

Invenergy

1 South Wacker Drive, Suite 1900
Chicago, Illinois 60606
Main: 312-224-1400
Direct: 312-582-1541
Fax: 312-224-1444
Email: dkach@invenergyllc.com

February 24, 2011

Via Overnight Delivery

Paul Jewell, Chair
Kittitas County Board of Commissioners
Kittitas County Courthouse
205 W. 5th Ave.
Ellensburg, WA 98926-2887

Re: Vantage Wind Farm – Transfer of Electrical Switchyard from Vantage Wind Energy LLC (“Vantage”) to Puget Sound Energy, Inc. (“PSE”)

Dear Mr. Jewell:

As you may have already heard from Brian Lenz at PSE, we are looking for consent from Kittitas County for (i) the Bill of Sale and (ii) the Assignment and Assumption of Switching Station and Access Easement Agreement (collectively the “Transfer Agreements”) that Vantage and PSE have negotiated, and which are enclosed with this letter.

To give a little background on what these documents are, Vantage Wind Farm is set up so that all of the electricity produced by Vantage Wind Energy LLC (“Vantage”) is collected at a central location and then transferred to a point in which such electricity interconnects with, and is introduced to, the general electric grid (the “Point of Interconnect”). The property being transferred is 5.16 acres for the switchyard and 5.0 acres for the access road, and is depicted on the survey enclosed with this letter. Pursuant to the Interconnection Agreement between Vantage and PSE, PSE controls the electrical facilities at the Point of Interconnect, and Vantage is obligated to transfer ownership of both the facilities and the underlying real property interests over the same to PSE. The Transfer Documents accomplish such transfer.

Upon your review of the Transfer Documents, you will see that they have language addressing that certain Development between Kittitas County, Washington and Vantage Agreement dated May 6, 2008 and recorded December 16, 2009 as Document 200912160014 (the “Development Agreement”). The purpose of the such language is two-fold: (i) the language limits PSE’s exposure under the Development Agreement to only the facilities being transferred to PSE as PSE will not be involved with any other aspect of the Vantage Wind Farm, and (ii) the language makes it clear that PSE is not obligated to provide the letter of credit required under the Development Agreement, that this obligation is Vantage’s only.

RECEIVED

FEB 25 2011

1st ____ 2nd ____ 3rd ____
KITITAS COUNTY BOARD OF COMMISSIONERS

Invenergy

1 South Wacker Drive, Suite 1900
Chicago, Illinois 60606
Main: 312-224-1400
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As the Development Agreement does not expressly permit the assignment of the rights and obligations of Vantage under Development Agreement as contemplated in the Transfer Agreements, we ask that Kittitas County please respond with a letter consenting to Vantage and PSE entering into the Transfer Agreements substantially in the form enclosed with this letter.

If you have any follow-up questions, please do not hesitate to contact me. We thank you in advance for your time and consideration in this matter.

Very truly yours,

Invenergy LLC

By: 

Daniel J. Kach
Assistant General Counsel

enclosures

BILL OF SALE

THIS BILL OF SALE – SHARED FACILITIES (this “Bill of Sale”) is effective as of _____, 2010 (the “Effective Date”), between VANTAGE WIND ENERGY LLC, a Delaware limited liability company (“Assignor”), and PUGET SOUND ENERGY, INC., a Washington corporation (“Assignee”).

A. Assignor is party to that certain Switching Station and Access Easement Agreement dated December 14, 2009 and recorded December 16, 2009 as Document 20091216004 (the “Agreement”), encumbering that certain property described on Exhibit A attached hereto and incorporated herein by this reference, pursuant to which Assignor has constructed and installed certain switching station and related facilities (the “Facilities”) on certain portions of the property described and depicted on Exhibits B and C attached hereto and incorporated herein by this reference. The term “Facilities” expressly excludes the facilities located within the Access Easement Area depicted on Exhibit C. In connection with the construction and installation of the Facilities, Assignor has also acquired certain intangible rights with respect to the Facilities and prepared certain documents, reports, and studies with respect to the Facilities, including, without limitation, (i) governmental licenses, permits, and certificates relating to the ownership, use, maintenance, and operation of the Facilities, (ii) physical and engineering inspections, soil studies, utility and zoning studies, and surveys, (iii) plans and specifications, and (iv) warranties received or to be received by Assignor relating directly to the Facilities (collectively, the “Intangible Property” and, together with the Facilities, the “Assets”).

WHEREAS, on the terms set forth herein, Assignor desires to bargain, sell, and convey to Assignee all of Assignor’s right, title and interest in and to the Assets.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual obligations and covenants of the Assignor and Assignee herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignor hereby bargains, sells and conveys to Assignee, and Assignee hereby accepts, all of Assignor's right, title, and interest in and to the Assets to the extent the same can be bargained, sold and conveyed as the case may be. Assignor certifies and warrants to Assignee that Assignor is not in default under any agreement transferred under this Bill of Sale and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute a default. Effective upon issuance of Kittitas County's written consent thereto, Assignee assumes any and all rights, obligations, and responsibilities accruing on or after the date hereof under that certain Development Agreement dated May 6, 2008 between Assignor and Kittitas County that pertain solely to the operation of the Assets (Assignor reserving and not assigning all other, and Assignee not assuming any other, rights, obligations or responsibilities under such Development Agreement). Notwithstanding the foregoing assumption by Assignee, (i) Assignee does not assume any financial or other obligations under the Development Agreement arising out of or related to the decommissioning of the Assets, and (ii) except for circumstances where Assignee does not permit compliance under the Development Agreement after request from Assignor, Assignor shall continue to be liable for compliance of the Assets

with the terms and conditions of the Development Agreement and for performance of all other terms and conditions under the Development Agreement, and shall indemnify Assignee against all liability accruing under the same.

2. Except as otherwise set forth in that certain Standard Large Generator Interconnection Agreement between Assignor and Assignee (the "LGIA"), this conveyance is made "AS IS", "WITH ALL FAULTS" AND WITHOUT WARRANTY, EITHER EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF QUALITY, MERCHANTABILITY, SUITABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTIES REGARDING THE EXISTENCE OF ANY SECURITY INTEREST, LIEN OR ENCUMBRANCE AND ANY WARRANTIES ARISING BY COMMON LAW, EXCEPT THAT ASSIGNOR REPRESENTS AND WARRANTS THAT IT HAS GOOD TITLE AND THE FULL POWER, RIGHT, AND AUTHORITY TO CONVEY ANY FACILITIES CONVEYED HEREUNDER.

3. This Bill of Sale may be executed in one or more counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

4. LGIA. The Parties agree that all provisions set forth in that certain Standard Large Generator Interconnection Agreement (the "LGIA") between Assignor and Assignee that relate to enforcement of remedies for failure to comply with required obligations, indemnities, limitations of liability, and related provisions are all incorporated herein by this reference and shall apply to the rights and obligations of the parties set forth herein as if such rights and obligations were part of the LGIA. The terms of the LGIA shall survive the transfer under this Bill of Sale. In the event of any conflict or inconsistency between this Bill of Sale and the LGIA, the terms of the LGIA shall control.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee, acting through their duly authorized representatives, have executed this Bill of Sale with the intent that it be effective as of the Effective Date, and certify that they have read, understand and agree to the terms and conditions of this Bill of Sale.

“Assignor”

“Assignee”

Vantage Wind Energy LLC

Puget Sound Energy, Inc.

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

SCHEDULE A

Legal Description

LEGAL DESCRIPTION FOR CLERF PROPERTY

All of Section 9, Township 17 North, Range 21 East, W.M., in the County of Kittitas, State of Washington, lying Southerly of Vantage County Road as conveyed to Kittitas County by deed recorded in Book 39 of Deeds, Page 562, under Auditor's File No. 73462 and by deed recorded in Book 56 of Deeds, Page 431, under Auditor's File No. 126294;

EXCEPT an additional tract of land conveyed to Kittitas County for borrow pit purposes by deed recorded in Book 56 of Deeds, Page 431, under Auditor's File No. 126294 in the Southwest Quarter of the Southeast Quarter of said Section 9 described as follows:

Beginning at the point of intersection of the Southwestwardly right of way line of said State Road No. 7, High Line Canal to Summit with the South line of said Section 9 which is South 89°44' West, 1576.7 feet from the Southeast corner of said Section 9; thence following said Section line South 89°44' West, 755.0 feet; thence North 44°36' East, 533.3 feet to the Southwestwardly right of way line of said State Road No. 7; thence following said Southwestwardly right of way of State Road 7 in a Southeastward direction, 535.8 feet to the place of beginning.

Exhibit B

Legal Description of Switching Station Easement Area

Invenenergy - Vantage
Job No. 1466-002-009-0002
September 16, 2009

EXHIBIT "B"

LEGAL DESCRIPTION FOR SWITCHING STATION EASEMENT AREA

THAT portion of the southwest quarter of Section 9, Township 17 North, Range 21 East, W.M., Kittitas County, Washington, being more particularly described as follows:

BEGINNING at the southwest corner of said Section 9, being a 3-inch brass cap stamped "Kittitas County Survey";

THENCE along the west line of said section, N 00°11'53" E, 414.86 feet to the southeasterly margin of that Puget Sound Energy easement as recorded under Kittitas County Recording No. 200804170032;

THENCE along said southeasterly margin, N 40°31'12" E, 145.02 feet;

THENCE S 80°26'09" E, 371.55 feet;

THENCE S 00°00'00" E, 460.17 feet to the south line of said section;

THENCE along said south line, S 89°36'16" W, 462.05 feet to the POINT OF BEGINNING.

Containing 5.16 acres, more or less.

Written by: D.L.R.
Checked by: C.A.F.

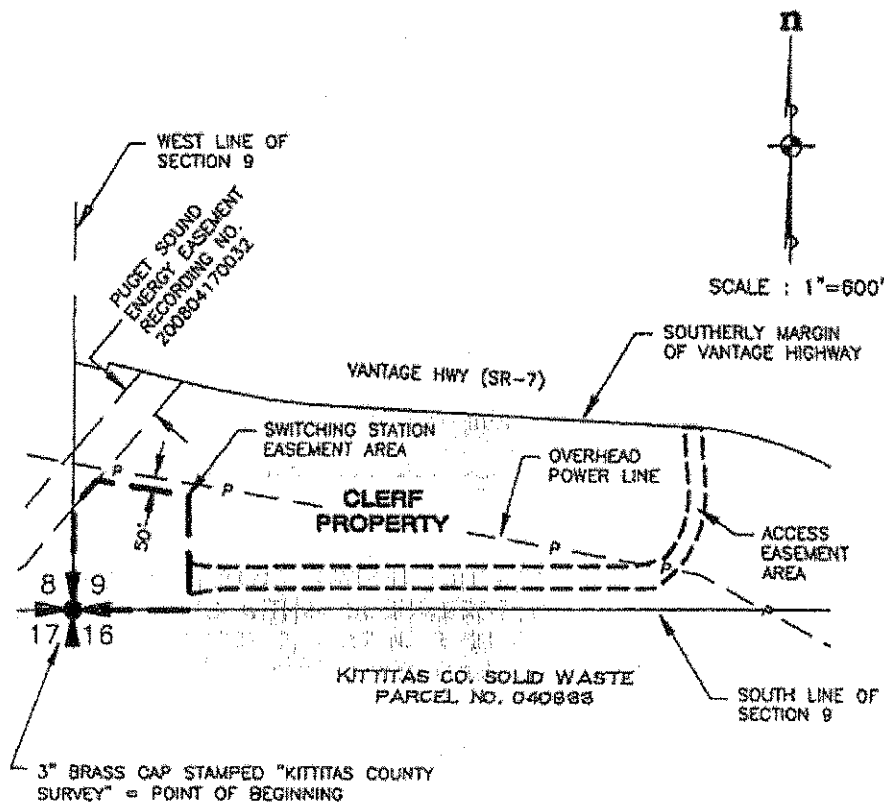
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Exhibit C

Map of Easements

EXHIBIT "D"

TO DEPICT SWITCHING STATION AND ACCESS
EASEMENT AREAS WITHIN CLERF PROPERTY
A PORTION OF SECTION 9, T. 17 N., R. 21 E., W.M.,
KITITAS COUNTY, WASHINGTON



DRAWING PATH : ESM\ENGR\ESM-JOBS\1466\002\009\EXHIBITS



CONSULTING ENGINEERS LLC

33915 1st Way South #200
Federal Way, WA 98003

www.esmcivil.com

Civil Engineering
Public Works

Land Surveying
Project Management

Land Planning
Landscape Architecture

GENERAL WAY (206) 838-8113
HOTELL (206) 838-8114
RUE (206) 838-8115

JOB NO.
DRAWING NAME:
DATE:
DRAWN:
SHEET 1 OF 1

1466-002-009-0002
SR-10
09-16-2009
JDC/CAF

Return AddressPuget Sound Energy, Inc.

Attention: Kurt Krebs

Document Title(s) (or transactions contained therein):

1. Assignment and Assumption of Switching Station and Access Easement Agreement

Reference Number(s) of Documents assigned, amended or released: 20091216004
(on page 1 of documents(s))**Grantor(s)** (Last name first, then first name and initials):

1. Vantage Wind Energy LLC, a Delaware limited liability company.

Grantee(s) (Last name first, then first name and initials):

1. Puget Sound Energy, Inc., a Washington corporation.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

Section 9, Township 17N, Range 21E, W.M., Ptn S Half

☒ Full legal begins on page 5 of document.**Assessor's Property Tax Parcel/Account Number**

17-21-09000-0002

07772-0995/LEGAL19210233.1

07772-0995/LEGAL19387078.1

07772-0995/LEGAL19778096.1

ASSIGNMENT AND ASSUMPTION OF SWITCHING STATION AND ACCESS EASEMENT AGREEMENT

This ASSIGNMENT AND ASSUMPTION OF SWITCHING STATION AND ACCESS EASEMENT AGREEMENT (this "Assignment") is made and entered into as of _____, 2010 by and between VANTAGE WIND ENERGY LLC, a Delaware limited liability company ("Assignor"), and PUGET SOUND ENERGY, INC., a Washington corporation ("Assignee").

WITNESSETH

A. Assignor is party to that certain Switching Station and Access Easement Agreement dated December 14, 2009 and recorded December 16, 2009 as Document 20091216004 (the "Agreement") encumbering that certain property described on Exhibit A attached hereto and incorporated herein by this reference, pursuant to which Assignor has certain rights and obligations, including the right to develop, operate and maintain switching station facilities and access to the same (as more particularly defined in the Agreement) on certain portions of the property described and depicted on Exhibits B, C and D attached hereto and incorporated herein by this reference.

B. The parties desire that Assignor assign all of the rights under the Agreement to Assignee and that Assignee assume all of the obligations of Assignor under the Agreement in accordance with the terms hereof.

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

1. Conveyance and Assignment. Effective as of the date hereof, Assignor hereby assigns and conveys to Assignee, all right, title and interest of Assignor in and to the Agreement.

2. Acceptance and Assumption. Assignee hereby accepts the foregoing assignment and agrees to perform and discharge and assumes all obligations of Assignor under the Agreement from and after the date hereof, and agrees to indemnify, defend and hold harmless Assignor from all liability relating to the Agreement that accrues on or after the date of this Assignment. Assignor certifies and warrants to Assignee that (i) Assignor is not in default under the Agreement and no event has occurred which, with the giving of notice

or the passage of time, or both, would constitute a default, (ii) Assignor has good title and full power, right, and authority to assign and transfer the Agreement, and (iii) effective upon issuance of Kittitas County's written consent thereto, Assignee assumes any and all rights, obligations and responsibilities accruing on or after the date hereof under that certain Development Agreement dated May 6, 2008 between Assignor and Kittitas County that pertain solely to the rights under the Agreement assigned and assumed herein (Assignor reserving and not assigning all other, and Assignee not assuming any other, rights, obligations or responsibilities under such Development Agreement). Notwithstanding the foregoing assumption by Assignee, (i) Assignee does not assume any financial or other obligations under the Development Agreement arising out of or related to any decommissioning activities, and (ii) except for circumstances where Assignee does not permit compliance under the Development Agreement after request from Assignor, Assignor shall continue to be liable for compliance of Assignee with the terms and conditions of the Development Agreement as they relate to Assignee's assumed rights and obligations under the Agreement, and shall indemnify Assignee against all liability accruing from the same.

3. Counterparts. This Assignment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

4. LGIA. The Parties agree that all provisions set forth in that certain Standard Large Generator Interconnection Agreement (the "LGIA") between Assignor and Assignee that relate to enforcement of remedies for failure to comply with required obligations, indemnities, limitations of liability, and related provisions are all incorporated herein by this reference and shall apply to the rights and obligations of the parties set forth herein as if such rights and obligations were part of the LGIA. In the event of any conflict or inconsistency between this Bill of Sale and the LGIA, the terms of the LGIA shall control. The terms of the LGIA shall survive the transfer under this Assignment.

[signature page to follow]

IN WITNESS WHEREOF, Grantor and Beneficiary have executed this Second Amendment as of the date first above written.

ASSIGNOR:

VANTAGE WIND ENERGY LLC,
a Delaware limited liability company

ASSIGNEE:

PUGET SOUND ENERGY, INC.,
a Washington corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) ss.
COUNTY OF _____)

On _____, 2010 before me, _____, a Notary Public in and for said County and State, personally appeared _____, known to me to be the person whose name is subscribed to the within instrument and acknowledged before me that he/she executed the same in his/her authorized capacity on behalf of VANTAGE WIND ENERGY LLC, and that by his/her signature on the instrument, the entity upon behalf of which he/she acted executed the instrument as its free and voluntary act for the purposes therein stated.

WITNESS my hand and official seal.

NOTARY PUBLIC

My commission expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2010 before me, _____, a Notary Public in and for said County and State, personally appeared _____ and _____, known to me to be the persons whose names are subscribed to the within instrument and both acknowledged before me that they executed the same in their authorized capacity on behalf of PUGET SOUND ENERGY, INC., a Washington corporation, and that by their signatures on the instrument, the entity upon behalf of which each acted executed the instrument as its free and voluntary act for the purposes therein stated.

WITNESS my hand and official seal.

NOTARY PUBLIC

My commission expires: _____

07772-0995/LEGAL19210233.1
07772-0995/LEGAL19387078.1
07772-0995/LEGAL19778096.1

SCHEDULE A

Legal Description

LEGAL DESCRIPTION FOR CLERF PROPERTY

All of Section 9, Township 17 North, Range 21 East, W.M., in the County of Kittitas, State of Washington, lying Southerly of Vantage County Road as conveyed to Kittitas County by deed recorded in Book 39 of Deeds, Page 562, under Auditor's File No. 73462 and by deed recorded in Book 56 of Deeds, Page 431, under Auditor's File No. 126294;

EXCEPT an additional tract of land conveyed to Kittitas County for borrow pit purposes by deed recorded in Book 56 of Deeds, Page 431, under Auditor's File No. 126294 in the Southwest Quarter of the Southeast Quarter of said Section 9 described as follows:

Beginning at the point of intersection of the Southwestwardly right of way line of said State Road No. 7, High Line Canal to Summit with the South line of said Section 9 which is South 88°44' West, 1576.7 feet from the Southeast corner of said Section 9; thence following said Section line South 89°44' West, 755.0 feet; thence North 44°36' East, 533.3 feet to the Southwestwardly right of way line of said State Road No. 7; thence following said Southwestwardly right of way of State Road 7 in a Southeastward direction, 535.8 feet to the place of beginning.

07772-0995/LEGAL19210233.1

07772-0995/LEGAL19387078.1

07772-0995/LEGAL19778096.1

Exhibit B

Legal Description of Switching Station Easement Area

Inverenergy - Vantage
Job No. 1466-002-009-0002
September 16, 2009

EXHIBIT "B"

LEGAL DESCRIPTION FOR SWITCHING STATION EASEMENT AREA

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BEGINNING at the southwest corner of said Section 9, being a 3-inch brass cap stamped "Kittitas County Survey";

THENCE along the west line of said section, N 00°11'53" E, 414.86 feet to the southeasterly margin of that Puget Sound Energy easement as recorded under Kittitas County Recording No. 200804170032;

THENCE along said southeasterly margin, N 40°31'12" E, 145.02 feet;

THENCE S 80°26'09" E, 371.55 feet;

THENCE S 00°00'00" E, 460.17 feet to the south line of said section;

THENCE along said south line, S 89°36'16" W, 462.05 feet to the POINT OF BEGINNING.

Containing 5.16 acres, more or less.

Written by: D.L.R.
Checked by: C.A.F.

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07772-0995/LEGAL19210233.1
07772-0995/LEGAL19387078.1
07772-0995/LEGAL19778096.1

Exhibit C

Legal Description of Access Easement Area

Invenenergy - Vantage
Job No. 1466-002-009-0002
September 16, 2009

EXHIBIT "C"

LEGAL DESCRIPTION OF ACCESS EASEMENT AREA

THAT portion of the southwest quarter of Section 9, Township 17 North, Range 21 East, W.M., Kittitas County, Washington, being more particularly described as follows:

COMMENCING at the southwest corner of said Section 9, being a 3-inch brass cap stamped "Kittitas County Survey";

THENCE along the west line of said section, N 00°11'53" E, 414.86 feet to the southeasterly margin of that Puget Sound Energy easement as recorded under Kittitas County Recording No. 200804170032;

THENCE along said southeasterly margin, N 40°31'12" E, 145.02 feet;

THENCE S 80°26'09" E, 371.55 feet;

THENCE S 00°00'00" E, 266.06 feet to a point of curvature AND the TRUE POINT OF BEGINNING;

THENCE easterly 95.81 feet along the arc of a non-tangent curve to the left, having a radius of 237.00 feet, the radius point of which bears N 22°45'51" E, through a central angle of 23°09'36" to a point of tangency;

THENCE N 89°36'15" E, 1,669.54 feet to a point of curvature;

THENCE easterly 58.82 feet along the arc of a tangent curve to the left, having a radius of 205.00 feet, through a central angle of 16°26'22" to a point of tangency;

THENCE N 73°09'53" E, 79.01 feet to a point of curvature;

THENCE northeasterly 29.68 feet along the arc of a tangent curve to the left, having a radius of 50.00 feet, through a central angle of 34°00'43" to a point of compound curvature;

THENCE northerly 191.77 feet along the arc of a tangent curve to the left, having a radius of 365.00 feet, through a central angle of $30^{\circ}06'13''$ to a point of compound curvature;

THENCE northerly 117.04 feet along the arc of a tangent curve to the left, having a radius of 484.55 feet, through a central angle of $13^{\circ}50'22''$ to a point of tangency and a point hereinafter referred to as Point "A";

THENCE $N 04^{\circ}47'25'' W$, 226 feet, more or less, to the southerly margin of the Vantage Highway, also known as State Route No. 7;

THENCE easterly along said southerly margin line, 67 feet, more or less, to a line 67 feet easterly of and parallel with last said line bearing $N 04^{\circ}47'25'' W$;

THENCE along said parallel line, $S 04^{\circ}47'25'' E$, 216 feet, more or less, to a point that bears $N 85^{\circ}12'35'' E$, 67.00 feet from said Point "A" AND a point of curvature;

THENCE southerly 133.22 feet along the arc of a tangent curve to the right, having a radius of 551.55 feet, through a central angle of $13^{\circ}50'22''$ to a point of curvature;

THENCE southwesterly 371.65 feet along the arc of a compound curve to the right, having a radius of 432.00 feet, the radius point of which bears $N 80^{\circ}57'03'' W$, through a central angle of $49^{\circ}17'28''$ to a point of non-tangency;

THENCE $S 89^{\circ}36'15'' W$, 1,725.92 feet;

THENCE $S 81^{\circ}09'03'' W$, 140.22 feet;

THENCE $N 00^{\circ}00'0'' E$, 129.71 feet to the TRUE POINT OF BEGINNING.

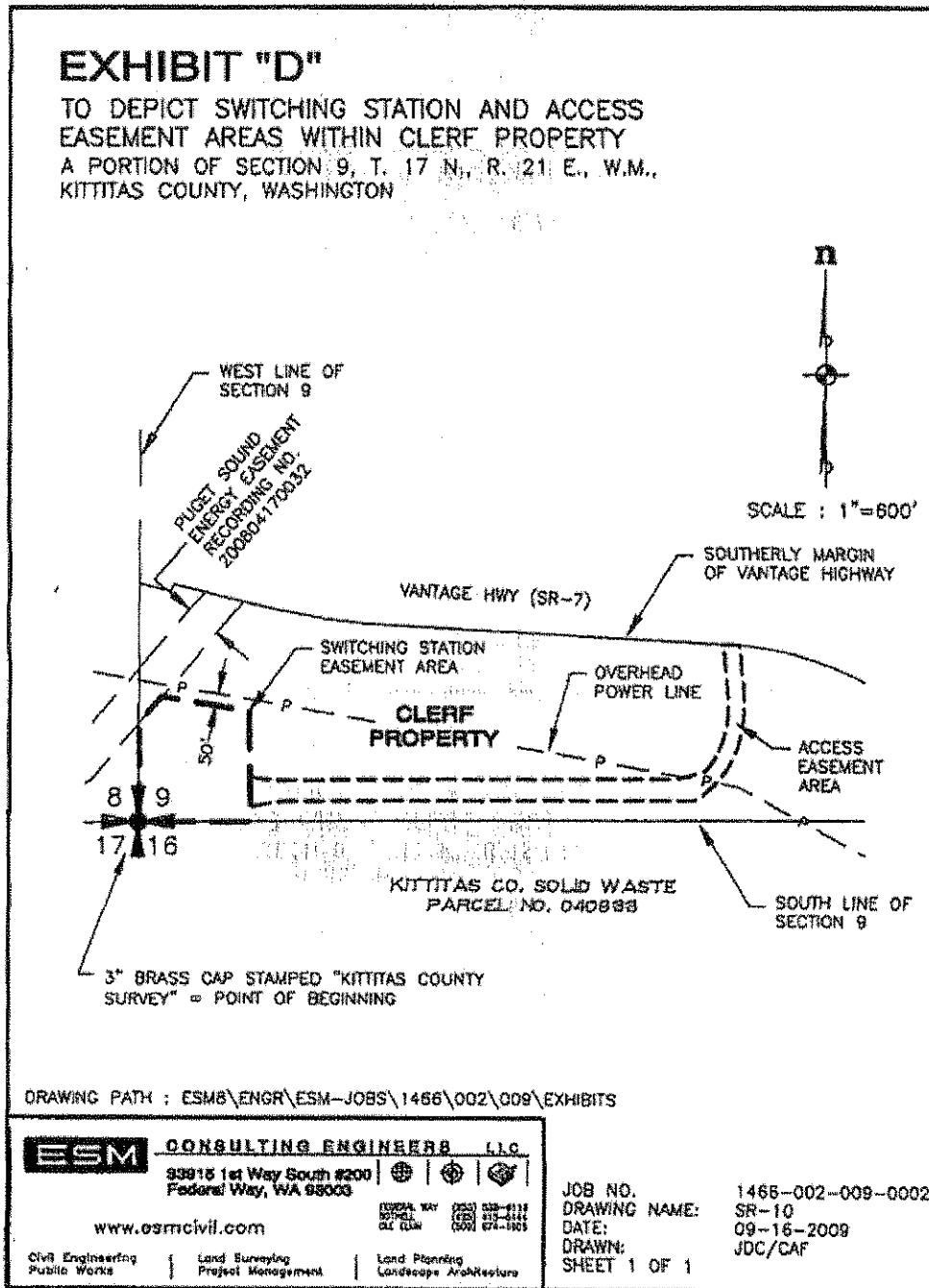
Containing 5.0 acres, more or less.

Written by: RAF.
Checked by: CAF.

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Exhibit D

Map of Easements



07772-0995/LEGAL19210233.1

07772-0995/LEGAL19387078.1

07772-0995/LEGAL19778096.1