Genermex Power Project

Background

Genermex S.A. de C.V. ("Genermex"), a special purpose company owned by Baja Power Development, LLC ("BPD") and GP Espacios Industriales del Noreste, S.A. de C.V., a subsidiary of Grupo GP, S.A. de C.V. ("GP" and GP together with BPD, the "Sponsors"), intends to construct, own and operate a 146 net MW gas-fired combined cycle power generating facility in Apodaca, Nuevo Leon, Mexico, near Monterrey (the "Project"). The Project is intended to operate under a "self supply" permit – a provision under Mexican energy regulatory regime which allows independent power generators to sell electricity to the co-owners of the power generating facilities or to the Mexican national utility, Comision Federal de Electricidad ("CFE"). In accordance with the Mexican "self supply" regulations, approximately 45 industrial and commercial users (each, an "Associate User" and, collectively, the "Associate Users"), located in the neighboring Monterrey area, are nominal shareholders of Genermex, each having received one stock certificate. The stock certificates held by the Associate Users do not represent an economic interest in Genermex, which is currently owned entirely by BPD (approximately 66.67%), GP (approximately 33.33%) . Each Associate User will purchase a portion of the Project's energy output and capacity pursuant to a ten-year Power Services Agreement with Genermex (the "PSA"). Collectively, the Associate Users will purchase all of the energy produced by the Project at a discount (5% to 10%) to the industrial tariff charged by CFE. The Project is intended to operate at full capacity at all times, except during maintenance and unscheduled outages. PSA's for about 120 MW have been signed.

The contractor for the Project is Wood Group Gas Turbines de Mexico S.A. de C.V. (the "EPC Contractor" or "Wood Group"), a reputable EPC contractor, pursuant to a fixed price turnkey engineering, procurement and construction contract (the "EPC Contract"). Pursuant to the EPC Contract, the EPC Contractor guarantees facility completion within 26 months of the notice to proceed. The EPC Contract contains delay and performance-based liquidated damage provisions and provides for certain EPC Contractor security during and after construction. The Project features the following additional key commercial agreements:

Operation and Maintenance Agreement with NAES Mexico S. de R.L. de C.V., a Mexican subsidiary of North American Energy Services Company, a wholly owned subsidiary of ITOCHU Corporation and an international operator of generating facilities;

Gas Supply Agreement and Gas Distribution Agreement with Compañia Mexicana de Gas, S.A. de. C.V. ("CMG"), the primary distributor of natural gas to retail and industrial customers in the Monterrey metropolitan area since 1927.

Water Supply Agreement with Servicios de Agua y Drenaje de Monterrey, I.P.D., ("SADM") a government-owned company and principal water supplier in the Nuevo Leon region.

All necessary permits are in place, including environmental.

Financing Plan

The Project will be capitalized with 100% equity. The Project's total equity requirement is approximately US$200,000,000.

Summary of Financial Model Following Construction (USD $ millions):

Year:	1	2	3	4	5	6	7	8	9	10
Net Before Tax	46	53	61	61	66	76	79	82	98	98

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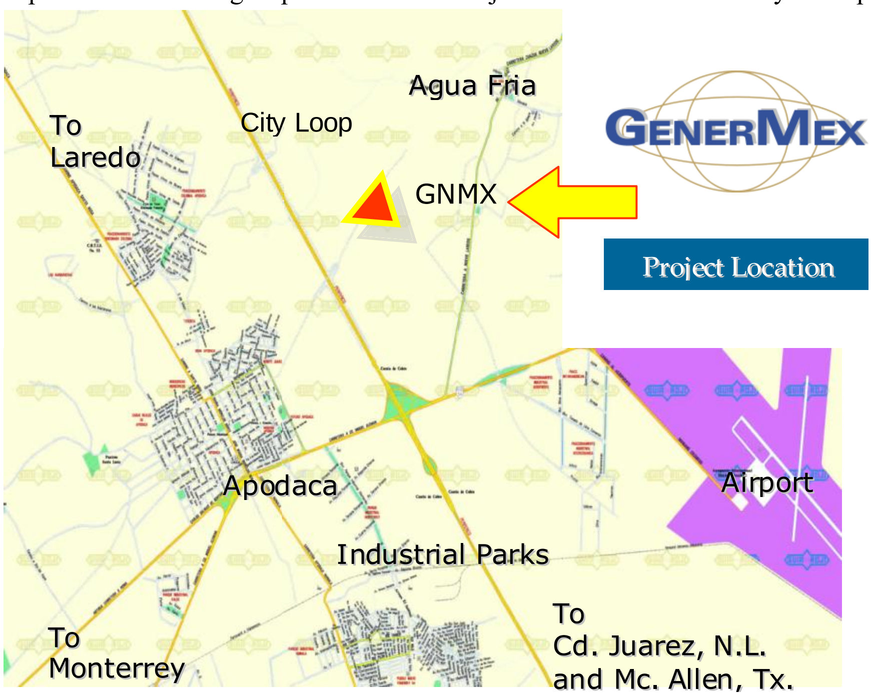
Project Scope

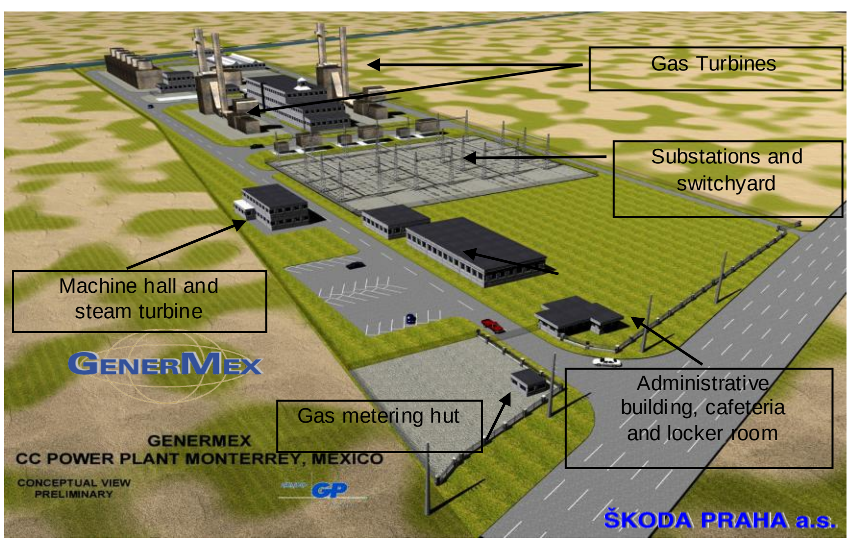
The facility will operate using two Rolls-Royce Trent 60 combined cycle natural gas fired turbines and a Fincantieri Steam Turbine. The turnkey price under the EPC Contract is approximately US$136,157,000. The EPC Contractor guarantees facility completion within 26 months of notice to proceed under the EPC Contract.

Natural gas will be supplied through a dedicated 1,200 meter exclusive lateral gas pipeline owned by Genermex that will tap into a 36" main Pemex pipeline. Compania Mexicana de Gas will build and maintain the Genermex pipeline and procure natural gas from Pemex for sale to Genermex through an eight-year gas supply contract.

The Project is located in Apodaca County, Nuevo Leon, Mexico in close proximity to the Monterrey Airport. The following map illustrates the Project's location in Monterrey metropolitan area:



The following rendition illustrates the layout of the Project's major components:



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Project Rationale

BPD is a California-based investment company and Grupo GP is a Monterrey-based contractor and industrial park developer. The Project proposes to address the growing electricity demand in the Monterrey region. CFE, the sole Mexican utility, is responsible for supplying power to the continually growing number of commercial and residential users. The Project has the support of CFE and is intended to relieve some of the pressure imposed on CFE by the growing demand in the region. For instance,

> Mexico has the tenth largest GDP in the world, but has the lowest per-capita consumption of power among industrialized countries.
>
> The thermal efficiency of all CFE's power plants combined is 36.2% as of January 1, 2009. Genermex's will be 51%.
>
> CFE will receive a wheeling fee from Genermex as well as a fee for providing service when Genermex is down for scheduled or unscheduled maintenance. In addition, a forty year old plant will be taken out of service.
>
> By statute, any power Genermex creates but cannot sell must be purchased by CFE.
>
> Genermex's discharge of water to the river will improve water quality.

Majority of Genermex's Associate Users are tenants in industrial parks owned and operated by one of the Sponsors, Grupo GP. According to the break-down of Associate Users by industry, the Project benefits from a great diversity spanning multiple industries. During 2009, consumption of power among the Genermex offtakers decreased only about 6%. Normally, consumption rises about 3% per year, tariffs about 8% per year.

Many of the Associate Users are Mexican subsidiaries of U.S. corporations. The Power Supply Agreements contain no termination-at-will provisions, mitigating the offtake risk during the term of the proposed financing. The PSAs also provide for a take-or-pay obligation with respect to a percentage of the contracted demand and a U.S. Dollar-denominated absolute floor price, subject only to annual upward adjustments based on Mexican inflation.