

April 26, 2001

VIA FACSIMILE (212-325-8304)

Credit Suisse First Boston, New York Branch
Administrative Agent
Attention: Shazia Sarker
11 Madison Avenue
New York, New York 10010

Re: Notice of Intent to Purchase Specified Option Property

Dear Ms. Sarker:

This letter will serve as written notice to the Administrative Agent that (1) the Development and Construction Manager under the Development and Construction Management Agreement dated as of December 15, 2000, and amended and restated as of April 6, 2001, among E-Next Generation LLC, the Developer Subsidiaries from time to time parties thereto, and Enron North America Corp., as Development and Construction Manager (as such terms are defined in such agreement), has designated Salmon Energy LLC, a limited liability company organized under the laws of the State of Delaware ("Salmon" or "Purchaser"), as its designee pursuant to Section 6.1(a) of such Development and Construction Management Agreement, and (2) Salmon intends to purchase the Specified Option Property listed (and as defined) in Exhibit 1 attached hereto. The applicable purchase date shall be May 2, 2001.

In connection therewith, attached also are drafts of the final form of the closing documents.

Sincerely,

ENRON NORTH AMERICA CORP.

By:  Christopher F. Calger

Name: CHRISTOPHER F. CALGER

Title: MANAGING DIRECTOR

Attachments a/s

CONSENT OF PURCHASER:

SALMON ENERGY LLC

By: 

Name: Jacob S. Thomas
Vice President

Title: _____

EXHIBIT 1**Specified Option Property****1. Equipment Type**

- Four (4) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Sets

2. Equipment Manufacturer

- GE Packaged Power

3. Equipment Serial Numbers

- 310889/19;
- 310890/20;
- 309994/23; and
- Unit 28 (no designated serial number as of the date of this Notice)

4. Equipment Location

- GE Fabrication Yard (Houston, Texas)

5. Specifics of Contracts being Assigned (Name, Parties, Date, Contract Rights)

- All rights, interest, title and obligations as contained in that certain Agreement for 24 LM-6000 Enhanced SPRINT Gas Turbine Generator Sets executed and with an effective date of May 12, 2000 entered into among E-Next Generation LLC (as assignee of Westdeutsche Landesbank Girozentrale, New York Branch), Enron North America Corp. and GE Packaged Power, Inc. relating to the three (3) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Sets, identified by serial numbers 310889/19, 310890/20, and 309994/23, and all rights, interest, title and obligations as contained in that certain First Amended and Restated Agreement in Principle for Turbine Purchase Agreement executed and with an effective date of April 3, 2001 entered into among E-Next Generation LLC, acting through its agent Enron North America Corp., and GE Packaged Power, Inc. relating to the one (1) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Set, identified as Unit 28.

ASSIGNMENT AND ASSUMPTION AGREEMENT

Re: Salmon Energy LLC

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "**Agreement**"), dated as of May 2, 2001 (the "**Effective Date**"), is among **SALMON ENERGY LLC** ("**Salmon**"), a Delaware limited liability company, **ENRON NORTH AMERICA CORP.**, a Delaware corporation ("**ENA**"), and **E-NEXT GENERATION LLC** ("**DevCo**"), a Delaware limited liability company. Capitalized terms not otherwise defined herein are used herein as defined in the Development and Construction Management Agreement (as defined below).

R E C I T A L S:

WHEREAS, DevCo (as assignee of Westdeutsche Landesbank Girozentrale, New York Branch), ENA and GE Packaged Power, Inc., a Delaware corporation ("**GE**"), are parties to that certain Agreement for 24 LM-6000 Enhanced SPRINT Gas Turbine Generator Sets dated as of May 12, 2000 and DevCo, acting through its agent ENA, and GE are parties to that certain First Amended and Restated Agreement in Principle for Turbine Purchase Agreement dated as of April 3, 2001 (collectively both are the "**Turbine Contracts**"), with respect to certain gas turbines and related ancillary equipment described therein;

WHEREAS, pursuant to the Turbine Contracts, DevCo has purchased, and is the owner of title to, certain equipment, and the holder of certain contractual rights and obligations pertaining thereto;

WHEREAS, ENA and DevCo have entered into a Development and Construction Management Agreement (the "**Development and Construction Management Agreement**"), dated as of December 15, 2000, and amended and restated as of April 6, 2001, whereby DevCo appointed ENA as its Development and Construction Manager;

WHEREAS, pursuant to Section 6.1 of the Development and Construction Management Agreement, ENA desires to designate Salmon as its designee to purchase the Specified Option Property identified on Schedule I attached hereto (the "**Assigned Equipment**") and the rights and obligations under the Turbine Contracts related thereto as such rights relate to the Assigned Equipment and as are further identified on Schedule I (the "**Assigned Contract Rights**"), and in connection therewith DevCo has agreed to assign to Salmon all of DevCo's right, title and interest in, to and under the Assigned Equipment and the Assigned Contract Rights, provided that Salmon agrees to assume and discharge all of DevCo's liabilities, obligations and contractual commitments under the Assigned Contract Rights; and

WHEREAS, pursuant to the Development and Construction Management Agreement, Salmon desires to accept all of DevCo's right, title and interest in, to and under the Assigned Equipment and the Assigned Contract Rights and to assume and discharge all of DevCo's liabilities, obligations and contractual commitments under the Assigned Contract Rights.

AGREEMENTS

NOW, THEREFORE, in consideration of the recitals and the mutual promises, covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Payment of Amounts Due.** As consideration for the Assigned Equipment and the Assigned Contract Rights, Salmon agrees that it shall pay by wire transfer of immediately available funds an amount equal to the aggregate Project Costs Attributed to the Assigned Equipment (calculated by the Development and Construction Manager in accordance with the Development and Construction Management Agreement and approved by the Administrative Agent) to the account designated in Schedule II (the "***Purchase Price***").

2. **Assignment.** Pursuant to Sections 6.1 and 7.1 of the Development and Construction Management Agreement, DevCo hereby sells, transfers and assigns to Salmon all of DevCo's right, title and interest in, to and under the Assigned Equipment and the Assigned Contract Rights (the "***Property***") effective as the Effective Date upon the receipt by DevCo of irrevocable payment in full of the Purchase Price, which assignment is AS IS, WHERE IS, WITH ALL FAULTS OF ALL AND ANY KIND WHATSOEVER.

3. **Assumption.** Salmon hereby expressly accepts the assignment of the Property made pursuant to paragraph 2 hereof and hereby assumes all of DevCo's liabilities, obligations and contractual commitments under the Assigned Contract Rights and otherwise with respect to the Property. Salmon acknowledges and agrees that DevCo is relieved from all liability under the Assigned Contract Rights and otherwise with respect to the Property.

4. **Bill of Sale.** Contemporaneous with the execution of this agreement, DevCo is delivering a Bill of Sale for the Property in accordance with Section 7.1 of the Development and Construction Management Agreement.

5. **Representations and Warranties.** (a) DevCo hereby represents and warrants to Salmon that (i) the Property is free and clear of Liens and DevCo has taken no action which would result in a Lien being placed on the Property, other than Permitted Liens under the Financing Documents, (ii) it is a Person duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has the power and authority to carry on its business as now conducted and to enter into and perform its obligations under this Agreement, the Assigned Contract Rights, and each other agreement, instrument and document executed and delivered by it in connection with or as contemplated by this Agreement (collectively, the "***DevCo Agreements***"), (iii) the execution, delivery and performance of each DevCo Agreement to which it is or will be a party are within DevCo's power and have been duly authorized by all necessary action on its part and neither the execution and delivery thereof by DevCo, nor the consummation of the transactions contemplated thereby by DevCo, nor compliance by it with any of the terms and provisions thereof (x) requires or will require any approval (which approval has not been obtained) of the shareholders or members of, or approval or consent of any trustee or holders of any indebtedness or obligations of DevCo, (y) will violate (A) any provision of any law, statute, rule or regulation relating to DevCo's activities or (B) any order of any

Governmental Authority relating to DevCo's activities or (z) does or will contravene or result in any breach of or constitute any default under its organizational documents, or result in the creation of any Lien upon the Property, (iv) each DevCo Agreement to which it is a party has been duly executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with the terms thereof, subject, in each case, as to enforceability, bankruptcy, insolvency, reorganization and other similar laws affecting enforcement of creditor rights generally (insofar as any such law relates to the bankruptcy, insolvency, reorganization or similar event of DevCo) and, as to the availability of specific performance or other injunctive relief, subject to the discretionary power of a court to deny such relief and to general equitable principles, and (v) there are no actions, proceedings, claims, suits, investigations, inquiries or similar actions pending, or to the knowledge of DevCo, threatened, against DevCo before any Governmental Authority or arbitral tribunal that questions the validity or enforceability of any DevCo Agreement or that would adversely affect DevCo's ability to perform its obligations hereunder.

(b) Salmon hereby represents and warrants that by execution and delivery of this Agreement, under the terms of the Turbine Contracts, DevCo shall be irrevocably relieved and forever discharged of all liability under the Assigned Contract Rights and otherwise with respect to the Property.

6. **Binding Effect: Purposes.** This Agreement shall inure to the benefit of and shall be binding upon DevCo, ENA, Salmon and their respective successors and assigns.


7. **Counterpart Execution.** This Agreement may be executed in counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

8. **Governing Law.** This agreement shall be interpreted and construed under the laws of the State of New York, excluding any conflict-of-law or choice-of-law rules which might lead to the application of the internal laws of another jurisdiction.

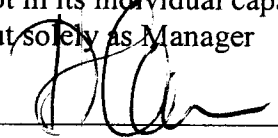
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Assignment and Assumption Agreement has been duly executed by the parties hereto as of the date first above written.


ENRON NORTH AMERICA CORP.

By: 
Name: Christopher F. Calger
Managing Director
Title: _____

E-NEXT GENERATION LLC

By: Wilmington Trust Company,
not in its individual capacity
but solely as Manager

By: _____
Name: Denise M. Geran
Senior Financial Services Officer
Title: _____

SALMON ENERGY LLC

By: 
Name: Jacob S. Thomas
Vice President
Title: _____

Acknowledgments, Consents and Agreements of GE Packaged Power

GE Packaged Power ("**GE**") hereby:

(a) Irrevocably consents to the assignment by DevCo to Salmon of all of DevCo's right, title and interest in, to and under the Turbine Contracts in relation to the Assigned Equipment and Assigned Contract Rights; and,

(b) Acknowledges and agrees that (i) DevCo is irrevocably released and forever discharged from any and all liabilities and obligations under the Turbine Contracts with respect to the Assigned Equipment and the Assigned Contract Rights, and (ii) GE shall look only to Salmon for the performance and satisfaction of the obligations of the Purchaser under (and as defined in) the Turbine Contracts with respect to the Assigned Equipment and the Assigned Contract Rights.

GE PACKAGED POWER, INC.

By: 

Name: Lee L. Johnson

Title: GM. N. American Sales

SCHEDULE 1

Assigned Equipment and Assigned Contract Rights

The Assigned Equipment and Assigned Contract Rights are composed of all of the Seller's right, title and interest in, to and under the following property and contracts:

Four (4) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Sets (serial numbers 310889/19, 310890/20, and 309994/23 and Unit 28 (no designated serial number as of the date of this Bill of Sale)) and any associated equipment to be included with the Turbine Generator Sets under the Turbine Contracts and all rights and obligations, including without limitation warranties and indemnities, under that certain Agreement for 24 LM-6000 Enhanced SPRINT Gas Turbine Generator Sets dated as of May 12, 2000 entered into among E-Next Generation LLC (as assignee of Westdeutsche Landesbank Girozentrale, New York Branch), Enron North America Corp. and GE Packaged Power, Inc. relating to the three (3) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Sets, identified by serial numbers 310889/19, 310890/20, and 309994/23, and all rights and obligations, including without limitation warranties and indemnities, under that certain First Amended and Restated Agreement in Principle for Turbine Purchase Agreement dated as of April 3, 2001 entered into among E-Next Generation LLC, acting through its agent Enron North America Corp., and GE Packaged Power, Inc. relating to the one (1) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Set, identified as Unit 28.

SCHEDULE II

The Bank of New York

ABA#021000018

Account name: CSFB – Agent/E-Next Generation/Pay't

Account number: 8900419067

Reference: E-Next Generation

Attention: Shazia Sarker, Credit Suisse First Boston, New York Branch
Administrative Agent, (phone: (212) 325-9935)

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that, pursuant to that certain Development and Construction Management Agreement, dated as of December 15, 2000, and amended and restated as of April 6, 2001, (the "***Development and Construction Management Agreement***"), by and among E-Next Generation LLC (the "***Developer***"), the Developer Subsidiaries from time to time party thereto (each a "***Developer Subsidiary***"), and Enron North America Corp., as Development and Construction Manager (the "***Development and Construction Manager***") and for good and valuable consideration, the receipt of which is hereby acknowledged, **E-NEXT GENERATION LLC** (the "***Seller***") hereby GRANTS, SELLS, ASSIGNS, TRANSFERS, CONVEYS and SETS OVER unto **SALMON ENERGY LLC** (the "***Buyer***"), and the Buyer accepts such GRANT, SALE, ASSIGNMENT, TRANSFER and CONVEYANCE of, all of the Seller's right, title and interest in, to and under the property described in Schedule 1 hereto, all as the same exist on the date hereof (such property, the "***Transferred Property***"). Capitalized terms used herein and not otherwise defined have the meaning, and this Bill of Sale shall be interpreted in accordance with the rules of construction, in each case set forth in Appendix A to the Participation Agreement referred to in Section 1.1 of the Development and Construction Management Agreement.

TO HAVE AND TO HOLD all of the Transferred Property hereby sold, assigned, transferred, conveyed and set over unto the Buyer and its successors and assigns, to its and their own use and behalf, forever.

The Seller does hereby WARRANT AND COVENANT as follows: (i) that it has full power, authority and legal right to execute and deliver this Bill of Sale and consummate the transactions contemplated hereby; (ii) that this Bill of Sale has been duly executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms; (iii) that it has good and valid title to the Transferred Property and that such title is hereby conveyed to the Buyer free and clear of all Developer Liens, Developer Subsidiary Liens, and the Liens created pursuant to the Financing Documents, and the Seller will defend title against the claims of all Persons; and (iv) that all Governmental Approvals that are required to be obtained for the Seller to execute and deliver this Bill of Sale and consummate the transactions contemplated hereby have been obtained and are in full force and effect.

THIS BILL OF SALE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW). This Bill of Sale may be signed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same Bill of Sale.

IN WITNESS WHEREOF, Seller and Buyer have each caused this instrument to be signed in its name by its proper officer thereunto duly authorized, as of May 2, 2001.

SELLER:

E-NEXT GENERATION LLC

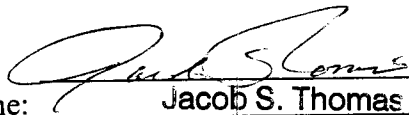
By: Wilmington Trust Company,
not in its individual capacity
but solely as Manager

By: 
Name: Denise M. Geran

Title: Senior Financial Services Officer

BUYER:

SALMON ENERGY LLC

By: 
Name: Jacob S. Thomas
Title: Vice President

STATE OF NEW YORK

'
'
'

COUNTY OF NEW YORK

This instrument was acknowledged before me on _____, 2001, by _____, _____ of **E-NEXT GENERATION LLC**, a Delaware limited liability company, on behalf of said company.

Notary Public, State of New York

My Commission Expires: _____

Printed Name of Notary

OREGON
STATE OF TEXAS
COUNTY OF MULTNOMAH
HARRIS

This instrument was acknowledged before me on April 26, 2001, by Jacob S. Thomas Vice President of SALMON ENERGY LLC, a Delaware limited liability company, on behalf of said company.



Janet M. King
Notary Public, State of ~~Texas~~ Oregon

My Commission Expires: 1-23-02

JANET M. KING
Printed Name of Notary

SCHEDULE 1

Transferred Property

The Transferred Property is composed of all of the Seller's right, title and interest in, to and under the following property and contracts:

Four (4) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Sets (serial numbers 310889/19, 310890/20, and 309994/23 and Unit 28 (no designated serial number as of the date of this Bill of Sale)) and any associated equipment to be included with the Turbine Generator Sets under the Turbine Contracts (defined below) and all rights and obligations, including without limitation warranties and indemnities, under that certain Agreement for 24 LM-6000 Enhanced SPRINT Gas Turbine Generator Sets dated as of May 12, 2000 entered into among E-Next Generation LLC (as assignee of Westdeutsche Landesbank Girozentrale, New York Branch), Enron North America Corp. and GE Packaged Power, Inc. relating to the three (3) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Sets, identified by serial numbers 310889/19, 310890/20, and 309994/23, and all rights and obligations, including without limitation warranties and indemnities, under that certain First Amended and Restated Agreement in Principle for Turbine Purchase Agreement dated as of April 3, 2001 entered into among E-Next Generation LLC, acting through its agent Enron North America Corp., and GE Packaged Power, Inc. relating to the one (1) LM6000 Enhanced SPRINT Dual-fuel Combustion Turbine Generator Set, identified as Unit 28 (collectively both of the foregoing agreements are the ***"Turbine Contracts"***).