

RECORDING REQUESTED BY,  
AND AFTER RECORDING,  
RETURN TO:

Stoel Rives, LLP  
900 SW Fifth Avenue  
Suite 2600  
Portland, OR 97204-1268  
Attention: Samuel J. Panarella

State of Oregon, County of Klamath  
Recorded 05/12/2003 10:17 a. m.  
Vol M03 Pg 31442-46  
Linda Smith, County Clerk  
Fee \$ 4.00 # of Pgs 5

### SHORT FORM OF WIND ENERGY LEASE AGREEMENT

This SHORT FORM OF LEASE AND WIND EASEMENT AGREEMENT (this "Lease Short Form") is made, effective as of May 1st, 2003 (the "Effective Date"), between CUNNINGHAM WIND FARM, LLC, an Oregon limited liability company ("Owner") whose address is PO Box 625, West Linn, OR 97068, and PACIFIC WIND DEVELOPMENT LLC, an Oregon limited liability company ("Pacific"), whose address is c/o PPM Energy, Inc., attn: Mid-Office, 650 NE Holladay, Suite 700, Portland, Oregon 97232, in light of the following facts and circumstances:

Owner and Pacific entered in that certain Wind Energy Lease Agreement, of even date herewith (the "Lease Agreement") pursuant to which Owner has leased to Pacific the real property of Owner (the "Property") located in Klamath County, Oregon, as more particularly described in Exhibit A attached hereto and which Lease Agreement and said Exhibit A are hereby incorporated herein as if fully set forth in this Lease Short Form. Owner and Pacific have executed and acknowledged this Lease Short Form for the purpose of providing constructive notice of the Lease Agreement. Capitalized terms not otherwise defined in this Lease Short Form shall have the meanings provided in the Lease Agreement. In the event of any conflict or inconsistency between the provisions of this Lease Short Form and the provisions of the Lease Agreement, the provisions of the Lease Agreement shall control. Nothing in this Lease Short Form shall be deemed to amend, modify, change, alter, amplify, limit, interpret or supersede any provision of the Lease Agreement or otherwise limit or expand the rights and obligations of the parties under the Lease Agreement and the Lease Agreement shall control over this Lease Short Form in all events.

NOW THEREFORE, Owner and Pacific hereby agree as follows:

1. **Lease of Property; Easements.** Owner leases the Property to Pacific on the terms, covenants and conditions stated in the Lease Agreement. The lease created by the Lease

Agreement is solely and exclusively for wind energy purposes, as defined in the Lease Agreement, and Pacific shall have the exclusive right to use the Property for wind energy purposes, together with certain related access and easement rights and other rights related to the Property as more fully described in the Lease Agreement. Reference is hereby made to the Lease Agreement for a complete description of the respective rights and obligations of the parties regarding the Property and the covenants, conditions, restrictions and easements affecting the Property pursuant to the Lease Agreement.

2. **Term.** The Lease Agreement shall be for a term commencing on the Effective Date of the Lease Agreement and continuing initially for five (5) years (the "Initial Period"). During this Initial Period, Pacific shall have the right to study the feasibility of wind energy conversion on the Property and to exercise its other rights under the Lease Agreement. If Pacific installs one or more turbines on the Property which generate electricity during the Initial Period, then the Lease Agreement shall automatically be extended for a term of thirty (30) years (the "Extended Term"), said 30-year term to commence upon the Operations Date as defined in the Lease Agreement. Pacific and any Tenant or Assignee (defined below) shall have the right to extend the term of the Lease Agreement for up to two (2) additional five (5) year periods as provided in the Lease Agreement.

3. **Ownership.** Owner shall have no ownership or other interest in any Windpower Facilities installed on the Property, and Pacific may remove any or all Windpower Facilities at any time.

4. **No Interference.** Among other things, the Lease Agreement provides that Owner's activities and any grant of rights Owner makes to any person or entity, whether located on the Property or elsewhere, shall not, currently or prospectively, interfere with: the construction, installation, maintenance or operation of Windpower Facilities or Transmission Facilities, whether located on the Property or elsewhere; access over the Property to such Windpower Facilities or Transmission Facilities; any Development Activities; or the undertaking of any other activities permitted under the Lease Agreement. Without limiting the generality of the foregoing, Owner shall not interfere with wind speed or wind direction over the Property, whether by placing wind turbines, planting trees or constructing buildings or other structures, or by engaging in any other activity on the Property or elsewhere that might cause a decrease in the output or efficiency of the Windpower Facilities. However, Owner reserves the right to erect buildings and windmills intended for ordinary agricultural use on the Property, except that Owner must obtain Pacific's prior written approval as to the location of such buildings and windmills. Such approval shall be based on whether, in Pacific's judgment, such buildings or windmills might, at the proposed location, interfere with wind speed or wind direction over the portion of the Property on which wind turbines are or may be located or cause a decrease in the output or efficiency of such wind turbines, or cause any interference with Pacific's operations on the Property. If at any time Owner becomes aware of any intended exploration, extraction, or other use of mineral or oil or gas resources on the Property, or any other exercise of mineral rights on the Property, Owner shall give written notice to Pacific of the potential use within 30 (thirty) days of the date it becomes so aware. Owner shall cooperate with and assist Pacific in every reasonable way, at no out-of-pocket expense to Owner, in any dealings, negotiations, or proceedings regarding mineral rights on the Property.

5. **Successors and Assigns.** The Lease Agreement and any easement or rights granted Pacific therein shall burden the Property and shall run with the land. The Lease Agreement shall inure to the benefit of and be binding upon Owner and Pacific and, to the extent provided in any assignment or other transfer under the Lease Agreement or this Lease Short Form, any Assignee or Tenant, and their respective heirs, transferees, successors and assigns, and all persons claiming under them.

6. **Multiple Counterparts.** This Lease Short Form may be executed by different parties on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall constitute one and the same instrument.

**IN WITNESS WHEREOF,** Owner and Pacific have caused this Lease Short Form to be executed and delivered by their duly authorized representatives.

"PACIFIC"

Pacific Wind Development LLC,  
an Oregon limited liability company

By: Peter C. van Alderwerelt

Peter C. van Alderwerelt

Title: VICE PRESIDENT

"OWNER"

Cunningham Wind Farm, LLC,  
an Oregon limited liability company

By: Ronald W. Roach

Name: Ronald W. Roach

Title: Co Owner

By: Angela L. Lyon

Name: Angela L. Lyon

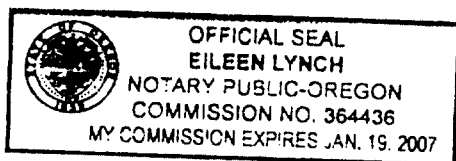
Title: Co Owner

STATE OF OREGON )

31445

)ss.  
County of MULTNOMAH )

This instrument was acknowledged before me this 29 day of APRIL, 2003, by Peter C. van Alderwerelt, as VICE PRESIDENT of Pacific Wind Development LLC, an Oregon limited liability company.



Eileen Lynch  
Notary Public for Oregon

My commission expires: JANUARY 19, 2007  
Commission No.: 364436

STATE OF OREGON )  
)ss.  
County of CLATSOP )

This instrument was acknowledged before me this 22 day of APRIL, 2003, by Donald W. Lopez as Co-owner - of Cunningham Wind Farm, LLC, an Oregon limited liability company.

Sharon K. Shockey  
Notary Public for Oregon

My commission expires: 7-14-2005  
Commission No.: 347478

### Acknowledgment in an Individual Capacity

State of OREGON

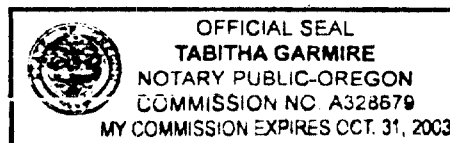
County of Clackamas

This instrument was acknowledged before me on April 25, 2003 by Angela Lyon.

Tabitha Garmire

Notary Public - State of Oregon

My commission expires: 10-31-03



**Exhibit "A"****Description of Property**

Real property situated in the County of Klamath, State of Oregon, hereby described as follows:

**KLAMATH COUNTY, OREGON****Township 38 South, Range 9 East of the Willamette Meridian**

Section 25: NE¼, EXCEPTING THEREFROM the following described property: Beginning at the quarter corner between Sections 24 and 25 and running thence Southerly 660 feet; thence Easterly 660 feet; thence Northerly 660 feet; thence Westerly 660 feet to the point of beginning.

E½ SE¼

Section 36: NE¼ NE¼

**Township 38 South, Range 10 East of the Willamette Meridian**

Section 30: Government Lot 1; E½NW¼; W½NE¼; E½SW¼; E½SE¼ EXCEPTING THEREFROM the following described property: Beginning at the quarter corner common to Sections 29 and 30; thence South to the Southeast corner of said Section 30; thence West 660 feet; thence Northwest to the Northwest corner of the NE¼ SE¼ of Section 30; thence East to the point of beginning.

Section 31: NW¼ NE¼; NE¼ NW¼; W½ SE¼

**Township 39 South, Range 10 East of the Willamette Meridian**

Section 5: SW¼ NW¼

Section 6: NE¼