meeting with Rick Causey of about two weeks ago, Rick suggested that the three of us get together monthly to discuss what transactions are being discussed with LJM (or may have even closed during that time period), our related internal reviews, and documentation. Are you ok with this arrangement?

Thanks.

Jordan

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EMAIL NUMBER: 10

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RE: Re: THE agreementAt: 2000-12-21T10:58:00.000ZFrom: roseann.engeldorf@enron.comTo: kay.mann@enron.comCC: nanBCC: nanBody:

The person to contact, I believe, is Michael Hinds. His number is 55869.

However, Ace Roman, who sits on our floor and is a manager with the group,

should help you coordinate, particularly with the LJM lawyers. His number is

39587. Kirkland and Ellis out of DC does their legal work. Amy Harvey, who

I believe is an associate there, worked with us on the "E-Next Generation"

deal. Her number is 202-879-5053.

Thanks,

Rose

Kay Mann

12/20/2000 06:59 PM

To: Roseann Engeldorf/Corp/Enron@ENRON

cc:

Subject: THE agreement

I'm trying to clean up after Blue Girl. Can you tell me again who signs for

LJM so that I can get signature? Who does their legal work?

Thanks,

Kay

---------------------- Forwarded by Kay Mann/Corp/Enron on 12/20/2000 06:58

PM ---------------------------

Kay Mann

12/15/2000 01:22 PM

To: Lynn.DeKrey@swpc.com

cc:

Subject: THE agreement

With high hopes that this is the FINAL final version, I'm attaching what I

believe to be the execution copy. Some things have been cleaned up, and

Brownsville has been added to paragraph 5. I'm going to start collecting

signatures.

Thanks,

Kay

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EMAIL NUMBER: 11

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RE: re: Raptor II SwapAt: 2000-10-04T18:06:00.000ZFrom: sara.shackleton@enron.comTo: scott.sefton@enron.com ryan.siurek@enron.com rodney.faldyn@enron.com bob.butts@enron.comCC: mark.taylor@enron.comBCC: mark.taylor@enron.comBody:

Scott: I only have comments from Ryan and Donette. Mark Spradling left me a

message about five minutes ago and said that he would have comments tomorrow

morning (and to copy Shelley Barber on any drafts). Once I receive comments,

I'll prepare another draft and circulate. Sara

Scott Sefton

10/04/2000 05:47 PM

To: Ryan Siurek/Corp/Enron@ENRON

cc: Sara Shackleton/HOU/ECT@ECT, Rodney Faldyn/Corp/Enron@Enron, Bob

Butts/GPGFIN/Enron@ENRON

Subject: re: Raptor II Swap

Sara,

Since you're out the rest of the week from noon tomorrow, we'd really

appreciate it if you could prepare a revised confirm tomorrow morning so we

can deliver it to LJM for their review. Then, we can hopefully sign the

confirm on Monday. Thanks!

Scott

Ryan Siurek@ENRON

10/04/2000 05:38 PM

To: Sara Shackleton/HOU/ECT@ECT

cc: Rodney Faldyn/Corp/Enron@Enron, Bob Butts/GPGFIN/Enron@ENRON, Scott

Sefton/HOU/ECT@ECT

Subject: re: Raptor II Swap

Here are comments from transaction support group on the LDC swap. I have

marked my changes against a clean version of the latest swap.

Regards,

Ryan

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EMAIL NUMBER: 12

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RE: re: Raptor II SwapAt: 2000-10-04T17:47:00.000ZFrom: scott.sefton@enron.comTo: ryan.siurek@enron.comCC: sara.shackleton@enron.com rodney.faldyn@enron.com bob.butts@enron.comBCC: sara.shackleton@enron.com rodney.faldyn@enron.com bob.butts@enron.comBody:

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EMAIL NUMBER: 13

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RE: FW: Items to be reviewedAt: 2001-08-03T21:22:25.000ZFrom: e..haedicke@enron.comTo: lisa.mellencamp@enron.comCC: nanBCC: nanBody:

Let's discuss. Mark

-----Original Message-----

From: Brysch, Jim

Sent: Friday, August 03, 2001 12:48 PM

To: Haedicke, Mark E.

Cc: Thapar, Raj

Subject: Items to be reviewed

Mark,

Per our conversation, here are the items we would like specific guidance on from outside counsel as soon as possible:

1. Regarding the 4 undelivered routes (Memphis to D.C., San Diego to Austin, Seattle to Vancouver, and Salt Lake to Denver), what is the probability someone could buy the contracts from 360 and "Put" the routes to EBS?

2. If 360 were to reject the contracts where they pay EBS annual lease payments (Amarillo to Austin and Houston to New Orleans):

How would the court go about calculating EBS' damages (would future payments be included)?

Would we have the right to offset the damages against future lease payments to them?

Would EBS get the fibers back?

3. Regarding the swap where EBS delivered its route to 360 over a year ago, and 360 delivered Minneapolis to Detroit 1-2 weeks previous to filing (papered as one deal):

What is the probability this would be viewed as a preferential transaction?

If preferential, would the entire swap unwind, or could the court unwind only the 360 delivery?

4. If 360 rejects IRUs where they have paid EBS (or LJM/Trust) the total amount up-front, what is the probability EBS will have to refund all or a portion of the money?

5. Worst case scenario, if 360 rejects all contracts where they are paying EBS for future O&M and Collocation:

How would the court go about calculating EBS' damages (would future payments be included)?

Would we have the right to offset the damages against future payments to them for O&M and Collocation?

Thanks again for your help.

Jim B.

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EMAIL NUMBER: 14

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RE: Project Raptor III (2 of 2 emails)At: 2000-08-29T08:14:00.000ZFrom: carol.clair@enron.comTo: sara.shackleton@enron.com mark.taylor@enron.com mary.cook@enron.comCC: nanBCC: nanBody:

Carol St. Clair

EB 3892

713-853-3989 (Phone)

713-646-3393 (Fax)

carol.st.clair@enron.com

----- Forwarded by Carol St Clair/HOU/ECT on 08/29/00 08:11 AM -----

"Curry, Alicia" <acurry@velaw.com>

08/28/00 01:59 PM

To: "Kopper, Michael (Enron)" <michael.kopper@enron.com>, "Tiller, AnnMarie

(Enron)" <annmarie.tiller@enron.com>, "Schnapper, Barry (Enron)"

<barry.schnapper@enron.com>, "St. Clair, Carol (Enron)"

<carol.st.clair@enron.com>, "Sefton, Scott (Enron)" <scott.sefton@enron.com>,

"'kenton@rlf.com'" <kenton@rlf.com>, "'dj@lordspv.com'" <dj@lordspv.com>,

"'aw@lordspv.com'" <aw@lordspv.com>, "'aroberts@wilmingtontrust.com'"

<aroberts@wilmingtontrust.com>, "'martha\_stuart@kirkland.com'"

<martha\_stuart@kirkland.com>, "Chandler, Trina" <tchandler@velaw.com>,

"'kevin.d.jordan@enron.com'" <kevin.d.jordan@enron.com>, "Astin, Ronald T."

<RAstin@velaw.com>, "Spradling, Mark" <MSpradling@velaw.com>, "Osterberg,

Edward" <eosterberg@velaw.com>, "'Anne Yaeger'" <Anne.Yaeger@enron.com>,

"'Ian Schachter'" <ian.schachter@us.pwcglobal.com>, "'Michael Edsall'"

<michael\_edsall@kirkland.com>, "'Brent Vasconcellos'" <bvascon@enron.com>,

"'Trushar Patel'" <trushar.patel@enron.com>, "'rsiurek@enron.com'"

<rsiurek@enron.com>, "'patty.grutzmacher@enron.com'"

<patty.grutzmacher@enron.com>, "'jennifer.stevenson@enron.com'"

<jennifer.stevenson@enron.com>, "'simpson@rlf.com'" <simpson@rlf.com>

cc: "Halbert, Elaine" <ehalbert@velaw.com>

Subject: Project Raptor III (2 of 2 emails)

Attached please find drafts of the following:

1. Security Agreement

2. UCC-1 Financing Statements

3. Stock Transfer Restriction Letter Agreement

4. Roadrunner LLC Agreement

5. Bobcat LLC Agreement

6. Enron Management Services Agreement

7. LJM Management Services Agreement

8. Tax Indemnification Agreement

9. Certificate of Incumbency of BSCS XXIII, Inc.

10. Opinion of Vinson & Elkins L.L.P.

11. Enron Corp. Demand Note

12. Confidentiality Agreement

13. Peregrine Letter Agreement

14. List of Documents

> Alicia L. Curry

> Vinson & Elkins L.L.P.

> 2300 First City Tower

> 1001 Fannin Street

> Houston, Texas 77002-6760

> Phone: 713-758-4428

> Fax: 713-615-5688

> (Licensed in New York only)

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> CONFIDENTIALITY NOTICE

> +++++++++++++++++++++++

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> organization named above. If you are not the intended recipient or an

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> from your system. Thank You

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- Ten.DOC

- Twenty-one A.DOC

- Twenty-two.DOC

- Twenty-four.WPD

- Twelve.DOC

- Fourteen.DOC

- Sixteen.DOC

- Eighteen.DOC

- Nineteen.DOC

- Seventeen.DOC

- Fifteen.DOC

- Thirteen.WPD

- Eleven.DOC

- Twenty-three.DOC

- Twenty-one B.WPD

- Twenty.DOC

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EMAIL NUMBER: 15

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RE: Raptor 2 hedgeAt: 2000-10-19T09:02:00.000ZFrom: sara.shackleton@enron.comTo: kaye.ellis@enron.comCC: nanBCC: nanBody:

Let's redline (or accept) Ryan's changes and redistribute. Thanks. Sara

----- Forwarded by Sara Shackleton/HOU/ECT on 10/19/2000 09:01 AM -----

Ryan Siurek@ENRON

10/19/2000 06:57 AM

To: Sara Shackleton/HOU/ECT@ECT

cc: Rodney Faldyn/Corp/Enron@Enron, Bob Butts/GPGFIN/Enron@ENRON

Subject: Raptor 2 hedge

Sara,

The version you distributed yesterday does not include the comments that I

sent to Scott Sefton last week. Attached are my revisions. You can feel

free to distribute to the broader group if you want. I will get comments

from Rodney Faldyn and Bob Butts and then would like to distribute to LJM for

their review and execution. Let me know if there are any outstanding

comments and/or issues.

Regards,

Ryan

----- Forwarded by Ryan Siurek/Corp/Enron on 10/19/2000 06:54 AM -----

Kaye Ellis@ECT

10/18/2000 12:05 PM

To: Scott Sefton/HOU/ECT@ECT, Ryan Siurek/Corp/Enron@ENRON, Gordon

McKillop/NA/Enron@ENRON, AnnMarie Tiller/Corp/Enron@ENRON, Randy

Young/NA/Enron@Enron, Gregory Adams/Corp/Enron@ENRON, Bob

Butts/GPGFIN/Enron@ENRON, Frank Stabler/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT,

mspradling@velaw.com, jdilg@velaw.com, Donette Dewar/HOU/ECT@ECT, Brent

Vasconcellos/Corp/Enron@ENRON

cc: Sara Shackleton/HOU/ECT@ECT, Mark Taylor/HOU/ECT@ECT

Subject: Raptor 2 hedge

I am resending this email for the benefit of those of you who did not receive

it on October 5.

----- Forwarded by Kaye Ellis/HOU/ECT on 10/18/2000 11:59 AM -----

Sara Shackleton

Sent by: Kaye Ellis

10/05/2000 02:24 PM

To: Scott Sefton/HOU/ECT@ECT, Ryan Siurek/Corp/Enron@ENRON, Gordon

McKillop/NA/Enron@ENRON, AnnMarie Tiller/Corp/Enron@ENRON, Randy

Young/NA/Enron@Enron, Gregory Adams/Corp/Enron@ENRON, Bob

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cc: Mark Taylor/HOU/ECT@ECT

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EMAIL NUMBER: 16

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RE: Re: EWC - Weekly Update/Week Ending 27 AprilAt: 2001-04-30T18:23:00.000ZFrom: stanley.horton@enron.comTo: enron@eott.comCC: nanBCC: nanBody:

Thanks for the report. The level of detail was on target. Let me know when you want to discuss comp issues.

Adam\_Umanoff%ENRON@eott.com on 04/29/2001 12:23:55 PM

To: Stanley\_Horton%Enron.com%Eott@EOTT.COM

cc:

Subject: EWC - Weekly Update/Week Ending 27 April

1. Aura.

- Received revised bid from UBS which Metts describes as "real." UBS

will now commence detailed 6-8 week due diligence on EWC (at Enron's

expense if deal busts). Confidence re: UBS' ability to execute remains

mixed.

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can be run. Umanoff concerned about conflict when management assists

seller as part of UBS deal but assists buyer as part of LJM deal.

- Now that '01 numbers scrubbed, in process of revising '02 financial

projections based on detailed internal review (as of December, 2000, '02

EBITDA projected at approximately $115mm; up from 1CE '01 projection of

$78mm). This is unrealistic; I expect 2002 EBITDA in the $90-95mm range,

showing solid 15-20% EBITDA growth.

2. M&A Activity.

- acquisition of assets of bankrupt Dutch blade manufacturer, Aerpac,

continues; we have closed on several assets and expect final closing in

May.

- sale of Greek operating projects to German buyer continues, but

execution uncertain. Closing targeted for June 30. Sale of Greek

development company also launched, with 2 parties expressing interest.

3. 2001 Commercial Activity.

- US backlog remains firm. Projected demand continues to exceed our

projected turbine supply. Key execution issue is confimation of

suitability of 1.5 MW turbine (primarily its gearbox) in more rigorous US

wind regimes.

- American Electric Power has provided indicative bid to purchase the

two Texas projects we have under development (Indian Mesa I and Clear Sky);

indicative bid price is attractive. AEP has requested Enron Corp guaranty

of EWC's turbine warranty, like they have received on previous sales with

EWC. Enron Corp guaranty is approved internally, but, in light of Aura,

we will continue to bargain for no Enron Corp credit support. Finally, debt

financing expected to close on IMI in May and debt circled on Clear Sky in

June. Turbine suitability due diligence is key pacing item for debt

closing.

- European backlog remains firm, expect for Spanish sales of 750kw

turbine, which remains soft. EWC attended Hannover Fair last week, the

largest industrial trade show in Europe. Our exhibit was very well

received. CEO of German competitor, Enercon, approached Umanoff to discuss

IP issues (Enercon is currently barred from US market on patent

infringement grounds).

4. HR Issues.

- US has lost O&M director and 2 key commercial employees have

expressed concerns. Need to finalize retention program (Umanoff to discuss

with Horton early in week).

- Key recruiting initiatives are: GM Spain; head of global

procurement/blade MFG; European GC. Umanoff would also like to re-visit

hiring US GM/MD, as day-to-day US operations require more detailed

oversight than Umanoff is currently providing; not clear if we can recruit

for this position in the midst of Aura.

Stan - for the future, please let me know whether this is the right level

of focus. Talk with you soon. Adam

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EMAIL NUMBER: 17

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RE: Re: Westinghouse letter agreementAt: 2000-12-19T07:53:00.000ZFrom: kay.mann@enron.comTo: mitch.robinson@enron.comCC: nanBCC: nanBody:

fyi

---------------------- Forwarded by Kay Mann/Corp/Enron on 12/19/2000 07:53

AM ---------------------------

From: Carlos Sole@ENRON\_DEVELOPMENT on 12/18/2000 07:05 PM

To: Kay Mann/Corp/Enron@ENRON

cc: John Schwartzenburg/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT,

davidlu@nepco.com

Subject: Re: Westinghouse letter agreement

If this is the same as the previous letter that you circulated, Dick Westfahl

can sign for it and he indicated that he had no problems with it.

Kay Mann@ENRON

12/15/2000 01:25 PM

To: Carlos Sole/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT, David

Lund/ENRON@enronXgate

cc: John Schwartzenburg/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT, Mitch

Robinson/Corp/Enron@Enron

Subject: Westinghouse letter agreement

The attached is a letter agreement reflecting the resolution of certain

issues with Westinhouse relating to the Gleason and Wheatland projects. It

also reflects that Enron isn't going to go after SWPC for a return of an

option payment for the Blue Girl equipment. SWPC has requested that

everybody sign on the dotted line, including NEPCO, EEPC and my dog Jack.

Please review and advise if there is any problem with you obtaining signature

for your respective groups.

I'll handle the LJM and ENA signatures.

Please call if you have any questions.

Kay

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EMAIL NUMBER: 18

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RE: Agreement re: Rhythms Net/LJM AssetsAt: 2000-03-10T18:34:00.000ZFrom: shari.stack@enron.comTo: deville@lcc.net deville@lcc.netCC: carol.clair@enron.com mark.taylor@enron.com richard.causey@enron.com scott.sefton@enron.comBCC: carol.clair@enron.com mark.taylor@enron.com richard.causey@enron.com scott.sefton@enron.comBody:

Mike- I just spoke with fellow attorneys here in the Swap Group and was made

aware it would be more appropriate for Scott Sefton's group to handle the

drafting of an Agreement which entails Enron Corp. receiving all the assets

of the LJM Swap Sub and making a payment of $30 m. to LJM Equity Partners.

With respect to the Rhythms Net Options component, I have included below the

language which we discussed on the telephone. I would imagine this (or

something similar) would need to be included in the document that Scott's

group prepares.

I apologize for the mix-up.

Kind regards,

Shari Stack

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

"Notwithstanding anything to the contrary contained in the Confirmations,

both Counterparty and Enron agree that Enron shall have the right to

prematurely terminate all the Transactions, in whole but not in part, on any

Exchange Business Day from and including March 8, 2000, to and including

April 28, 2000. If Enron wishes to terminate the Transactions, it may do so

by giving irrevocable written notice of such to Counterparty in accordance

with the 1996 ISDA Equity Derivatives Definitions (as published by the

International Swaps and Derivatives Association, Inc.).

If no such notice has been received by Counterparty at the close of trading

on the New York Stock Exchange on April 28, 2000, the Transactions shall be

deemed to have been automatically terminated on April 28, 2000, as of the

close of trading on the New York Stock Exchange."

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EMAIL NUMBER: 19

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EMAIL NUMBER: 20

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EMAIL NUMBER: 21

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RE: Call w/ John Schroeder of GEAt: 2001-01-03T14:12:00.000ZFrom: kay.mann@enron.comTo: barbara.gray@enron.com jeffrey.hodge@enron.comCC: nanBCC: nanBody:

This could become interesting if it holds up.

Kay

---------------------- Forwarded by Kay Mann/Corp/Enron on 01/03/2001 02:11

PM ---------------------------

Ben F Jacoby@ECT

01/03/2001 01:53 PM

Sent by: Ben Jacoby@ECT

To: Janet R Dietrich/HOU/ECT@ECT, Christopher F Calger/PDX/ECT@ECT, Ozzie

Pagan/HOU/ECT@ECT, Mike J Miller/HOU/ECT@ECT

cc: Sheila Tweed/HOU/ECT@ECT, Kay Mann/Corp/Enron@Enron

Subject: Call w/ John Schroeder of GE

I talked with John a few minutes ago. Here's the gist of the conversation:

1. Miller was promised the 4 7FAs based on his discussions with John

concerning Enron's interest. GE is wavering a bit on this now, however,

because other sales reps within GE have complained that we were given first

crack. John characterized our current position as "the front of the line

without a pass".

2. Ultimately (and obviously), Dell Williamson will decide to whom these

turbines are allocated.

3. John said we should have a proposed letter agreement on the turbines this

afternoon. He emphasized that they do not yet have the requisite GE internal

approvals. Nonetheless, the major terms included in the Letter Agreement

would be as follows:

- Form of turbine purchase contract would be the GenPower 7FA turbine

purchase agreement, modified to include standard Enron provisions negotiated

between Sheila Tweed et. al. concerning assignment, indemnities, etc.;

- the turbine purchase contract would need to be executed by the end of

January;

- 5% of the purchase amount would need to be paid upon execution of the

Letter Agreement, with an additional 5% due at the end of the month. The

balance of payments in the turbine purchase agreement would be paid in equal

monthly instalments for each turbine through the respective turbine's

delivery date (last day of each of March, April, May, and June);

- we would be required to negotiate with GE in good faith on an LTSA, water

system and STG (if needed). This would not be an exclusive, nor would we be

subject to payment adders to the extent our good faith negotiations do not

result in a definitive agreement.

- the Letter Agreement will not be drafted as an option (even though it will

essentially operate as one), but instead will be a letter agreement for the

purchase of turbines. Unfortunately, the semantics of this are both important

to us and GE, but I believe it will be extremely difficult to do anything

other than the form and semantics that GE wants (as we are competing with

other buyers who do not have the same balance sheet constraints as us). As

such, we may want to consider an interim OBS vehicle such as LJM if the

looseness of the contract presents challenges for the TurboPark banks.

Lastly, given the somewhat tenuous nature of our queue position on the

turbines, John strongly suggested that Delainey be immediately briefed, and

that he call Dell as soon as possible based on the information John provided

me in our conversation described above. He also suggested that we indicate to

Dell that we have firm sites (Florida and Longview) for the units. John told

me that this latter point is important to GE as they are becoming fatigued by

their other customers who have slues of turbines and not enough sites to

accommodate them.

Let me know if you have any other questions. FYI, I put in a call to Lisa

Bills on this deal, but have still not heard back from her.

Regards,

Ben

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EMAIL NUMBER: 22

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RE: chg order to blue dog contractAt: 2001-02-01T13:02:00.000ZFrom: catherine.clark@enron.comTo: brian.barto@enron.com kay.mann@enron.comCC: lisa.bills@enron.comBCC: lisa.bills@enron.comBody:

I've attached my comments by redlining Change Order #2 to the Blue Dog

turbine contract. The main points were 1) to replace EE&CC with ENA as the

Agent to E-Next Generation LLC and 2) to have 30 days to pay the invoice.

The E-Next Generation payment process is to receive ONE advance each month on

the 15th, therefore I could not guarantee payment within 10 days of receipt

of invoice.

-Catherine

x3-9943

-----Original Message-----

From: Barto, Brian

Sent: Thursday, February 01, 2001 11:44 AM

To: Clark, Catherine; Mann, Kay

Subject:

Catherine: Lisa phoned me and said she would give you a heads up that this

second change order needed review and quick turn around. Coincidentally, Kay

Mann is reviewing change order # 1 and will be looking into the change from

LJM to E-Next Generation language implications. Hopefully the comments on

one will apply to the other. Suggest you call Kay straight away to save time.

I am attaching both for your convenience. I look forward to you comments.

By the way Kay; GE is looking it over right now too, and Scott Dieball has

been asked to review. I Scott's review is not necessary please let me know.

<< File: CO#1-R2.doc >> << File: CO#2-R1.doc >>

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EMAIL NUMBER: 23

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RE: LJM/Blue Girl turbinesAt: 2001-01-30T16:31:00.000ZFrom: kay.mann@enron.comTo: ace.roman@enron.comCC: roseann.engeldorf@enron.comBCC: roseann.engeldorf@enron.comBody:

Ace,

I'm a lawyer at ENA. We are selling some of our peakers, and in conjunction

with the sale we have agreed to not contest Siemens Westinghouse retaining

the Blue Girl reservation payments. SW has asked that LJM sign off on the

agreement, and Rose has suggested that I send the original agreements to you,

and indicated that she would help coordinate signature.

Your help is appreciated. Please let me know if you have any questions.

Kay

x57566

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EMAIL NUMBER: 24

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RE: At: 2000-09-06T08:56:00.000ZFrom: julia.chin@enron.comTo: sara.shackleton@enron.comCC: nanBCC: nanBody:

i ran into ryan siurek who said that he is having changes made to the avici

hedge. has he talked to you yet? i would like to get the revised (and

hopefully final?) version to LJM. thanks.

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EMAIL NUMBER: 25

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RE: SW letterAt: 2001-03-01T13:46:00.000ZFrom: kay.mann@enron.comTo: stuart.zisman@enron.comCC: nanBCC: nanBody:

Stuart,

If you need a copy of the executed Westinghouse letter, you can find the

original on my desk, I believe on the left hand corner (looking out). The

letter we are waiting for is merely an acknowledgement that LJM doesn't need

to sign. I think getting the letter is probably belts and suspenders, but I

requested it anyway.

Kay

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EMAIL NUMBER: 26

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RE: LJM UpdateAt: 2000-02-17T07:59:00.000ZFrom: vince.kaminski@enron.comTo: vkaminski@aol.comCC: nanBCC: nanBody:

---------------------- Forwarded by Vince J Kaminski/HOU/ECT on 02/17/2000

07:59 AM ---------------------------

Paulo Issler

02/16/2000 04:04 PM

To: Vince J Kaminski/HOU/ECT@ECT, Stinson Gibner/HOU/ECT@ECT

cc:

Subject: LJM Update

Vince/Stinson:

I just came back from a meeting with Accounting (Ryan Siueck) and Credit (Rod

Nelson - works with Bill Bradford) in which we presented the two-factor model

for calculating credit loss on our LJM's position. Rod seemed positive with

the model conceptual approach. He will position Bill Bradford on that.

Accounting will have a meeting with AA to discuss the treatment on credit

reserves on this deal tomorrow 9:00 AM. They feel my participation is not

necessary.

At year-end the difference on both valuations - without and with credit risk

- indicates a credit loss of about 100 MM.

Paulo Issler

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EMAIL NUMBER: 27

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RE: At: 2001-02-01T11:44:00.000ZFrom: brian.barto@enron.comTo: catherine.clark@enron.com kay.mann@enron.comCC: nanBCC: nanBody:

Catherine: Lisa phoned me and said she would give you a heads up that this

second change order needed review and quick turn around. Coincidentally, Kay

Mann is reviewing change order # 1 and will be looking into the change from

LJM to E-Next Generation language implications. Hopefully the comments on

one will apply to the other. Suggest you call Kay straight away to save time.

I am attaching both for your convenience. I look forward to you comments.

By the way Kay; GE is looking it over right now too, and Scott Dieball has

been asked to review. I Scott's review is not necessary please let me know.

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EMAIL NUMBER: 28

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RE: LJMAt: 2000-02-24T16:49:00.000ZFrom: vince.kaminski@enron.comTo: vkaminski@aol.comCC: nanBCC: nanBody:

---------------------- Forwarded by Vince J Kaminski/HOU/ECT on 02/24/2000

04:48 PM ---------------------------

Paulo Issler

02/24/2000 02:33 PM

To: Vince J Kaminski/HOU/ECT@ECT, Stinson Gibner/HOU/ECT@ECT

cc:

Subject: LJM

Vince/Stinson:

The following is an update on LJM deal:

1) I participated on a conference call with AA (Jitendra and others) and our

Accounting/Credit Group (Wes, Bill Bradford and others) yesturday, in which

we discussed the best approach for definining credit reserves at year-end for

the puts we own.

2) A big chunck of the meeting was dedicated to explain AA the details of the

deal. Little progress was made on achieving the meeting's goal.

3) Apparently, Accounting did want to expose the calculation we made for puts

value that considers credit risk - the two factor model we developed. That

line of action was implied on a pre-meeting we had early that morning. From

my understanding, Accounting argues that we should not make any credit

reserve because we could not liquidate our position by year-end.

4) At a certain point Jintendra suggested me to use a two factor

MC-simulation for calculating the position with credit risk. The approach is

actually a more simplified version of the model we have. I and nobody

mentioned the results we got from our 2-factor model.

5) At that same afternoon I knew from Accounting that we are in a process of

unwinding our position.

These are the main points. Please let me know if need more details.

Paulo Issler

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EMAIL NUMBER: 29

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RE: Re: Westinghouse LDsAt: 2001-01-30T17:01:00.000ZFrom: kay.mann@enron.comTo: mitch.robinson@enron.comCC: nanBCC: nanBody:

I've sent it to the Finance group who will obtain LJM signature. If I have

any problem (ie, it looks like it won't be done this week), I'll let you know

so maybe you can expedite on the commercial side. I'd like to give them a

day or two first.

Kay

Enron North America Corp.

From: Mitch Robinson 01/30/2001 03:11 PM

To: Theresa Vos/Corp/Enron@ENRON

cc: Jody Pierce/HOU/ECT@ECT, Mike J Miller/HOU/ECT@ECT, Kay

Mann/Corp/Enron@Enron

Subject: Re: Westinghouse LDs

That's the correct amount. The payment is due, according to the contract,

"10 business days of complete execution of this agreement". Kay is getting

the last sig now. Kay, can you advise when you expect execution?

Mitch

From: Theresa Vos on 01/30/2001 03:00 PM

To: Mitch Robinson/Corp/Enron@Enron

cc: Jody Pierce/HOU/ECT@ECT, Mike J Miller/HOU/ECT@ECT

Subject: Westinghouse LDs

Mitch -

We are trying to finalize the costs for the 2000 peakers and Mike Miller said

that you are working on the settlement with Westinghouse. Is the amount

still estimated at $1,567,099? Do you know when this payment will need to be

made?

thanks,

theresa

x58173

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EMAIL NUMBER: 30

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RE: RE:At: 2001-03-25T03:54:00.000ZFrom: david.oxley@enron.comTo: louise.kitchen@enron.comCC: nanBCC: nanBody:

(1) Kopper isn't EWS but I understood he was Enron. I'll check.

(2) Yes, although my understanding is that Ted has agreed to go work for Billy lemmons in new A&A set up.

David

-----Original Message-----

From: Kitchen, Louise

Sent: Friday, March 23, 2001 2:10 PM

To: Oxley, David

Subject:

(i) Is Michael Kopper Enron or LJM employee

(ii) PLease send Dave Duran all PRC feedback on TEd Bland (last 5 years) including comments

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EMAIL NUMBER: 31

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RE: Datacentric BroadbandAt: 2001-05-11T15:14:00.000ZFrom: gene.humphrey@enron.comTo: jeff.skilling@enron.comCC: nanBCC: nanBody:

Jeff,

After your call I thought I should give you some background on Datacentric

Broadband (DCB).

1. The company was founded by Leslie Anderson a woman entrepreneur in Conroe

Texas. Leslie continues to be the largest non institutional shareholder and

is Chairman of the Board. The president is Gary Remy, a Hispanic, whom you

met recently at the YPO gathering.

2. DCB is in the broadband wireless access market focusing on smaller cities

in Texas. They have deployed in nine different locations and have a strategy

to grow from a regional player to a national player. The market they are in

requires no license fees and is one where being first to locate in a city is

critical to success.

3. We have invested $2 million in DCB to date and brought in Redstone

Investors who also invested $2 million. Redstone should continue to

participate with us in any future investments we make in DCB.

4. We have talked to Kevin Garland to solicit interest from him, however he

made it clear that DCB was not in his target market and he was not interested

in the investment.

5. DCB has engaged Arthur Andersen to help raise additional funds for

continued growth. We along with AA have been talking to other potential

investors and have found a receptive yet cautious reception.

6. About two weeks ago we were approached by representatives of Union Pacific

Railroad and Norfolk Southern Railroad with a proposal to invest up to $75

million in DCB over the next five years beginning with an initial investment

of $15 million. U P asked if Enron would be willing to invest a similar

amount alongside them to help DCB grow into a national broadband wireless

access provider to smaller cities. After this request I asked Ken Rice if EBS

would be interested in an investment in DCB either in conjunction with U P or

on a stand alone basis. My hope was that EBS would view DCB as a strategic

fit to their business model and would be interested in a much closer

relationship with DCB perhaps leading to a buyout. ( Although EBS and DCB

are in different businesses I know that the trading group of EBS has used DCB

to provide liquidity and last mile access for many of their trades.) Ken's

response was that EBS was not interested in an investment in DCB and he

didn't see a strategic fit between the two companies.

7. We have also talked to Lou's group, the Xcelerator, and to LJM about

investments in DCB and it appears that LJM is very interested in committing

funds however I don't think they will be ready in time to match U P's

commitment.

8. At a subsequent meeting with U P we told them not to expect any

additional funds from Enron other that a possible $2 to $3 million from

ourselves since that is all of the capacity that we have left for this

investment. They are very disappointed that Enron does not see the strategic

potential of this business the way they do, but nevertheless are still moving

forward in their efforts to invest in DCB in the $75 million range. We are

currently in the due diligence process with U P and hope to wrap up a deal

structure by the end of May.

We have solicited the support of other Enron groups all along the way while

making our investment decision. I truly believe that DCB is in a space that

could be very integral to the success of EBS and had hoped that we could work

together more closely, however EBS does not see a strategic fit with DCB. We

will continue to develop relationships with other strategic and financial

partners in order to enhance and grow the value of our investment in DCB.

I will be happy to talk to you further about DCB and our investment. We

will of course seek your approval for any additional investments that we make

in DCB. Please call me if you have any additional questions.

Gene

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EMAIL NUMBER: 32

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RE: Re:At: 2001-02-28T17:14:00.000ZFrom: kay.mann@enron.comTo: stuart.zisman@enron.comCC: don.miller@enron.com mitch.robinson@enron.comBCC: don.miller@enron.com mitch.robinson@enron.comBody:

Westinghouse has agreed that LJM doesn't need to sign it. I sent SW a letter

confirming that agreement. Lynn tells me that they should sign it soon.

Otherwise, the agreement is fully executed.

ckm

From: Stuart Zisman@ECT on 02/28/2001 03:13 PM

To: Kay Mann/Corp/Enron@Enron

cc: Don Miller/HOU/ECT@ECT, Mitch Robinson/Corp/Enron@Enron

Subject:

Kay,

What is the status of the Westinghouse settlement letter? I thought that it

had been fully executed but Mitch Robinson indicated that he thought that LJM

still needed to sign. In any case, Allegheny Energy's attorney has requested

a copy of the letter that Westinghouse was obligated to send (regarding our

ability to increase the maximum output at the Wheatland facility without

affecting the warranties) pursuant to paragraph 3 of the letter. Please

advise ASAP.

Stuart

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EMAIL NUMBER: 33

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RE: THE agreementAt: 2000-12-20T18:59:00.000ZFrom: kay.mann@enron.comTo: roseann.engeldorf@enron.comCC: nanBCC: nanBody:

I'm trying to clean up after Blue Girl. Can you tell me again who signs for

LJM so that I can get signature? Who does their legal work?

Thanks,

Kay

---------------------- Forwarded by Kay Mann/Corp/Enron on 12/20/2000 06:58

PM ---------------------------

Kay Mann

12/15/2000 01:22 PM

To: Lynn.DeKrey@swpc.com

cc:

Subject: THE agreement

With high hopes that this is the FINAL final version, I'm attaching what I

believe to be the execution copy. Some things have been cleaned up, and

Brownsville has been added to paragraph 5. I'm going to start collecting

signatures.

Thanks,

Kay

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EMAIL NUMBER: 34

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RE: Re: SWPC LetterAt: 2001-01-23T17:44:00.000ZFrom: kay.mann@enron.comTo: mitch.robinson@enron.comCC: nanBCC: nanBody:

Mitch,

I need to get the LJM signatures. I've spoken with the Finance folks who can

help with this, and I'll try to get that wrapped up asap.

Kay

Enron North America Corp.

From: Mitch Robinson 01/23/2001 09:31 AM

To: Kay Mann/Corp/Enron@Enron

cc:

Subject: SWPC Letter

Kay -

Can you give me an update on getting Enron sigs for the SWPC letter? Have we

sent it back to Siemens?

Thanks,

Mitch

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EMAIL NUMBER: 35

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RE: Re: Turbine Purchase Agreements - Urgent Assignment IssuesAt: 2000-11-01T09:19:00.000ZFrom: kay.mann@enron.comTo: roseann.engeldorf@enron.comCC: sheila.tweed@enron.com lisa.bills@enron.com catherine.clark@enron.com taylr@andrews-kurth.com jeffrey.hodge@enron.com barbara.gray@enron.com stuart.zisman@enron.com ppipitone@andrews-kurth.comBCC: sheila.tweed@enron.com lisa.bills@enron.com catherine.clark@enron.com taylr@andrews-kurth.com jeffrey.hodge@enron.com barbara.gray@enron.com stuart.zisman@enron.com ppipitone@andrews-kurth.comBody:

Here's my little bit of info:

GE (S & S) - I've spoken with Lee Johnson (commercial lead) and have traded

voice mails with Kent Shoemaker regarding the project specific turbine

contracts. I'm requesting a meeting with them on Thursday to iron our

details. I requested a revised draft this week (from Andrews & Kurth), but

have not received it yet.

ABB - I've swapped calls with Mike Sandrige (their commercial lead) about it,

but haven't connected. The contract is more straight forward, so problems

are not expected. Initial draft of the project specific contracts has been

prepared.

Blue Dog - Is that GE equipment? Sheila may have someone she wants to work on

it. If not, I can fit it in since it relates to what I'm working on with the

GE contracts.

Austin - this is Stuart's project.

Kay

From: Roseann Engeldorf on 10/31/2000 04:51 PM

To: Sheila Tweed/HOU/ECT@ECT, Kay Mann/Corp/Enron@Enron

cc: Lisa Bills/Corp/Enron@ENRON, Catherine Clark/HOU/ECT@ECT, "ROB TAYLOR"

<TAYLR@andrews-kurth.com>

Subject: Turbine Purchase Agreements - Urgent Assignment Issues

Hi -

We are fast approaching the time when we will need to assign equipment

purchase agreements to either the "Developer" in the CSFB structure, to ENA

(I think) in the Austin deal or, more urgently, to WestLB in connection with

a deal in which LJM is currently the nominal purchaser. The LJM deal is

called "Blue Dog" and ENA has decided it wants those turbines.

Blue Dog-

Lisa has her folks talking to WLB regarding the Blue Dog contract and Rob

Taylor has contacted Winston & Strawn about a new ADA. We will need to

contact GE about the transfer (actually it will be two transfers - one to WLB

and then into the "Developer" in the CSFB structure).

Who at ENA legal should I work with to get that process started? Both Rob

and I have the turbine purchase agreement and can get it to the ENA lawyer.

Austin -

The Austin turbines are the LMs - that purchase agreement contemplates that

the new buyer will execute another agreement with (GE/S&S) covering the

turbines it acquires. Is that structure still contemplated? Is there

another way to do this that would be easier from a labor perspective? I

assume ENA will then be assigning the equipment on to the project company or

EPC contractor, also.

CSFB Structure -

More generally we will need to get buy-in from vendors on the assignment of

the purchase contracts. Is this an appropriate topic for the the World

Hunger discussion tomorrow? Are there other vendors who need to be contacted

on this also?

Thanks for your help,

Rose

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EMAIL NUMBER: 36

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RE: Re: URGENT -- Re: Papers for Raptor Meeting TuesdayAt: 2000-09-26T09:59:00.000ZFrom: scott.sefton@enron.comTo: gordon.mckillop@enron.comCC: nanBCC: nanBody:

I think you ought to do a bit of hand holding to help Randy complete this.

For example, we know the type of derivative, the specific investment type and

a lot of the other information called for by the form. I really think you'll

spend less time working on this if you sit down with Randy and help him

prepare the form. Also, Randy needs some guidance on what sort of description

of the underlying investment is appropriate. I'm sure Randy can attach

something in his file that works just fine (as opposed to preparing something

for this). Also, you and Randy need to discuss how the fairness opinion is

used and whether it's provided to LJM to help support the swap price. Thanks!

Gordon McKillop@ENRON

09/26/2000 09:36 AM

To: Randy Young/NA/Enron@Enron

cc: Scott Sefton/HOU/ECT@ECT, Sara Shackleton/HOU/ECT@ECT

Subject: Re: URGENT -- Re: Papers for Raptor Meeting Tuesday

To follow up on Scott's message below. The attached proposal sheet has the

entity information for the Raptor II structure. The proposal sheet should

contain the information that is necessary to support the confirm. The asset

description should describe the business or entity. A specific description

of the underlying investment and interest in should also be included. Under

the detail of the derivative include the type (at the money price return

swap, put, call...), term, legal name, specific investment type (type of

stock, warrant ...), initial price, initial shares, initial notional value.

The valuation support should be attached with the proposal sheet. For this

transaction, there is no premium calculation since the swap is at the money.

Please provide this information to Sara and me. I will distribute the

information to Ryan and Scott. After the confirm is completed, I will submit

the information to the counterparty for approval.

Please call me if you have any questions.

Thanks,

Gordon

Scott Sefton@ECT

09/26/2000 08:37 AM

To: Randy Young/NA/Enron@Enron

cc: Gordon McKillop/NA/Enron@ENRON

Subject: URGENT -- Re: Papers for Raptor Meeting Tuesday

Randy,

Hedges in the Raptor structure require that a Proposal Sheet be submitted to

the counterparty to the swap (the counterparty is owned by an outside

investor and our agreement with them requires this). Attached to Mary's email

below is the Raptor Derivative Proposal Sheet that the business unit will

need to submit. Gordon is responsible for this process and can answer any

questions you have.

Also attached below is a Raptor Securities/Confidentiality Response Form that

ENA legal prepared to help them conduct a due diligence exercise on their

merchant assets being hedged to confirm that there were no contractual or

other legal restrictions that may affect their ability to enter into the

swap. Although many of the items on this form won't be relevant to what

you're hedging, I thought it may be helpful. Because we're not familiar with

the assets or any South American legal issues that may apply, we'll be

looking to you for confirmation that there aren't any issues in this regard.

You can ignore the document entitled Raptor Process for Inclusion of Swaps

into Raptor Vehicles.

Please call me or Gordon if you have any questions. Thanks!

Scott

---------------------- Forwarded by Scott Sefton/HOU/ECT on 09/26/2000 08:19

AM ---------------------------

MARY COOK

09/25/2000 06:38 PM

To: Scott Sefton/HOU/ECT@ECT

cc: Andrea V Reed/HOU/ECT@ECT, Brian Schwertner/NA/Enron@Enron, Hope

Vargas/HOU/ECT@ECT, Julia H Chin/NA/Enron@Enron, Lisa Mellencamp/HOU/ECT@ECT,

Michael S Galvan/HOU/ECT@ECT, Sara Shackleton/HOU/ECT@ECT, Travis

McCullough/HOU/ECT@ECT

Subject: Re: Papers for Raptor Meeting Tuesday

We can discuss tomorrow, but the swap group is not staffed either to fulfill

the coordination of all the work in respect of the underlying assets. Do you

have alternative ideas?

Enron North America Corp.

Mary Cook

1400 Smith, 38th Floor, Legal

Houston, Texas 77002-7361

(713) 345-7732 (phone)

(713) 646-3490 (fax)

mary.cook@enron.com

Scott Sefton

09/25/2000 06:34 PM

To: Mary Cook/HOU/ECT@ECT

cc: Lisa Mellencamp/HOU/ECT@ECT, Travis McCullough/HOU/ECT@ECT, Sara

Shackleton/HOU/ECT@ECT, Andrea V Reed/HOU/ECT@ECT, Julia H

Chin/NA/Enron@Enron, Michael S Galvan/HOU/ECT@ECT, Hope Vargas/HOU/ECT@ECT,

Brian Schwertner/NA/Enron@Enron

Subject: Re: Papers for Raptor Meeting Tuesday

Although I'm happy to discuss this at our meeting tomorrow, I don't think the

draft process document describes a role for Global Finance legal that we can

properly fulfill.

MARY COOK

09/25/2000 02:14 PM

To: Lisa Mellencamp/HOU/ECT@ECT, Travis McCullough/HOU/ECT@ECT, Sara

Shackleton/HOU/ECT@ECT, Andrea V Reed/HOU/ECT@ECT, Scott Sefton/HOU/ECT@ECT,

Julia H Chin/NA/Enron@Enron, Michael S Galvan/HOU/ECT@ECT, Hope

Vargas/HOU/ECT@ECT, Brian Schwertner/NA/Enron@Enron

cc:

Subject: Papers for Raptor Meeting Tuesday

See attached for your review prior to meeting, Tuesday 9:30 38C1. Thanks.

Mary

Enron North America Corp.

Mary Cook

1400 Smith, 38th Floor, Legal

Houston, Texas 77002-7361

(713) 345-7732 (phone)

(713) 646-3490 (fax)

mary.cook@enron.com

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EMAIL NUMBER: 37

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RE: Call w/ John Schroeder of GEAt: 2001-01-03T14:13:00.000ZFrom: kay.mann@enron.comTo: mark.haedicke@enron.comCC: nanBCC: nanBody:

Hi Mark,

I thought I would forward this to you for your information, since Dave may be

getting involved.

Kay

---------------------- Forwarded by Kay Mann/Corp/Enron on 01/03/2001 02:12

PM ---------------------------

Ben F Jacoby@ECT

01/03/2001 01:53 PM

Sent by: Ben Jacoby@ECT

To: Janet R Dietrich/HOU/ECT@ECT, Christopher F Calger/PDX/ECT@ECT, Ozzie

Pagan/HOU/ECT@ECT, Mike J Miller/HOU/ECT@ECT

cc: Sheila Tweed/HOU/ECT@ECT, Kay Mann/Corp/Enron@Enron

Subject: Call w/ John Schroeder of GE

I talked with John a few minutes ago. Here's the gist of the conversation:

1. Miller was promised the 4 7FAs based on his discussions with John

concerning Enron's interest. GE is wavering a bit on this now, however,

because other sales reps within GE have complained that we were given first

crack. John characterized our current position as "the front of the line

without a pass".

2. Ultimately (and obviously), Dell Williamson will decide to whom these

turbines are allocated.

3. John said we should have a proposed letter agreement on the turbines this

afternoon. He emphasized that they do not yet have the requisite GE internal

approvals. Nonetheless, the major terms included in the Letter Agreement

would be as follows:

- Form of turbine purchase contract would be the GenPower 7FA turbine

purchase agreement, modified to include standard Enron provisions negotiated

between Sheila Tweed et. al. concerning assignment, indemnities, etc.;

- the turbine purchase contract would need to be executed by the end of

January;

- 5% of the purchase amount would need to be paid upon execution of the

Letter Agreement, with an additional 5% due at the end of the month. The

balance of payments in the turbine purchase agreement would be paid in equal

monthly instalments for each turbine through the respective turbine's

delivery date (last day of each of March, April, May, and June);

- we would be required to negotiate with GE in good faith on an LTSA, water

system and STG (if needed). This would not be an exclusive, nor would we be

subject to payment adders to the extent our good faith negotiations do not

result in a definitive agreement.

- the Letter Agreement will not be drafted as an option (even though it will

essentially operate as one), but instead will be a letter agreement for the

purchase of turbines. Unfortunately, the semantics of this are both important

to us and GE, but I believe it will be extremely difficult to do anything

other than the form and semantics that GE wants (as we are competing with

other buyers who do not have the same balance sheet constraints as us). As

such, we may want to consider an interim OBS vehicle such as LJM if the

looseness of the contract presents challenges for the TurboPark banks.

Lastly, given the somewhat tenuous nature of our queue position on the

turbines, John strongly suggested that Delainey be immediately briefed, and

that he call Dell as soon as possible based on the information John provided

me in our conversation described above. He also suggested that we indicate to

Dell that we have firm sites (Florida and Longview) for the units. John told

me that this latter point is important to GE as they are becoming fatigued by

their other customers who have slues of turbines and not enough sites to

accommodate them.

Let me know if you have any other questions. FYI, I put in a call to Lisa

Bills on this deal, but have still not heard back from her.

Regards,

Ben

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EMAIL NUMBER: 38

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RE: Re: Transfer of Blue Dog Turbines into E-Next Generation LLCAt: 2000-12-13T19:11:00.000ZFrom: amy\_harvey@dc.kirkland.comTo: seanbunk@akllp.comCC: robtaylor@akllp.com lisa.bills@enron.com catherine.clark@enron.com roseann.engeldorf@enron.com kay.mann@enron.com ace.roman@ljminvestments.com michael.hinds@ljminvestments.comBCC: robtaylor@akllp.com lisa.bills@enron.com catherine.clark@enron.com roseann.engeldorf@enron.com kay.mann@enron.com ace.roman@ljminvestments.com michael.hinds@ljminvestments.comBody:

Sean:

The final Option Exercise Agreement is fine. As requested, LJM will

Federal Express ten (10) original signature pages to each of the documents

listed below to Rose's attention (c/o Karl Wiemer) for delivery on Thursday

morning.

Thanks,

Amy

"Bunk, Sean" <seanbunk@akllp.com> on 12/13/2000 06:54:20 PM

To: Amy Harvey/Washington DC/Kirkland-Ellis@K&E

cc: "Taylor, Rob" <robtaylor@akllp.com>, lisa.bills@enron.com,

catherine.clark@enron.com, roseann.engeldorf@enron.com,

kay.mann@enron.com

Subject: Re: Transfer of Blue Dog Turbines into E-Next Generation LLC

Amy,

Attached please find the final execution copy of the Option Exercise

Agreement. Both a clean copy and a copy blacklined to show the changes

from the prior version distributed are attached.

As discussed, please send by overnight courier ten (10) executed

signature pages for each of the Option Exercise Agreement, the

Assignment and Assumption of Option Agreement and the side letter

agreement terminating the Agency Agreement to Rose Engeldorf in New York

for the Closing.

Please feel free to call me if you have any questions.

~~~~~~~~~~~~~~~~~~~

Sean Bunk

Andrews & Kurth L.L.P.

600 Travis St., Suite 4200

Houston, Texas 77002

Tel.: 713.220.4427

Fax.: 713.238.7252

e-mail: seanbunk@andrews-kurth.com

This e-mail is privileged and confidential and is intended only for the

recipient(s) named above. If you are not the intended recipient, please

(i) do not read, copy, use or disclose the contents hereof to others

(any of the foregoing being strictly prohibited), (ii) notify the sender

immediately of your receipt hereof, and (iii) delete this e-mail and all

copies of it.

<<Option Exercise Agreement - Blue Dog Project.DOC>> <<Blackline

598219v3 to v2 (Option Exercise Agreement).DOC>>

- Option Exercise Agreement - Blue Dog Project.DOC

- Blackline 598219v3 to v2 (Option Exercise Agreement).DOC

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EMAIL NUMBER: 39

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RE: Re: AIG HighstarAt: 2001-07-02T19:27:00.000ZFrom: keith.dodson@enron.comTo: louise.kitchen@enron.comCC: brian.stanley@enron.comBCC: brian.stanley@enron.comBody:

Louise,

We were trying to set a meeting for Thursday when Brian returns from Japan, but based on your note it may not be necessary. Brian and I have discussed and we do not see this developmental activity fitting the new charter of EEOS. The opportunities if any would have to be for NEPCO and based on the activity in the year, it is difficult to see a cost/benefit analysis favorable for them. We support your decision of transferring the ownership of this endeavor to EA. We could work a deal with respect to potential benefit via NEPCO based on a finder's fee concept to EA if the fund provides a negotiated project for NEPCO.

My check of the accounting agrees with yours and we will need to work out a transfer concept for the monies paid to-date. As far as the asset is concerned, the only relief we could provide is of the aspirin variety for our bosses as we end up in Wholesale also.

Keith

Louise Kitchen@ECT 07/02/2001 08:57 AM To: Brian Stanley/EU/Enron@ENRON, Keith Dodson/NA/Enron@ENRON cc: Subject: AIG Highstar

Keith/Brian,

The following money has been sent to AIG Highstar to date. This week we will be asked for further monies (probably around $650,000 each)

to pay for the acquisition of Alamac from Enron.

EEOS $914,107

ENA 914,107

------------------

$1,828,214 (fundings made in 12\00 and 2\01)

I would suggest that we look at transferring all of this to Enron Americas as we are actively managing the position (or rather looking at potential exit strategies) bearing in mind the new status of EEOS. The management of this is done by Joe Deffner as the primary role of this fund was to be a new vehicle for financing similar to LJM. Obviously, Enron Americas does not want the asset so if you do, please keep it.

I am meeting with the head of funds at AIG in a July to discuss the future of this fund further. Let me know what you want to do.

Thanks

Louise

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EMAIL NUMBER: 40

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RE: LJM ModelAt: 2000-02-15T11:54:00.000ZFrom: paulo.issler@enron.comTo: ryan.siurek@enron.comCC: stinson.gibner@enron.com vince.kaminski@enron.comBCC: stinson.gibner@enron.com vince.kaminski@enron.comBody:

Ryan:

This is the updated spreadsheet for pricing the LJM options disregarding any

credit issues. It produces exactly the same results as before. The only

difference tis the place it gets the model's c code. I am placing all the

code related to this deal on a specific directory on the "o" drive now.

Please use this version on future pricing. I will delete the old code.

Thanks

Paulo Issler

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EMAIL NUMBER: 41

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RE: Update on Pastoria and Las Vegas SaleAt: 2000-11-20T11:36:00.000ZFrom: david.delainey@enron.comTo: christopher.calger@enron.comCC: wes.colwell@enron.comBCC: wes.colwell@enron.comBody:

Chris, sounds good - a) Wes will work with you on earnings recognition issues

for Pastoria and b) selling the LM's and the LV Cogen asset is a good call

regardless of the hit. Some accounting flexibility on the LV hit may be

worthwhile. Value protected counts just as much as new value created - you

are doing the right thing.

Regards

Delainey

---------------------- Forwarded by David W Delainey/HOU/ECT on 11/20/2000

11:31 AM ---------------------------

Christopher F Calger

11/19/2000 01:35 PM

To: David W Delainey/HOU/ECT@ECT

cc:

Subject: Update on Pastoria and Las Vegas Sale

Dave,

We made good progress last week on the sale of Pastoria and Las Vegas.

Kelemen is doing a great job.

In general, Calpine is more agressive and can move quicker than AES - AES has

one small team on both deals and is slower at turning docs. Without giving

up any rights or discouraging AES from pursuing Pastoria, we are trying to

position AES on LV and keep Calpine's value for Pastoria close to their

original bid.

Calpine - Pastoria

Early in the week, Calpine clawed back about $12 million from their bid

primarily by claiming that the turbine contract is overpriced by $10 million,

and their bid assumed "market" for the turbines. While they are correct

(the extra $10 million for Catalytica), we have gotten most of that back.

There bid now is $37MM (vs. $41) plus up to $5MM if the contingency is not

used between signing and closing. Calpine also wanted to include other

permits (other than CEC) as conditions precedent and they wanted us to rep

that the scheduled permits are the only ones required to construct and

operate. This is far too onerous and we are pushing back on this. Our plan

is to get a PSA that only has HSR and CEC permit as conditions precedent.

The other negotiating item is with respect to mechanics of continuing the

development between signing and closing, and who pays for it and who is at

risk. This is relevant if you think of the scenario where incremental costs

are necessary in order to get the Non-appealable CEC Permit.

AES - Pastoria

Same PSA issues as above, but AES seems more skiddish about the development

risks (other than CEC). They want to change some of the EPC contract terms,

they want a more-involved transition team and they want us to take more risk

on post-signing/pre-closing development. Their bid was $27million plus

upside for the 250MW expansion and a services agreement for fuel supply and

schedule coordination services. We have given them term sheets that provide

for an extra $10 million for the 250MW expansion and approximately $750,000

per year of risk-free service revenues. They have not yet responded. By

contrast, Calpine does not want to use NEPCO, and they dont want our services

or any material ongoing involvement (cleaner).

CEC Process:

On Thursday night we received the Presiding Members Proposed Decision (PMPD),

recommending approval of the Project. By statute, this is one month early

and the quickest in California to date. This is a 400 page document and we

are combing through it to determine any material changes from our original

filing and the original staff assessment - none detected yet. The stated

process is that we would receive our CEC permit on December 20, after which

their is a 30 day appeal period. If there is no appeal, the process is done

Jan 19. For purposes of handicapping the risk, we have already gone through

the public hearing process. While there was some intervention, our remote

site is not in the environmental/NIMBY crosshairs like other projects. In

order for the appeal process to derail the timing, someone needs to show that

(i) a law was broken or (ii) the CEC analysis is seriously flawed. In the

past two years five plants were approved and only one was appealed - this was

due to a resident that was not notified and therefore the project broke the

law. This caused a 4 month delay. The two bidders will not take the risk

on the CEC permit getting appealed. In Calpine's words, it would look pretty

bad on Wall Street if they had to write off a $40MM development fee paid to

Enron for nothing!

AES-Las Vegas

They seem genuinely interested in the asset - more the expansion than the

QF. They like LM6000's and think they are great resource for the location.

We told them they are behind the other bidders both on time and value. They

have reviewed the EPC contract and understand the quality of the LD's,

liability limits and the consortium EPC group. They indicated that they have

no problem with getting incremental insurance in order to protect the value

of hitting June, 2002. They want to meet with the EPC group and provide

input to the notice to proceed. Closing for them on this deal is a little

cleaner than Pastoria because we have the permits in hand, and it is not as

big a bet (smaller asset, existing operation, less political risk, etc.).

Our plan is to turn the PSA one more time (Monday) and then tell them that if

they get their bid up a few million ($26MM to say $30MM), we will focus on

them for a week or so to try to get it closed.

Deal Timing - Pastoria: Firm up Calpine on value and risk allocation during

the next week and aim for signing and HSR filing on December 1. Sometime

before December 1 we need to finalize our plans with respect to earnings

recognition. We have been talking with Deffner, Westfall and lawyers about

different structures involving either (i) LJM; (ii) AIG; or (iii) selling to

Calpine with liquidated damages relating to CEC Permit. As you can imagine,

there are pros and cons to each approach. We expect to know more on this by

Wednesday of this week and will update you at that time.

Deal Timing - Las Vegas: The only condition precedent should be the HSR. If

they can move quicker, we will target December 1 to sign and late Dec to

close. The urgency relates to schedule - the longer we wait, the greater

the risk of missing June 2002 COD. With respect to QIV earnings, AES' bid

results in a $6MM hit. Signing the deal to sell reduces fair market

valuation. Two possibilities we are exploring: If AES increases its bid, the

hit may be neglibible; alternatively we may be able to discount the LM6000's

being sold to them, which may not show up as a hit since the LM6000 pool is

accrual and being sold into Turbopark. Like the Pastoria analysis, we will

know more this week and will update you when we know.

Regards,

Chris

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EMAIL NUMBER: 42

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RE: LJMAt: 2000-02-24T14:33:00.000ZFrom: paulo.issler@enron.comTo: vince.kaminski@enron.com stinson.gibner@enron.comCC: nanBCC: nanBody:

Vince/Stinson:

The following is an update on LJM deal:

1) I participated on a conference call with AA (Jitendra and others) and our

Accounting/Credit Group (Wes, Bill Bradford and others) yesturday, in which

we discussed the best approach for definining credit reserves at year-end for

the puts we own.

2) A big chunck of the meeting was dedicated to explain AA the details of the

deal. Little progress was made on achieving the meeting's goal.

3) Apparently, Accounting did want to expose the calculation we made for puts

value that considers credit risk - the two factor model we developed. That

line of action was implied on a pre-meeting we had early that morning. From

my understanding, Accounting argues that we should not make any credit

reserve because we could not liquidate our position by year-end.

4) At a certain point Jintendra suggested me to use a two factor

MC-simulation for calculating the position with credit risk. The approach is

actually a more simplified version of the model we have. I and nobody

mentioned the results we got from our 2-factor model.

5) At that same afternoon I knew from Accounting that we are in a process of

unwinding our position.

These are the main points. Please let me know if need more details.

Paulo Issler

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EMAIL NUMBER: 43

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RE: Re: Westinghouse letter agreementAt: 2000-12-18T19:05:00.000ZFrom: carlos.sole@enron.comTo: kay.mann@enron.comCC: john.schwartzenburg@enron.com davidlu@nepco.comBCC: john.schwartzenburg@enron.com davidlu@nepco.comBody:

If this is the same as the previous letter that you circulated, Dick Westfahl

can sign for it and he indicated that he had no problems with it.

Kay Mann@ENRON

12/15/2000 01:25 PM

To: Carlos Sole/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT, David

Lund/ENRON@enronXgate

cc: John Schwartzenburg/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT, Mitch

Robinson/Corp/Enron@Enron

Subject: Westinghouse letter agreement

The attached is a letter agreement reflecting the resolution of certain

issues with Westinhouse relating to the Gleason and Wheatland projects. It

also reflects that Enron isn't going to go after SWPC for a return of an

option payment for the Blue Girl equipment. SWPC has requested that

everybody sign on the dotted line, including NEPCO, EEPC and my dog Jack.

Please review and advise if there is any problem with you obtaining signature

for your respective groups.

I'll handle the LJM and ENA signatures.

Please call if you have any questions.

Kay

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EMAIL NUMBER: 44

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RE: Re: SWPC LetterAt: 2001-01-03T09:05:00.000ZFrom: kay.mann@enron.comTo: mitch.robinson@enron.comCC: nanBCC: nanBody:

I need LJM. Someone in Global Finance has offered to help with that.

Kay

Enron North America Corp.

From: Mitch Robinson 01/03/2001 08:54 AM

To: Kay Mann/Corp/Enron@Enron

cc:

Subject: Re: SWPC Letter

Thanks Kay. So everyone on our end has signed?

Mitch

Kay Mann

01/03/2001 08:51 AM

To: Mitch Robinson/Corp/Enron@Enron

cc:

Subject: Re: SWPC Letter

I haven't seen it come back. I spoke with Lynn around Christmas, and he said

the person who would sign was out of town, but was supposed to be back last

week. I'll be glad to follow up. I was out last week and just haven't

worked to that point on my "to do" list.

NEPCO and EECC have signed, by the way.

Kay

Enron North America Corp.

From: Mitch Robinson 01/03/2001 08:48 AM

To: Kay Mann/Corp/Enron@Enron

cc: Mike J Miller/HOU/ECT@ECT

Subject: SWPC Letter

Hi Kay. Hope you had a good holiday.

Any success on the letter?

Thanks,

MItch

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EMAIL NUMBER: 45

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RE: Re: Blue Dog Change OrderAt: 2001-01-02T17:58:00.000ZFrom: ben.jacoby@enron.comTo: chris.booth@enron.comCC: kay.mann@enron.com rebecca.walker@enron.comBCC: kay.mann@enron.com rebecca.walker@enron.comBody:

Chris:

Please follow up with Kay on this once the dust settles on the Intergen

LM6000 deal. Please also make sure these numbers are incorporated into

Rebecca's transfer price model.

Thanks,

Ben

---------------------- Forwarded by Ben Jacoby/HOU/ECT on 01/02/2001 04:03 PM

---------------------------

Renee Alfaro@ENRON\_DEVELOPMENT

01/02/2001 03:48 PM

To: Ben Jacoby/HOU/ECT@ECT

cc:

Subject: Re: Blue Dog Change Order

Mr. Jacoby,

I understand that you are the appropriate individual at ENA to review the GE

Change Order and have it executed by ENA. I believed that Ace was going to

contact you regarding the Change Order, but I cannot confirm this.

Please review the Change Order #1 attached below. You may then print it out

and have it executed by ENA prior to my sending it to GE or I can bring you

two (2) originals for signature.

Thanks

Renee Alfaro

Phone: 713-646-7281

Fax: 713-646-6158

Email: ralfaro@enron.com

----- Forwarded by Renee Alfaro/ENRON\_DEVELOPMENT on 01/02/2001 03:45 PM -----

Ace Roman@ECT

12/13/2000 01:44 PM

To: Renee Alfaro/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT

cc:

Subject: Re: Blue Dog Change Order

Renee,

ENA is scheduled to buy the turbines from LJM this week. LJM would like to

wait and have ENA sign the change order on Friday after they own the

turbines. Let me know if this is a problem.

Ace

Renee Alfaro@ENRON\_DEVELOPMENT

12/13/2000 11:23 AM

To: Ace Roman/HOU/ECT@ECT

cc: Cheryl Costa/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT

Subject: Re: Blue Dog Change Order

Ace,

That would be a big help. I have two (2) originals already printed out that

I could bring to you or if you just want to print two (2) originals out and

have them signed that would be fine. Please let me know what you prefer.

Renee

From: Ace Roman@ECT on 12/13/2000 11:43 AM

To: Cheryl Costa/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT

cc: Renee Alfaro/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT

Subject: Re: Blue Dog Change Order

Renee and Cheryl,

LJM does need to sign approvals for modification over $500,000. If this is

the final document for the approval I can get it signed today and forward to

Renee. Let me know if that is what you would like me to do.

Ace Roman

Cheryl Costa@ENRON\_DEVELOPMENT

12/13/2000 09:24 AM

To: Ace Roman@ECT

cc: Renee Alfaro/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT

Subject: Blue Dog Change Order

Ace, my things are packed up but I seem to remember Agent needs LJM approval

for Change Orders over a certain dollar amount. Can you confirm?

Cheryl

---------------------- Forwarded by Cheryl Costa/ENRON\_DEVELOPMENT on

12/13/2000 11:22 AM ---------------------------

Enron Engineering & Construction Company

From: Renee Alfaro 12/13/2000 09:06 AM

To: Sandra Rodriguez/Corp/Enron@ENRON

cc: Matthew Tezyk/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT, Cheryl

Costa/ENRON\_DEVELOPMENT@ENRON\_DEVELOPMENT

Subject: Blue Dog Change Order

Please find a copy of the Change Order attached. It has legal's approval,

but I'm trying to figure out who can sign the Change Order. Unforunately,

due to the move, I cannot determine who executed the original Agreement. By

copy to Cheryl Costa, I'm requesting that she, if possible, check her copy of

the Blue Dog contract and let me know who signed it and verify the ENA can

sign for LJM2.

Thanks

Renee

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EMAIL NUMBER: 46

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RE: CHEWCOAt: 2000-09-22T11:55:00.000ZFrom: carol.clair@enron.comTo: mary.cook@enron.comCC: nanBCC: nanBody:

Mary:

Sorry I haven't called you but my parents are in town and it has been crazy.

Here are the folks that know the most about CHEWCO:

Trina Chandler at V&E 758-3218

Anne Yaeger - Enron

Scott Sefton - Enron

Hope this helps.

Carol St. Clair

EB 3892

713-853-3989 (Phone)

713-646-3393 (Fax)

carol.st.clair@enron.com

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EMAIL NUMBER: 47

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RE: Re: Raptor Swap deadlineAt: 2000-09-18T17:53:00.000ZFrom: gordon.mckillop@enron.comTo: andrea.reed@enron.com mary.cook@enron.com sara.shackleton@enron.com stuart.zisman@enron.com julia.murray@enron.com hope.vargas@enron.com michael.galvan@enron.com lisa.mellencamp@enron.comCC: julia.chin@enron.com ryan.siurek@enron.com scott.sefton@enron.com chris.loehr@enron.comBCC: julia.chin@enron.com ryan.siurek@enron.com scott.sefton@enron.com chris.loehr@enron.comBody:

Attached is an update of what has been complete and what is outstanding. We

are missing 4 valuations; Amerada Hess, LSI Preferred (We have the warrants),

Merlin Credit Derivative and Chewco SLP. Of the 31 privates plus Chewco SLP,

we have proposal sheets and confirms for only 7. The publics have all been

received.

We need to have the valuations, proposal sheets and confirms to Talon by

Wednesday for their lawyers to review. The deadline is still to have

everything completed by this week.

Please call me if you have any questions.

Thanks,

Gordon

Gordon McKillop

09/15/2000 01:51 PM

To: Andrea V Reed/HOU/ECT@ECT, Mary Cook/HOU/ECT@ECT, Sara

Shackleton/HOU/ECT@ECT, Stuart Zisman/HOU/ECT@ECT, Julia Murray/HOU/ECT@ECT

cc: Julia H Chin/NA/Enron@Enron, Ryan Siurek/Corp/Enron@ENRON, Scott

Sefton/HOU/ECT@ECT, Chris Loehr/HOU/ECT@ECT

Subject: Raptor Swap deadline

I have been informed that all the documentation for the Raptor swaps and

confirmations needs to be completed and finalized by next week, 9/18-22.

Talon will not accept any documentation after this date. Please let me know

if there are any problems.

Thanks,

Gordon

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EMAIL NUMBER: 48

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RE: Ameritex Ventures II, Ltd.At: 2000-09-20T12:15:00.000ZFrom: mary.cook@enron.comTo: andrea.reed@enron.com julia.chin@enron.com sara.shackleton@enron.com stuart.zisman@enron.com michael.galvan@enron.com hope.vargas@enron.com ryan.siurek@enron.com annmarie.tiller@enron.com brian.schwertner@enron.com lisa.mellencamp@enron.com travis.mccullough@enron.comCC: mark.taylor@enron.com scott.sefton@enron.com teresa.bushman@enron.comBCC: mark.taylor@enron.com scott.sefton@enron.com teresa.bushman@enron.comBody:

Attached is a revised proposal sheet and swap confirmation for the captioned

underlying partnership interest. The notional value has been changed in

both, and EGF has been added as a business unit to the proposal. The prior

valuation did not include the SLP/Chewco interest that is covered by the

swap. Hopefully, this will correct any confusion.

Julia Chin should substitute the following for the hard copies previously

provided to her. If you have any questions, please advise. Mary Cook

Enron North America Corp.

Mary Cook

1400 Smith, 38th Floor, Legal

Houston, Texas 77002-7361

(713) 345-7732 (phone)

(713) 646-3490 (fax)

mary.cook@enron.com

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EMAIL NUMBER: 49

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RE: JEDI I InvestmentsAt: 2000-09-20T12:26:00.000ZFrom: mary.cook@enron.comTo: hope.vargas@enron.com michael.galvan@enron.com brian.schwertner@enron.com sara.shackleton@enron.com lisa.mellencamp@enron.com peter.vecchio@enron.com barton.clark@enron.com dan.lyons@enron.com travis.mccullough@enron.com peter.keohane@enron.com teresa.bushman@enron.com james.grace@enron.com scott.sefton@enron.comCC: nanBCC: nanBody:

For those of you involved in any Raptor equity investments out of JEDI I, I

have been advised by Andrea Reed that Chewco Investments purchased a position

in JEDI I. Chewco is owned in part by an Enron entity. The result is that

Enron entities now have a 96.12% interest in JEDI I (60% ENA + 36.12% EGF

based upon Chewco). I hope this is helpful in your review of the Raptor

matters. The closing binders are in the file room for you to review if you

need to verify the materials. Thank you. Mary

Enron North America Corp.

Mary Cook

1400 Smith, 38th Floor, Legal

Houston, Texas 77002-7361

(713) 345-7732 (phone)

(713) 646-3490 (fax)

mary.cook@enron.com

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EMAIL NUMBER: 50

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RE: Re: Raptor Swap deadlineAt: 2000-09-19T08:09:00.000ZFrom: mary.cook@enron.comTo: gordon.mckillop@enron.comCC: andrea.reed@enron.com chris.loehr@enron.com hope.vargas@enron.com julia.chin@enron.com julia.murray@enron.com lisa.mellencamp@enron.com michael.galvan@enron.com ryan.siurek@enron.com sara.shackleton@enron.com scott.sefton@enron.com stuart.zisman@enron.comBCC: andrea.reed@enron.com chris.loehr@enron.com hope.vargas@enron.com julia.chin@enron.com julia.murray@enron.com lisa.mellencamp@enron.com michael.galvan@enron.com ryan.siurek@enron.com sara.shackleton@enron.com scott.sefton@enron.com stuart.zisman@enron.comBody:

We are working to meet your deadline which you advised last week was this

Friday. We are staffed to meet the Friday deadline. If you have any

questions call Mary Cook.

Enron North America Corp.

Mary Cook

1400 Smith, 38th Floor, Legal

Houston, Texas 77002-7361

(713) 345-7732 (phone)

(713) 646-3490 (fax)

mary.cook@enron.com

Gordon McKillop@ENRON

09/18/2000 05:53 PM

To: Andrea V Reed/HOU/ECT@ECT, Mary Cook/HOU/ECT@ECT, Sara

Shackleton/HOU/ECT@ECT, Stuart Zisman/HOU/ECT@ECT, Julia Murray/HOU/ECT@ECT,

Hope Vargas/HOU/ECT@ECT, Michael S Galvan/HOU/ECT@ECT, Lisa

Mellencamp/HOU/ECT@ECT

cc: Julia H Chin/NA/Enron@Enron, Ryan Siurek/Corp/Enron@ENRON, Scott

Sefton/HOU/ECT@ECT, Chris Loehr/HOU/ECT@ECT

Subject: Re: Raptor Swap deadline

Attached is an update of what has been complete and what is outstanding. We

are missing 4 valuations; Amerada Hess, LSI Preferred (We have the warrants),

Merlin Credit Derivative and Chewco SLP. Of the 31 privates plus Chewco SLP,

we have proposal sheets and confirms for only 7. The publics have all been

received.

We need to have the valuations, proposal sheets and confirms to Talon by

Wednesday for their lawyers to review. The deadline is still to have

everything completed by this week.

Please call me if you have any questions.

Thanks,

Gordon

Gordon McKillop

09/15/2000 01:51 PM

To: Andrea V Reed/HOU/ECT@ECT, Mary Cook/HOU/ECT@ECT, Sara

Shackleton/HOU/ECT@ECT, Stuart Zisman/HOU/ECT@ECT, Julia Murray/HOU/ECT@ECT

cc: Julia H Chin/NA/Enron@Enron, Ryan Siurek/Corp/Enron@ENRON, Scott

Sefton/HOU/ECT@ECT, Chris Loehr/HOU/ECT@ECT

Subject: Raptor Swap deadline

I have been informed that all the documentation for the Raptor swaps and

confirmations needs to be completed and finalized by next week, 9/18-22.

Talon will not accept any documentation after this date. Please let me know

if there are any problems.

Thanks,

Gordon

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EMAIL NUMBER: 51

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RE: Raptor SwapsAt: 2000-09-20T15:28:00.000ZFrom: mary.cook@enron.comTo: andrea.reed@enron.com julia.chin@enron.com sara.shackleton@enron.com stuart.zisman@enron.com michael.galvan@enron.com hope.vargas@enron.com ryan.siurek@enron.com annmarie.tiller@enron.com brian.schwertner@enron.com lisa.mellencamp@enron.com travis.mccullough@enron.com gordon.mckillop@enron.comCC: mark.taylor@enron.com scott.sefton@enron.comBCC: mark.taylor@enron.com scott.sefton@enron.comBody:

The attached swaps will be delivered by hard copy batch, together with the

revised proposal sheets and a copy of the legal worksheets, to Gordon

McKillop, in Julia Chin's absence, today. Upon receipt, Gordon will attach

the valuation data that has been previously provided to Julia Chin by Hope

Vargas and coordinate execution.

First, additional publics representing the incremental interests of Chewco,

then followed by numerous privates. As of now, we still are working

Catalytica and Merlin.

Enron North America Corp.

Mary Cook

1400 Smith, 38th Floor, Legal

Houston, Texas 77002-7361

(713) 345-7732 (phone)

(713) 646-3490 (fax)

mary.cook@enron.com

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