

JOINT OWNERSHIP PARTICIPATION AND OPERATING AGREEMENT

RIVER BEND UNIT 1 NUCLEAR PLANT

GULF STATES UTILITIES COMPANY,
CAJUN ELECTRIC POWER COOPERATIVE, INC.,
AND
SAM RAYBURN G & T, INC.

August 20, 1979

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GULF STATES UTILITIES COMPANY,

and

CAJUN ELECTRIC POWER COOPERATIVE, INC.,

and

SAM RAYBURN G & T, INC.

This agreement (hereinafter called "Agreement") is made and entered into this 28th day of August, 1979, by and between Gulf States Utilities Company (hereinafter called "GSU" or "Co-owner" or "Project Manager"), a Texas corporation, Cajun Electric Power Cooperative, Inc. (hereinafter called "Cajun" or "Co-owner"), a Louisiana corporation, and Sam Rayburn G & T, Inc. (hereinafter called "Sam Rayburn" or "Co-owner"), a Texas corporation.

Gulf States Utilities Company, a public utility engaged in the generation, transmission, and distribution of electric power, Cajun Electric Power Cooperative, Inc., a generating and transmission electric cooperative, and Sam Rayburn G & T, Inc., a generating and transmission electric cooperative, enter this Agreement for co-ownership as tenants in common of River Bend Nuclear Generating Unit 1, located in West Feliciana Parish, Louisiana. Under this Agreement, the "Co-owners" will in general share costs, expenses, and benefits proportionately, with GSU acting as Project Manager and agent of the Co-owners to construct, control, manage, operate, and maintain the Joint Facilities.

ARTICLE ONE

DEFINITIONS

1.1 "Commercial Operation" shall mean the midnight of the day when the River Bend Unit 1 is declared ready by GSU for commercial operation.

1.2 "Common Facilities" shall mean all facilities, including real property, which will be used for the construction and operation of River Bend Unit 1 and shall also be used for the construction and operation of River Bend Unit 2, or any other units at the River Bend site.

1.3 "Costs of Construction" shall mean all costs, expenses, losses, liabilities, and charges incurred or accrued in planning, design, engineering, licensing of all Co-owners, acquisition, construction, installation, modifying, testing, environmental control, safety, completion of the Joint Facilities and placing the River Bend Unit 1 in Commercial Operation. Such costs shall include Capital Costs, as defined herein, prior to the Closing, and thereafter as provided in section 2.6.1, but shall not include any allowance for funds used during construction of any other Co-owner. Such costs shall be includable whether incurred before or after the Closing, whether incurred under contracts in existence prior to the Closing or under contracts made thereafter, or whether incurred or accrued in the name of GSU or the name of the Co-owners. Costs of Construction shall include all reasonable expenses (1) involved in obtaining from the Nuclear Regulatory Commission Cajun's and Sam Rayburn's original status as

Co-owners and Co-licensees of River Bend Unit 1, and (2) arising from or attributable to Cajun and Sam Rayburn becoming Co-owners and Co-licensees of River Bend Unit 1. Such costs shall also (1) include that portion of GSU's direct and indirect Administrative General Charges charged directly or allocated to such functions in accordance with generally accepted accounting practices and (2) civil penalties imposed upon any Co-owner or a Co-owner's officers or directors relating to the Joint Facilities, including but not limited to such penalties as may be imposed under the Energy Reorganization Act and environmental control laws.

1.4 "Costs of Plant" shall include all costs, expenses, losses, liabilities, and charges directly or indirectly related to or arising because of the acquisition, ownership, existence, licensing, operation, use, testing, environmental control, maintenance, restoration, replacements, decommissioning, disposal (including but not limited to storage and disposal of spent fuel), safety, or surveillance of the Joint Facilities which are not otherwise considered as Costs of Construction or Costs of Operations under this Agreement and costs of improvements, additions, and betterments required to be made by governmental or regulatory action or inaction or determined by GSU as Project Manager to be necessary or appropriate, whether incurred in the name of GSU or the name of the Co-owners. Such costs shall also include (1) that portion of GSU's direct and indirect Administrative General Charges charged directly or allocated to such functions in accordance with generally accepted accounting practices and (2) civil penalties imposed upon any Co-owner or a Co-owner's officers or directors relating to the Joint Facilities,

including but not limited to such penalties as may be imposed under the Energy Reorganization Act and environmental control laws.

1.5 "Costs of Operations" shall mean all direct and indirect costs of operating the Joint Facilities, including but not limited to all costs, expenses, losses, liabilities, and charges incurred or accrued in operating, maintaining, repairing, fueling, staffing, testing, protecting, preserving, meeting legal, regulatory, and license requirements with respect to, and using the Joint Facilities, whether incurred in the name of GSU or the name of the Co-owners. Such costs shall also include (1) that portion of GSU's direct and indirect Administrative General Charges charged directly or allocated to such functions in accordance with generally accepted accounting practices and (2) civil penalties imposed upon any Co-owner or a Co-owner's officers or directors relating to the Joint Facilities, including but not limited to such penalties as may be imposed under the Energy Reorganization Act and environmental control laws. Without any limitation intended on all Costs of Operation being properly included hereunder, all costs of nuclear fuel for River Bend Unit 1 as outlined under the then current nuclear fuel management plan shall be considered as Costs of Operations hereunder.

1.6 "Administrative General Charges" shall be regarded as a part of the Costs of Construction, Costs of Plant, and Costs of Operations, on both a direct and an indirect basis, whether booked, or not booked, but otherwise substantiated.

1.6.1 Direct administrative general charges shall include but not be limited to: Payroll charges and expenses of project management personnel (including but not limited to overall accounting, clerical, auditing, engineering, quality assurance), communication, office rent, duplicating, legal, insurance, building services, office supplies and expenses, taxes, preliminary engineering studies (including environmental), utilities, technical publications, public affairs, consultants, recruiting and training, transportation, security, miscellaneous materials and related costs.

1.6.2 Indirect administrative general charges shall include but not be limited to: Payroll charges and personnel expenses of employees of GSU who support or perform administrative functions in general, accounting and engineering personnel of the GSU general offices, GSU company officers, office rents, building services, and data processing.

These costs will be applied to the Joint Facilities on a percentage basis, with the percentage determined periodically based on the percent of monthly time each GSU employee spends on the Joint Facilities and allotting that percentage of his payroll and expenses to the Joint Facilities each month. All other indirect administrative general costs will be determined periodically and be applied on the basis of the time or capacity spent on or dedicated to the Joint Facilities.

1.7 "Force Majeure" shall mean, without limitation, the following: Acts of God; strikes, lockouts or other industrial disturbances; acts of

public enemies; orders, or absence of orders or permits properly applied for, of any kind (except failure to obtain rate relief), or delay or inaction by the government of the United States or state or municipal authority, or any of their departments, agencies or officials, or any civil or military authority pertaining to the Joint Facilities; insurrections; riots, delay in transportation; unforeseen soil conditions; equipment, material, supplies, fuel, energy, labor, or machinery shortages, rationing or curtailment; epidemics; landslides; lightning; earthquakes; fires; hurricanes; wind; tornadoes; storms; flood; washouts; drought; arrest; war; civil disturbances; explosions; breakage or accident to machinery, transmission lines, pipes, or canals; partial or entire failure of utilities; breach of contract of any supplier, contractor, subcontractor, laborer, or materialman; sabotage; injunction; blight; famine; blockage; quarantine; or any other similar or dissimilar cause or event not reasonably within the control of the Co-owner affected. Such Co-owner shall remedy with all reasonable dispatch the causes preventing it from carrying out its agreements; provided that the settlement of strikes, lockouts, and other industrial disturbances, or governmental, judicial, or regulatory proceedings shall be entirely within the discretion of the affected Co-owner, and a Co-owner shall not be required to make settlement of strikes, lockouts, and other industrial disturbances or governmental, judicial, or regulatory proceedings by acceding to the demands of the opposing party or parties.

1.8 "Capital Costs" means the costs of capital determined as provided in Exhibit "A".

1.9 "GSU Mortgage" means the Indenture of Mortgage, dated September 1, 1926, from GSU to the Chase National Bank of the City of New York, as Trustee, as such Indenture has been heretofore supplemented, modified or amended and as it may hereafter be supplemented, modified or amended, from time to time or at any time, and any indenture creating a lien in lieu of and in substitution for such existing Indenture.

1.10 "Joint Facilities" shall mean all facilities, including real property, in which the Co-owners share an undivided ownership as tenants in common.

1.11 "NRC" shall mean the Nuclear Regulatory Commission or such other successor governmental authority.

1.12 "Permitted Encumbrances" shall mean as of any particular time any of the following: (1) Liens for taxes, assessments, or governmental charges for the then current year; taxes, assessments, or governmental charges not then delinquent; and liens for taxes, assessments, or governmental charges already delinquent, but whose validity is at the time being contested in good faith; (2) Liens and charges incidental to construction or current operation which have not been filed or asserted or the payment of which has been adequately secured, or which, in the opinion of counsel acceptable to GSU and the other Co-owners, are insignificant in amount; (3) The lien of judgments covered by insurance, or if not so covered, not exceeding at any one time \$50,000 in aggregate amount; (4) Easements or reservations in respect of any of the Joint Facilities for the

purpose of rights-of-way, including pole, pipe, and gas transmission and distribution lines, and similar purposes, zoning ordinances, regulations, reservations, restrictions, covenants, party wall agreements, conditions of record and other encumbrances (other than to secure the payment of money), which in the opinion of counsel acceptable to GSU and the other Co-owners (at the time of the acquisition of the property affected or subsequently) will not interfere with proper operation and development of the property affected thereby; (5) Any lien reserved as security for rent or for compliance with other provisions of the lease in the case of any leasehold estate; and (6) Any exceptions, reservations and other matters described in any deeds or other instruments, whereunder the Joint Facilities were acquired.

1.13 "REA" shall mean the Rural Electrification Administration or such other successor governmental authority.

1.14 "Title" shall mean such title as meets the requirements for title under the terms of the GSU Mortgage, and as meets REA's title requirements.

ARTICLE TWO

OWNERSHIP

2.1 Co-owners' Undivided Interest: The Co-owners shall have title to the Joint Facilities as tenants in common. The percentage of undivided ownership are as follows:

<u>Party</u>	<u>Ownership Interests</u>
GSU	63%
Cajun	30%
Sam Rayburn	7%

The percentages of undivided ownership are subject to change as provided and permitted under Sections 2.9, 5.2, 5.5, 6.5, 6.8, 6.9, and Article Ten of this Agreement. In the event such Ownership Interests do so change, the Co-owners agree to take all action (including but not limited to the execution and delivery of deeds, assignments, and other documents) legally necessary to confirm such change.

2.2 "Joint Facilities": The Joint Facilities are described in paragraphs 2.2.1 through 2.2.5, and exceptions therefrom described in paragraphs 2.4 and 2.5.

2.2.1 Nuclear Steam Supply System & Turbine Generator: River Bend Unit 1, including the nuclear steam supply systems, turbine-generators, the buildings housing the same, foundations, associated auxiliaries and equipment, machine shops, storerooms, office space,

warehouses, all as described in the Application (including but not limited to the Preliminary Safety Analysis Report and environmental report - construction permit stage), and all past and future amendments, by GSU to the Nuclear Regulatory Commission in Docket No. 50-458.

2.2.2 Inventories: Inventories of materials, supplies, spare parts, tools, nuclear fuel and equipment for use in connection with River Bend Unit 1.

Uranium now owned by or hereafter obtained by GSU or any of its subsidiaries or affiliates from their own exploration for, or mining or production of ore, either alone or jointly with others, and uranium already owned and held by or for GSU as of the Closing shall not be Joint Facilities unless and until so designated by GSU. Uranium designated as Joint Facilities as of the date of this Agreement is described in Exhibit "D".

2.2.3 Land and Land Rights: Land and Land Rights on which the Joint Facilities described above in paragraph 2.2.1 are located on Tract 1 as described in the metes and bounds, Exhibit "C", attached hereto and as shown on Exhibit "B", subject to the exceptions and reservations described in paragraphs 2.4 and 2.5 below. Joint Facilities shall also include Land and Land Rights acquired in the future by GSU as Joint Facilities which are required for the construction or operation of the Joint Facilities.

2.2.4 Additional Facilities: Such additional facilities and changes, additions, improvements, betterments, and replacements as may be acquired, constructed, or installed in connection with River Bend Unit 1 and such facilities designated as Common Facilities for use with River Bend Unit 1 and a future unit or units which are initially acquired, constructed, or installed for use with River Bend Unit 1, which are required for the construction or operation of River Bend Unit 1 and are designated by GSU as Joint Facilities for the joint use of the Co-owners.

2.2.5 Roads, R.R. Spurs, Barge Slip, Intake Structure: The privately owned roads and railroad spurs, barge slip and intake structure on the east bank of the Mississippi River, which serve and are used in connection with the operation of River Bend Unit 1.

2.3 Common Facilities: GSU shall have the right to use the Common Facilities for construction and operation of River Bend Unit 2 and/or other future units at the site. If such other future units are not co-owned by GSU and the other Co-owners, GSU shall reasonably compensate the other Co-owners for the use of that portion of their ownership interest in the Common Facilities which GSU uses for the operation of the other units, or, at the election of all Co-owners, GSU may purchase such portion of the other Co-owners' ownership interests for its original cost less reasonable depreciation, except in the case of non-depreciable inventories, for which compensation shall be made on the basis of replacement costs.

2.4 Excepted Property: GSU reserves sole and exclusive ownership of, free of this Agreement and any rights, claims and interests of all other Co-owners in and to, all property of every kind now or hereafter owned by it which is not designated as Joint Facilities hereunder.

Certain of the property excepted from Joint Facilities under this section may be necessary in the future in the construction and/or subsequent operation of the Joint Facilities. GSU may lease such property from itself for the benefit of the Co-owners for a reasonable consideration.

GSU reserves all oil, gas and other minerals owned by GSU in, on and under the land constituting a part of the Joint Facilities and the right to use the Joint Facilities (subject to and in compliance with any applicable license restrictions) to explore for, produce, transport, store and otherwise enjoy such minerals. GSU agrees to convey to the other Co-owners at the closing a share of the royalty rights and a share of the mineral lease bonuses and rentals proportionate to their undivided ownership interests in the land constituting part of the Joint Facilities, it being specifically understood that GSU shall retain, in addition to its share of royalties and lease bonus and rental payments, all executive rights.

GSU also excepts and the other Co-owners shall not acquire pursuant to this Agreement any interest in or claim to River Bend Unit 2 (other than the land included hereunder as part of the Joint Facilities which is intended as the site of such Unit 2).

2.5 Reserved Rights: In addition to its rights as a Co-owner to use and enjoy the Joint Facilities, GSU reserves the right to use any Joint Facilities in connection with future generating units or other purposes, so long as such use does not unreasonably interfere with construction and operation of River Bend Unit 1. GSU shall reasonably compensate the other Co-owners for the use of such Joint Facilities taking into account the use still inuring to the benefit of the Joint Facilities and the customary basis upon which charges for facilities are otherwise made by the Co-owners or provided for by the Rural Electrification Administration. Such rights shall be exercised subject to the requirements of all applicable licenses, laws, and governmental regulations, including but not limited to exclusion area requirements and industrial security considerations imposed from time to time by the NRC. In the event GSU determines that, because of financing, mortgages, or other requirements, it must have full title to any of the land constituting part of the Joint Facilities for construction and operation of an additional generating unit(s) or other facility(ies) in which the other Co-owners do not participate, GSU shall have the right to purchase and the other Co-owners shall sell to GSU their undivided ownership interest in the designated site of such additional generating unit(s) or facility(ies) for the fair market value thereof.

The confirmations of ownership shall reflect these exceptions, reservations, and rights described in sections 2.4 and 2.5 and the other Co-owners shall execute and deliver to GSU documents which may be reasonably requested by GSU from time to time confirming such exceptions, reservations, and rights of GSU.

2.6 Confirmation of Ownership: Cajun and Sam Rayburn shall earn an undivided ownership in the Joint Facilities by assuming responsibility for and bearing all Costs of Construction until such time as the amount of the Costs of Construction borne by Cajun equals thirty percent (30%) and by Sam Rayburn equals seven percent (7%) of the total Costs of Construction of the Joint Facilities including the Costs of Construction borne by Cajun and Sam Rayburn. During the period any Co-owners (excluding GSU) are earning an undivided ownership interest by bearing all Costs of Construction, each Co-owner shall bear such costs in proportion to the interests being earned, and as each Co-owner completes earning its interest, the others shall continue to share or bear alone, as appropriate, all Costs of Construction until all Co-owners have completed earning their interest.

2.6.1 Calculation of Cost of Ownership Interest: The cost of Cajun's ownership interest in the Joint Facilities is equal to thirty percent (30%) and the cost of Sam Rayburn's ownership interest in the Joint Facilities is equal to seven percent (7%) of the total Costs of Construction of the Joint Facilities, including the Costs of Construction borne by them. The total Costs of Construction shall include Capital Costs on all Costs of Construction contributed by GSU until such time as Cajun's and Sam Rayburn's contributions entitle them to an undivided thirty percent (30%) and seven percent (7%) ownership interest respectively; provided, however, that from and after the date of closing (1) Capital Costs for this purpose shall not exceed the actual effective interest cost incurred by a Co-owner in borrowing the funds to make its most recent capital contribution, and (2) Capital

Costs on contributions of GSU equivalent in amount to the contributions which a Co-owner has made toward earning its ownership interest shall cease being charged from the date the contributions were made by a Co-owner. At no time shall Costs of Construction hereunder include any allowance for capital or funds used during construction which were contributed by a Co-owner other than GSU.

2.6.2 Delivery of Documents: Subject to the terms and conditions hereof, as soon as practicable after a Co-owner's contributions have been sufficient to entitle it to an undivided ownership interest, the parties will confirm such entitlement by delivering to each other such documents as may be necessary to confirm title (free of liens and encumbrances, other than Permitted Encumbrances) for undivided ownership as a tenant in common in the Joint Facilities, and a release or disclaimer of all liens under all mortgages and security agreements of each Co-owner on the undivided ownership interests of the other Co-owners. Such confirmation and acknowledgement of ownership shall be substantially in the forms of Exhibit "F" hereto.

From time to time thereafter the Co-owners shall execute such other instruments of confirmation, acknowledgment, conveyance and transfer as may be necessary or appropriate to confirm each others respective undivided ownership interest in any particular items of property which constitute a part of the Joint Facilities.

2.6.3 Correctness of Cost of Construction Statements: The Co-owners shall have one hundred eighty days after the confirmation of entitlement to contest the correctness of the Costs of Construction, after which time the correctness of the amount shall be final. In the event of an error in calculation, GSU shall, following establishment of the error, within 30 days adjust the contributions required of a Co-owner for the amount in error.

2.7 Construction and Plant Account: At or before the Closing, GSU shall establish a separate account or accounts in the name of the Co-owners (the "Construction and Plant Account"), which in the discretion of GSU may be interest-bearing or non-interest-bearing, in a bank or banks which meets or meet all applicable requirements imposed upon depositories of GSU. All moneys for the payment of the Costs of Construction and Costs of Plant shall be deposited by the Co-owners in the Construction and Plant Account, and GSU as agent for all Co-owners has the sole right and authority to withdraw and apply funds as necessary to pay Costs of Construction and Costs of Plant.

GSU shall prepare cost estimates and payment schedules for each Co-owner's proportionate share of the Costs of Construction and Costs of Plant to be paid in advance (or in accordance with Section 2.7.1) into the Construction and Plant Account by the first day of each month in which the Construction and Plant Account disbursements are to be made by GSU. Payments by each Co-owner shall be in immediately available funds in the amounts requested by GSU who shall give at least five days' notice in writing.

Late payments by any Co-owner shall be subject to interest charges in accordance with Article Ten. The cost estimates and payment schedules shall be updated periodically by GSU to provide each Co-owner with current budget information. GSU may budget and include in such cost estimates and payment schedules to be paid into such account by the Co-owners a continuing reserve for contingencies. Such continuing reserve shall be an amount deemed reasonable and necessary by GSU.

GSU shall include adjustments between actual and estimated Costs of Construction and Costs of Plant with the notice of the next-estimated payment due for such costs. Each notification made by GSU of anticipated Costs of Construction and Costs of Plant and adjustments thereto shall be accomplished and adjusted by an accounting of costs incurred and credits accrued for preceding months. GSU shall, from time to time, provide all Co-owners with such information as is reasonably required for the Co-owners to account for such payments in their books.

2.7.1 Method of Payment: Cajun and Sam Rayburn shall deposit money in the Construction and Plant Account on the first day of each month in an amount equal to the estimated cash expenditures for that month to be borne by them. GSU shall provide, by the last day of the next succeeding month, a statement to the Co-owners detailing the Costs of Construction (or the latest estimates thereof) to date and the amount of cash expended from the Construction and Plant Account. In the alternative, such deposits by a Co-owner may be made on a daily or other basis if mutually acceptable to the Co-owner and GSU. As an

alternative to any one or more deposits to the Construction and Plant Account, if GSU and a Co-owner mutually agree in advance on the acquisition of a specified item of equipment which is to be included in the Joint Facilities, a Co-owner's contribution may be in the form of direct payment for such equipment. Equipment or other property so acquired by a Co-owner shall be for the benefit of the Co-owners in proportion to their ownership interest hereunder.

2.7.2 Deficiencies in Construction and Plant Account: If, during any month, the balance in the Construction and Plant Account is insufficient to pay the Costs of Construction and Costs of Plant which GSU determines are necessary or appropriate to be paid that month (other than as a result of the non-payment or late payment by any Co-owner), GSU shall promptly so notify all Co-owners, by telephone with written confirmation, stating the amount required to be paid by each. Each Co-owner shall pay its respective share of such deficit into the Construction and Plant Account in immediately available funds within five banking days after receipt of telephone notice by GSU. GSU shall have no responsibility or liability to make up any deficit from its own funds in excess of its proportionate share of such deficit.

2.7.3 Interest: Interest earned on amounts deposited in the Construction and Plant Account shall be credited against a Participant's obligations for the following month in the same percentage as payments (other than delinquent payments not paid when due) made in the previous month.

A Co-owner shall not own any interest in interest paid into the Construction and Plant Account by or on behalf of such Co-owner pursuant to the provisions of Article Ten hereof; the interest shall be owned in common, and credited against payments required to be made into the account by the other Co-owners not then in default in the performance of their obligations under this Agreement in the proportion which their ownership interests bear to each other.

2.7.4 Termination: Upon termination of this Agreement and the settlement of all obligations relating to the Costs of Construction and Costs of Plant, GSU shall close the Construction and Plant Account and distribute to each Co-owner its undivided ownership interest of any balance remaining in the Construction and Plant Account.

2.7.5 Correctness of Charges and Credits: No payment made pursuant to this Article Two shall constitute a waiver of any right of a Co-owner to contest the correctness of such accounting by GSU. Any Co-owner shall have until the 180th day after the receipt of an accounting for any charge or credit to contest the correctness of such charge or credit after which time the correctness of such charge or credit shall be conclusive. The questioning party shall bear the expense of verification.

2.8 Sharing of Costs: After Cajun's and Sam Rayburn's contributions are sufficient to entitle them to their undivided ownership interests, the Co-owners shall pay into the Construction and Plant Account amounts equal

to their respective ownership interests of the Costs of Construction and Costs of Plant.

2.9 Other Participants: In the event other participants effectively contract to acquire an undivided ownership interest in the Joint Facilities from GSU or by contribution as permitted under section 6.8, a portion or all of the contribution otherwise required of GSU may instead be made by such other participants. To the extent contributions are committed to be made by such other participants, GSU shall be relieved of the obligation it would otherwise have had under this section to make such contributions.

ARTICLE THREE

THE CLOSING

3.1 Precedent Conditions: The obligations of the parties are subject to the satisfaction, prior to the Closing of each of the following conditions precedent:

A. GSU shall have received or be assured of receiving releases or disclaimers of the lien of the GSU Mortgage with respect to the undivided ownership interest of Cajun and Sam Rayburn which are deemed necessary or appropriate by GSU to comply with its obligations hereunder upon terms and conditions acceptable to GSU.

B. There shall be in effect loan contracts for not less than \$535,000,000 for permanent financing of Cajun's ownership interest in the Joint Facilities.

C. There shall be in effect loan contracts for not less than \$125,020,000 for permanent financing of Sam Rayburn's ownership interest in the Joint Facilities.

D. All requisite governmental, regulatory, and vendor approvals of the execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby by GSU, Cajun, and Sam Rayburn have been obtained, all on terms and conditions acceptable

to the Co-owners, including but not limited to approval by the Rural Electrification Administration, which approval shall not be waived.

E. Within sixty (60) days after the date of this Agreement, the execution, delivery and performance of this Agreement by each party shall have been duly and effectively authorized or ratified by all requisite corporate and membership action.

3.2 Written Notice of Termination if Approvals Not Received: If all required approvals have not been received within two (2) years of the date of this Agreement, GSU, Cajun or Sam Rayburn may give at least ninety days' advance written notice of termination at any time and if all such approvals have not been received by the termination date specified in the notice, this Agreement and all further obligations hereunder shall terminate on such date.

3.3 Location, Time, and Date of the Closing: The Closing will take place in the GSU Baton Rouge Offices, 446 North Boulevard, Baton Rouge, Louisiana. The Closing will be fifteen days after receipt of all required regulatory and vendor approvals, upon terms and conditions acceptable to the Co-owners, and satisfaction of the conditions precedent in section 3.1.

3.4 Delivery of Documents: At the Closing the Co-owners, as appropriate, shall deliver to each other the following:

A. Certificates by appropriate officers of each that the conditions precedent in section 3.1 have been satisfied or waived.

B. True copies of all approvals described in section 3.1D, certified by an officer of the party responsible for obtaining same to be true, complete and correct copies of such approvals and as being in full force and effect as of the Closing.

C. Written confirmations by the Co-owners that the terms and conditions of the approvals described in section 3.1D are acceptable to them.

D. True copies of the loan contracts described in section 3.1B and C, certified by an officer of the borrower to be true, complete and correct copies of same and as being in full force and effect as of the Closing.

E. Certified copies of authorizations described in section 3.1E.

F. Immediately available funds payable to the Construction and Plant Account in the amount having been indicated by GSU as due on such date commencing the monthly payments to be made under section 2.7 (less credits, if any, to which the Co-owner may be entitled because of previous payments made by the Co-owner under any mutually agreed upon interim financing arrangements not involving any transfer of ownership).

3.5 Interim Arrangements: Prior to the Closing, GSU shall be the exclusive owner of the Joint Facilities and shall have full and complete control of the Joint Facilities and shall have the plenary power and right in its absolute discretion to commence, continue, suspend, reschedule, or cancel construction and other work on the Joint Facilities. If interim financing for the construction of the Joint Facilities is provided by any other Co-owner on terms mutually acceptable to GSU and such other Co-owner, such interim arrangements shall not operate to cause this Agreement to become effective or to transfer to or vest in such other Co-owner any ownership interest in the Joint Facilities pursuant to this Agreement or otherwise.

ARTICLE FOUR

GSU TO ACT AS AGENT

4.1 Agency Appointment: Cajun and Sam Rayburn each hereby appoint GSU as their agent to act on their behalf during the term of this Agreement and authorizes GSU in the name and on behalf of Cajun and Sam Rayburn to take all actions during the term of this Agreement which, in the absolute discretion and judgment of GSU, which shall not be exercised unreasonably, are deemed necessary or advisable to effect the planning, design, licensing, construction, acquisition, completion, maintenance, operation, security, surveillance, decommissioning, and disposition of the Joint Facilities, including but not limited to the following:

A. The making of such agreements and modifications of existing agreements and the taking of such other action as GSU deems necessary or appropriate or as may be required under the regulations or directives of the NRC or such other regulatory agencies having jurisdiction therein, with respect to the construction, acquisition, and completion of the Joint Facilities for commercial service; the procurement, replacement, modification, or renewal of all or any part thereof; the making of additions, betterments, or improvements thereto; the operation and maintenance thereof; and the retirement, disposition, decommissioning, storage, or salvaging of all or any part thereof.

B. The execution and filing with the NRC and other regulatory agencies having jurisdiction of applications, amendments, reports, and other documents and filings required in connection with licensing and other regulatory matters which GSU in its absolute judgment deems necessary or appropriate, including but not limited to applications for extension or renewal of the terms of the Operating Licenses from the NRC.

C. The receipt on any Co-owner's behalf of any notice or other communication from the NRC or other regulatory agency having jurisdiction, as to any licensing or other regulatory matter.

D. The financing of nuclear fuel and pollution control facilities as provided in sections 6.6 and 6.7.

E. The adjustment of losses and settlement on any losses covered by insurance on Joint Facilities.

F. The making and filing of all elections for federal and state income tax purposes which GSU in its judgment deems necessary or appropriate with respect to the tax partnership provided for in Article Nine.

G. The pursuit and defense of claims and causes of action of any kind relating to the Joint Facilities, including but not limited to the

filing or defense of suits, appeals thereof, and settlement of claims and suits.

This appointment of GSU as agent shall be irrevocable except as provided in section 5.3 and 10.7.

4.2 GSU Accepts Appointment as Agent: GSU hereby accepts such appointment as agent and agrees to discharge its responsibilities in good faith, in accordance with good utility practice.

4.3 No Adverse Distinction: In discharging its responsibilities as agent pursuant to this Agreement, GSU shall make no adverse distinction between River Bend Unit 1 and any other generating unit in which GSU has an ownership interest solely because of the co-ownership of such River Bend Unit 1.

4.4 GSU Right to Contract with Itself: In discharging its obligations hereunder, GSU shall have the right and power on behalf of the Co-owners, to contract with itself or any of its affiliates or subsidiaries for the purchase or lease, at cost, of any equipment, facilities, or the performance of services in connection with the Joint Facilities. For this purpose cost shall include all direct and indirect payments, expenses, and liabilities incurred in obtaining, handling, transporting, financing, maintaining, and storing any property provided or incurred in the performance of the service, including but not limited to GSU's direct and

indirect Administrative General Charges charged directly or allocated thereto in accordance with generally accepted accounting practices.

4.5 No Other Agency: Except for the appointment of GSU to act as agent of the Co-owners, no Co-owner shall be agent of or have a right or power to bind any other Co-owner.

ARTICLE FIVE

CONSTRUCTION

5.1 Commercial Operation: GSU shall as Project Manager and agent of the Co-owners shall have full control over the planning, licensing, design, construction, operation, maintenance, decommissioning, storage, and disposition of the Joint Facilities. GSU will attempt to have River Bend Unit 1 in Commercial Operation by November 1, 1984. Without liability, except as provided below, to any other Co-owner, GSU shall have the sole right to cancel or delay construction of River Bend Unit 1 due to Force Majeure or GSU's inability to finance.

5.2 Cancellation or Delay: If GSU should cancel construction of River Bend Unit 1 or should delay construction for more than an aggregate of twelve months due in either case solely to its inability to finance such construction, it shall give the other Co-owners ninety days' advance written notice and shall offer (1) to sell GSU's interest in the unit for GSU's Cost of Construction (including Capital Costs, as defined) and, alternatively, (2) to remain a Co-owner, freeze its contributions toward the Costs of Construction, and retain an undivided ownership interest in the Joint Facilities in the proportion the contributions to the Costs of Construction it has made is to the total Costs of Construction of the completed Joint Facilities, and otherwise remain bound as a Co-owner under this Agreement in proportion to its ownership interest resulting from such adjustment. If any one or more other Co-owners desire to proceed and

complete construction of the Joint Facilities hereunder, they shall notify GSU within thirty days and accept one of the alternative offers of GSU in clauses (1) and (2).

5.3 Revocation as Sole Agent: If GSU's ownership interest is reduced to less than fifty percent (50%) due to changes pursuant to Section 5.2 or for any other reason, GSU's appointment as Project Manager and agent of the Co-owners shall be revoked automatically, but GSU shall act as Project Manager and agent at the direction of the Co-owners owning fifty-one percent (51%).

5.4 Sell-Back of Additional Capacity and Energy: If a Co-owner invests additional funds by reason of acceptance of a GSU offer pursuant to section 5.2, GSU shall purchase from the Co-owner at the Co-owner's option, the additional capacity and energy entitlement from River Bend Unit 1 to which the Co-owner became entitled because of its additional investment, and GSU shall take or pay for such capacity and energy entitlement at a rate as calculated in Exhibit "E" for a period of five years after River Bend Unit 1 commences commercial operation, or for such shorter period as the Co-owner determines.

5.5 Sell-Back of Ownership Interest: A Co-owner shall have the option to retain the additional ownership interest acquired by it under section 5.2 by giving written notice to GSU not later than the fifth anniversary of the date of Commercial Operation of River Bend Unit 1. If notice is not given within the five year period, GSU shall purchase from the Co-owner the

portion of its ownership interest which resulted from such Co-owner's additional investment at a price equal to the total Costs of Construction of the Co-owner's additional ownership interest so acquired (including for this purpose such Co-owner's allowance for funds used during construction and capitalized Costs of Plant relating to such additional interest), less related accumulated depreciation to the date of such transfer of ownership.

ARTICLE SIX

The following additional terms and conditions shall apply during construction and operation of the Joint Facilities.

6.1 "As Is" and "Where Is" Transaction: To the extent undivided ownership interests in the Joint Facilities may for any purpose be deemed transferred or conveyed by one Co-owner to another, such Joint Facilities and the ownership interest therein shall be considered transferred or conveyed "as is" and "where is". GSU makes no representation or warranty as to the value, quantity, quality, condition, saleability, obsolescence, merchantability, design, engineering, construction, fitness, or suitability for use or working order of any of the Joint Facilities, wherever situated and in whatever state of development, manufacture, or construction, nor does GSU represent or warrant that the use or operation of the Joint Facilities will not violate patent, trademark, or servicemark rights of any third parties. Cajun and Sam Rayburn are willing to acquire their interest in the Joint Facilities "as is" and "where is" and in accordance with the terms and conditions of this Agreement. GSU will attempt to obtain approvals by manufacturers, suppliers, and contractors under existing contracts that the warranties thereunder shall extend to all Co-owners in proportion to their ownership interest, but GSU shall have no liability for failure to obtain such approvals. The Co-owners shall have the benefit, in proportion to their ownership interests in the Joint Facilities, to all

manufacturers' and vendors' warranties and all patent, trademark, and servicemark rights accruing to GSU in connection with such Joint Facilities under existing and future contracts.

6.2 Limitations on Liability and Indemnities: Liability for damages and losses, including consequential loss or damage, shall be governed by the following provisions:

6.2.1 The Co-owners shall share the burden, expense, and risk of loss incurred in connection with the construction, operation, and maintenance of the Joint Facilities, except as provided below in this section 6.2. In the event GSU incurs liability in the performance of its duties as Project Manager or agent, such liability shall be shared in the proportion of the Co-owners' ownership interests, and any amount paid by GSU by reason of such liability shall be considered a Cost of Construction, Cost of Plant, or Cost of Operation, as appropriate, and prorated between GSU and the other Co-owners.

6.2.2 No Co-owner shall be liable to any third person or entity for any other Co-owner's proportionate share of any obligation or liability because of negligence, and each Co-owner shall indemnify and hold all other Co-owners harmless from any responsibility for such Co-owner's proportionate share of all such obligations and liabilities.

6.2.3 GSU shall have no liability to any other Co-owner for any loss or damage (including but not limited to consequential loss or

damage) or expenses suffered by such other Co-owner with respect to or for any damage to such other Co-owner's interest in the Joint Facilities or any portion thereof arising out of or resulting from any action taken or failed to be taken by GSU or any employee, agent, or contractor of GSU pursuant to this Agreement or any license, law, or contract related to the Joint Facilities, unless such loss, damage, or expense results from the gross negligence, willful misconduct, or bad faith, of GSU. It is the intent of the Co-owners that GSU shall not be liable (except to the extent of GSU's obligations under this Agreement to contribute its proportionate share of Costs of Construction, Costs of Plant, and Costs of Operation and liability for gross negligence, willful misconduct, or bad faith) to other Co-owners for any damages, costs, losses or expenses which GSU would have had to bear itself if it had remained the sole owner, and that each Co-owner shall bear its proportionate share thereof.

6.2.4 Each Co-owner shall be solely responsible for its default and breach of this contract, and of its own acts of bad faith, willful misconduct, and gross negligence, and will indemnify, hold harmless, and defend the other Co-owners from all direct, indirect, special, or consequential loss, cost, damage, expense, claim, or demand resulting therefrom.

6.2.5 Each Co-owner shall protect, indemnify, and hold all other Co-owners, and their directors, officers and employees, free and harmless from and against any and all claims, demands, causes of

action, suits or other proceedings (including all costs in connection therewith and in connection with the defense thereof, including attorney's fees) of every kind and character arising in favor of any of that Co-owner's electric customers (or anyone claiming through that Co-owner's electric customers) on account of bodily injuries, death, damage to property or economic loss in any way occurring, incident to, arising out of or in connection with the furnishing or, or failure to furnish, electric service to such customers. It is the intention of this paragraph to impose on each Co-owner the sole responsibility for the defense and discharge of such claims, demands, causes of action, suits or other proceedings brought against one or more Co-owners by a Co-owner's customers even when caused by the sole fault of another Co-owner.

6.3 Taxes: Each Co-owner shall separately be responsible for and pay and file all reports and returns relating to all real property, franchise, business, sales, and use taxes on sales of capacity and energy, or other taxes or fees (except payroll and sales or use taxes incurred as a Cost of Construction, Cost of Plant, or Operating Cost) arising out of ownership of the Joint Facilities. If, however, taxes or fees are levied on or assessed against the Joint Facilities, or its operation, or any Co-owner in such a manner so as to make impossible the foregoing provisions, or upon mutual agreement of the Co-owners, then such taxes or fees shall be included and paid as Costs of Construction, Costs of Plant, or Operating Costs, as appropriate. Any tax or assessment levied with respect to a particular Co-owner's interest in, or pro rata share of, the purchase, use, ownership, or

beneficial interest in the Joint Facilities shall be the sole responsibility of and shall be paid by such Co-owner.

Cajun and Sam Rayburn shall be responsible for all sales, use, transfer and other taxes, fees, charges, levies, or assessments levied or assessed against them by any federal, state, or local governmental authority incurred in connection with the acquisition by them of undivided interests in the Joint Facilities pursuant to this Agreement and such items shall not constitute Costs of Construction hereunder.

If any taxes, including but not limited to sales or use taxes, are incurred as a Cost of Construction, Cost of Plant, or Operating Cost, they shall be borne by the Co-owners in proportion to their ownership interests; provided that any Co-owner shall be entitled to claim any exemption to which it may be entitled and to retain any refund obtained by it from the taxing authority.

6.4 Insurance: GSU shall carry in the name of GSU and other Co-owners in proportion to their ownership interests and mortgages, as their interests may appear, builder's risk, public liability, transit, and any other insurance deemed appropriate by GSU, to the extent such insurance is reasonably available. Such policies shall be submitted to REA to assure that REA requirements are met. GSU shall either require that all contractors, subcontractors, engineers and all equipment suppliers or manufacturers have adequate insurance and limits thereof, with carriers approved by GSU for workers' compensation, public liability, contractors'

liability and such other hazards which GSU deems appropriate with respect to the Joint Facilities or GSU, at its option, shall provide for an insurance program of the nature of an "owner-furnished insurance program" which may provide for various insurance coverages for owners, certain contractors and their subcontractors, and other parties involved in the Joint Facilities being insured thereunder as their interest may appear. GSU shall require equipment suppliers, manufacturers, and others to have insurance GSU deems appropriate.

— GSU will keep in force to the extent available such nuclear liability insurance and indemnity agreements as are necessary to comply with the applicable regulations of the Nuclear Regulatory Commission, or such other regulatory agency having jurisdiction therein, with GSU and other Co-owners being named therein and responsible therefor in proportion to their ownership interests in the Joint Facilities. Each Co-owner shall make all filings and take all action required by the Nuclear Regulatory Commission, or other agencies, to provide satisfactory evidence of its financial ability to meet any retrospective premium assessments as might be imposed in accordance with the provisions of the Atomic Energy Act of 1954 as amended, or any other applicable law, regulation, or order. The cost of any bonds, letters of credit, or other forms of assurance of individual financial ability shall be a separate cost borne solely by each Co-owner.

— GSU shall also carry insurance, to the extent reasonably available, covering such risks and contingencies as may affect the operation and ownership of the Joint Facilities. To the extent any Co-owner requires

additional insurance with respect to its ownership interest in the Joint Facilities to comply with the requirements of any applicable mortgage or other requirement imposed on it, it shall notify GSU in writing of such requirements. If GSU deems such additional insurance appropriate with respect to the entire ownership of the Joint Facilities, it will attempt to acquire such additional insurance for the benefit of all Co-owners. If GSU does not deem such additional insurance as appropriate, the requesting Co-owner will be responsible for obtaining at its own expense such additional insurance with respect to its ownership interest and GSU will cooperate with such Co-owner in such efforts.

GSU may carry any insurance in such amounts and with such coverages, limits, deductibles, and self-insurance features as it may deem appropriate in its absolute judgment. Except to the extent of its obligation to bear its proportionate share of the Costs of Construction, Costs of Plant, and Operating Costs, GSU shall not be liable on any basis (including gross negligence, willful misconduct or bad faith alleged with respect to its exercise of judgment in choosing the coverages, limits, deductibles, and self insurance features) to the other Co-owners for losses incurred within the deductible or any self insurance risks assumed for the Co-owners of the Joint Facilities, for losses incurred in excess of recoveries under insurance carried, or for losses on any uninsured risks. GSU shall give a report of insurance carried to any Co-owner requesting it.

Any and all proceeds from such insurance procured pursuant to this section (except additional insurance to be borne at the expense of a Co-

owner), including but not limited to loss payments, credits and premium refunds, shall be considered as reductions in the Costs of Construction, Costs of Plant, or Costs of Operations, as appropriate, of the Joint Facilities.

The aggregate cost of all insurance procured pursuant to this section 6.4 (except additional insurance to be borne at the expense of the acquiring Co-owner as provided above) and of all insurance now or previously carried by GSU with respect to the facilities included as Joint Facilities hereunder, including without limitation any retrospective assessments, deductibles, self insured retentions, uninsured or underinsured losses from whatever cause, damages for injury to the person or property of others, payments in settlement of claims, charges or risk management expenses deemed appropriate by GSU, shall be considered as Costs of Construction, Costs of Plant, or Costs of Operations, as appropriate, of the Joint Facilities.

6.5 Damage or Destruction: In the event the Joint Facilities or any portion thereof should be damaged or destroyed and the cost of repairs or reconstruction is estimated to be covered by the aggregate amount of insurance coverage (plus applicable deductibles and self insurance limits assumed), then GSU shall cause such repairs or reconstruction to be made so that the Joint Facilities shall be restored to substantially the same general condition as existed prior to such damage or destruction. If actual costs of repair or reconstruction exceed actual insurance recovered,

such excess costs shall be considered as Costs of Construction or Costs of Plant, as appropriate.

If the Joint Facilities or any portion thereof should be damaged or destroyed to the extent that the estimated cost of repairs, replacement, or reconstruction is more than one hundred percent (100%) of the aggregate amount of the proceeds from property damage insurance (plus applicable deductibles and self insurance limits assumed) covering the cost of repairs, replacement, or reconstruction of the Joint Facilities or such damaged portion, the Co-owners shall, upon agreement, repair, replace, or reconstruct the Joint Facilities or such damaged portion to substantially the same general character or use as the original; provided, however, that should all of the Co-owners not agree to repair, replace, or reconstruct the Joint Facilities or such damaged portion, but one or more of the Co-owners nevertheless desire to do so, then any Co-owner who does not agree to repair, replace, or reconstruct shall sell, at the election of those which do agree, either its undivided ownership interest in the entire Joint Facilities or in the portion damaged to the Co-owners desiring to repair, replace, or reconstruct for a price equal to the selling Co-owner's ownership interest in the salvage value of the Joint Facilities or the portion damaged, plus, as appropriate, such Co-owner's proportionate cost, less depreciation at straightline rates, in its interest in the undamaged portion of the Joint Facilities and shall have no claim to any of the insurance proceeds. The Co-owners, if more than one, desiring to repair, replace, or reconstruct, unless otherwise agreed between them, shall share the payments to, and the interests acquired from, any Co-owner not desiring

to repair, replace, or reconstruct the Joint Facilities or such damaged portion, and the costs of repair, replacement, or reconstruction of the Joint Facilities or such damaged portion in the proportion that the ownership interest of each bears to the total ownership interest of all Co-owners agreeing to repair, replace, or reconstruct the Joint Facilities or such damaged portion, and appropriate transfers of interest will be made. If the other Co-owners do not so purchase the unwilling Co-owner's ownership interest, GSU shall proceed with the salvage, disposition, and decommissioning of the Joint Facilities and the costs thereof shall be considered as Costs of Construction, Costs of Plant, or Costs of Operations, as appropriate, and nothing herein shall relieve any of the Co-owners of their responsibilities or obligations to share in all costs of the Joint Facilities in accordance with this Agreement, including but not limited to the costs of decommissioning, surveillance, storage, and disposition of the Joint Facilities.

6.6 Nuclear Fuel: GSU, as Project Manager and agent, shall have the authority and responsibility to procure and manage all nuclear fuel for River Bend Unit 1 in accordance with this Agreement and the Nuclear Fuel Management Plan. GSU shall have the right to enter into any arrangements, on behalf of itself and other Co-owners, for the purchase, sale, lease, or financing of nuclear fuel for River Bend Unit 1, and the Co-owners agree to cooperate with GSU to consummate any such arrangements; provided, however, that any such financing arrangements by GSU on behalf of Cajun and Sam Rayburn shall be subject to the approval of the Administrator of the Rural Electrification Administration.

The Co-owners shall own, in proportion to their respective ownership interests at the applicable time, the fuel, including all of the rights and privileges in the fuel contracts listed in Exhibit "D" attached hereto and made a part hereof (subject to the exceptions noted in Exhibit "D"), pertaining to the fuel, including but not limited to procurement, conversion, enrichment, fabrication, shipping, reprocessing, storage, and sale of spent fuel, owned and possessed by GSU as Project Manager and agent, or any of its affiliates, at the date of Closing. When additional fuel is acquired or fuel contracts are executed pursuant to this Agreement, the Co-owners shall own such fuel and all of the rights and privileges in such fuel contracts in proportion to their respective ownership interests.

In discharging its responsibilities and so acting with respect to the procurement, disposition, and reprocessing of fuel, GSU, as Project Manager and agent, shall have the authority, subject to the terms of this Agreement, to purchase or lease uranium, plutonium, or other fuel materials in an enriched or unenriched form, to arrange for the conversion of U308 to UF6 feed material, to arrange for the enrichment or processing of fuel materials, to arrange for fuel design and fabrication, or to purchase or lease fabricated fuel, and generally to make several and not joint long-term or short-term commitments on behalf of each of the Co-owners with respect to any phase of nuclear fuel procurement, disposition, storage, and reprocessing; provided, however, that the Project Manager, in addition to any other notice herein required, shall keep the Parties informed, insofar as practicable, of the means by which it intends to satisfy nuclear fuel requirements for the foreseeable future.

Nothing in this Agreement or in the Nuclear Fuel Management Plan shall impose upon GSU any duty to make available or dedicate for use in the Joint Facilities any uranium of any of GSU's subsidiaries or affiliates available through exploration, mining, or production by a subsidiary or affiliate of GSU, acting either alone or jointly with others, or any uranium of GSU designated by it for use in any of its facilities other than the Joint Facilities.

GSU agrees that, in the procurement of fuel and in the procurement of services for conversion, enrichment, fabrication, storage, transportation, disposition, and reprocessing of fuel, it will not discriminate against Cajun or Sam Rayburn.

Each Co-owner shall have the right to finance its investment in nuclear fuel, without the consent of any other Co-owner, as long as such financing does not impair or delay the fuel processing, insertion or removal of fuel into or out of the reactor, or recycling, or any of the rights of other Co-owners. GSU shall have the right to determine whether the financing by any Co-owner shall be on the basis of a proportionate undivided or divided interest in the fuel. The costs of separate financing of nuclear fuel by a Co-owner shall be treated, as appropriate, as Costs of Construction, Costs of Plant, or Costs of Operations to the end that the cost of all such fuel used in the Joint Facilities is shared as provided in this Agreement. If as a result of any such separate financing by a Co-owner, the nuclear fuel so financed is not available for use at the time required, any additional costs, expenses, or damages, including but not limited to consequential

damages, experienced as a result thereof by the other Co-owners and by GSU in its management of nuclear fuel for River Bend Unit 1 shall be assigned to and paid by the Co-owner undertaking such separate financing.

In the event GSU is unable for any reason to obtain or anticipates not being able for any reason to obtain or to continue to obtain nuclear fuel in quantities sufficient for the operation of the Joint Facilities, GSU shall not be liable to the other Co-owners, but GSU will give the other Co-owners as much advance notice as practicable of the fuel deficiency. If any Co-owner is able to obtain the deficient quantities, such Co-owner shall cause them to be delivered in accordance with the instructions of GSU. The cost of nuclear fuel obtained by GSU or any other Co-owner for the Joint Facilities shall be considered a Cost of Construction, Cost of Plant, or Cost of Operation, as appropriate, and such fuel shall be available for the benefit of the Co-owners in proportion to their ownership interests or energy delivered from the Joint Facilities.

6.7 Pollution Control Facilities: GSU shall have the right (but is not obligated) to enter into any arrangements, on behalf of itself and other Co-owners, for the purpose of financing pollution control facilities through the issuance of tax-exempt industrial development or pollution control notes or bonds. The Co-owners agree to cooperate with GSU to consummate any such arrangements, but any such arrangements by GSU on behalf of Cajun and Sam Rayburn shall be subject to the approval of the Administrator of the Rural Electrification Administration.

If GSU determines that such financing for the account of all Co-owners is not feasible or desirable, or the Administrator of the Rural Electrification Administration refuses to approve such financing on terms acceptable to GSU, then each Co-owner shall have the right to finance its investment in the pollution control facilities without the consent of any other party. The costs of separate financing of such facilities by a Co-owner shall be treated, as appropriate, as Costs of Construction, Costs of Plant, and Costs of Operations to the end that the cost of all such facilities is shared as provided in this Agreement.

6.8 Right of First Refusal: Except as provided below and in section 6.9, no Co-owner shall have the right to sell, lease, convey, transfer, assign, or alienate its ownership interest, or any portion thereof, in the Joint Facilities or any rights under this Agreement (all hereinafter for convenience referred to in this section as a conveyance) to a third party without first offering such conveyance to the other Co-owners upon the same terms and conditions as the proposed conveyance to a third party. The offer shall be made in the form of a proposed contract to the other Co-owners and shall be open for acceptance by the other Co-owners for a period of one hundred eighty days. The Co-owners desiring to accept the offer shall have the right to purchase in proportion to the respective interests of all Co-owners desiring to accept, provided that if only one other Co-owner desires to accept, it shall be entitled to purchase the entire interest being conveyed. In the event such offer is not accepted by the other Co-owners or one of them within the aforesaid period and the selling Co-owner does not consummate a conveyance of its interest within a period

of one year after the date of its offer to the other Co-owners, no such conveyance may be consummated with a third party without re-offering the conveyance to the other Co-owners under the same conditions set forth above. In no event shall a Co-owner offer to convey its interest to any third party on any terms materially at variance from those set forth in the proposed contract offer to the other Co-owners.

The selling Co-owner shall be responsible for the cost of obtaining requisite regulatory approval of any conveyance of its interest, and any third party purchasing such interest shall be required to accept such interest subject to the terms of this Agreement and to assume the obligations of the selling Co-owner as a Co-owner of the Joint Facilities under this Agreement and all related licenses and contracts.

Notwithstanding the restrictions in the preceding paragraphs, (1) GSU shall have the right, without the consent of any Co-owner, at any time prior to Commercial Operation of River Bend Unit 1, to make a conveyance of a portion of its Ownership Interest in the Joint Facilities or any rights under this Agreement to any third party or to allow a Participant to acquire an undivided ownership interest in the Joint Facilities by contributions toward Costs of Construction and Costs of Capital on a basis substantially in accord with section 2.6, provided that in either event GSU retains at least an undivided fifty percent (50%) ownership interest in the Joint Facilities, and (2) any Co-owner shall have the right at any time during the term of this Agreement to make a conveyance of all or a portion of its Ownership Interest in the Joint Facilities or any rights under this

Agreement to any entity acquiring all or substantially all of its assets, or into which or with which it is merged or consolidated, or which owns (directly or indirectly) not less than fifty percent (50%) of it or which is so owned.

6.9 Rights of Secured Party and Liens: Any mortgagee, trustee, or secured party under present or future deeds of trust, mortgages, indentures, or security agreements of any of the Co-owners and any successor or assign thereof, and any receiver, referee, or trustee in bankruptcy or reorganization of any of the Co-owners, and any successor by action of law or otherwise, and any purchaser, transferee, or assignee of any thereof may, without need for the prior written consent of the other Co-owners, succeed to and acquire all of the rights, titles, and interests of such Co-owner in the Joint Facilities and in this Agreement, and may, subject to applicable law, and the rights of any Co-owner under contracts with respect to the Joint Facilities, take over or foreclose upon said property, rights, titles, and interests of such Co-owner.

The Joint Facilities in existence upon execution of this Agreement and at the Closing are, except to the extent they constitute excepted property thereunder, subject to the lien of the GSU Mortgage. GSU shall cause such lien to be released or disclaimed with respect only to the ownership interest in the Joint Facilities to be vested in Cajun and Sam Rayburn. Such lien shall continue in effect in accordance with the terms of the GSU Mortgage, as it may be amended and supplemented by GSU from time to time without the joinder, consent, or approval of Cajun, Sam Rayburn, or any

other Co-owner, as to the undivided ownership interest of GSU in then existing Joint Facilities and future additions thereto. Any rights and privileges which accrue by law to any other Co-owners through such status or otherwise as to the undivided ownership interest of GSU in the Joint Facilities, including but not limited to any rights of partition which are not effectively waived by this Agreement, shall at all times and in all respects be subject and subordinate to the liens of the GSU Mortgage on the ownership interest of GSU in the Joint Facilities. GSU may at any time, without any joinder, consent or approval by any other Co-owner take any action necessary pursuant to the GSU Mortgage as may be necessary to protect and preserve the lien thereof upon GSU's undivided ownership interest in the Joint Facilities and to permit GSU to issue bonds pursuant to the terms of the GSU Mortgage on the basis of such undivided interest.

Nothing in this Agreement is intended to or shall constitute or create a mortgage, pledge, or lien of any kind in favor of any Co-owner or anyone else upon any other Co-owner's undivided ownership interest in the Joint Facilities now or hereafter existing.

Each Co-owner shall have the right, notwithstanding the provisions of section 6.8 above and without the need for approval or consent by any other Co-owner, to grant a lien or other security interest in all or any part of its respective undivided ownership interest in the Joint Facilities.

The Co-owners shall notify each other in writing as soon as possible after learning that any lien or security interest (which lien or security

interest in the case of GSU only is in respect of an obligation or liability in excess of \$1,000,000, or such other amount as may from time to time be mutually agreed upon by the Co-owners) has been or will be imposed upon its ownership interest in the Joint Facilities or has reason to believe that such a lien or security interest will be imposed.

6.10 Duties of New Co-owner and Secondary Liability of Prior Co-owner:

Any successor to the rights, titles, and interests of a Co-owner in the Project shall agree in writing to fully perform all of the obligations hereunder of such Co-owner, and such successor shall notify each of the other Co-owners in writing of such transfer, assignment, or merger, and shall furnish to each Co-owner evidence of such transfer, assignment, or merger. Any Co-owner that so transfers or assigns any part of its Ownership Interest in the Project (except GSU as to transfers pursuant to clause (1) of the third paragraph of section 6.8) shall remain secondarily liable as to the performance of all duties and obligations arising out of its ownership of that part of the Project so transferred or assigned.

6.11 Waiver of Partition Rights: The Co-owners expressly waive, release, and renounce for the term of this Agreement for themselves, their successors, transferees and assigns, all rights as tenants in common in the Joint Facilities to partition in kind or by sale and division of the proceeds all or any part of the Joint Facilities and agree that during the term of this Agreement they will not exercise any right they might otherwise have at law or in equity to partition the properties comprising the Joint Facilities.

6.12 No Delay: No disagreement or dispute of any kind between any Co-owners concerning any matter, including without limitation the amount of any payment due from the Co-owner or the correctness of any charge made to a Co-owner, shall permit the Co-owner to delay or withhold any payment or the performance of any other obligation pursuant to this Agreement.

6.13 Successors and Assigns: The covenants and obligations hereunder shall run with the parties' ownership interests in the Joint Facilities and shall inure to the benefit of and be binding upon the Co-owners and all successors to and assigns of their respective ownership interests. This section is not intended to abrogate the provisions of Section 6.8.

6.14 Governing Law: The validity, interpretation, and performance of this Agreement shall be governed by the Laws of the State of Louisiana.

6.15 Severability: If any clause, sentence, paragraph, or part of this Agreement should for any reason be finally adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Agreement, but shall be confined in its operation to the clause, sentence, paragraph, or any part thereof, directly involved in the controversy. The validity or ineffectiveness of any provisions or covenants contained in this Agreement shall not relieve the Co-owners from liability to make the payments herein required to be made.

6.16 Notices: Except where another type of notice is expressly provided for, any notice, demand, or request provided for in this Agreement shall be deemed to be properly given if delivered in person to or deposited in the U.S. mail, by registered or certified mail (or the equivalent) postage prepaid, and addressed to:

President
Gulf States Utilities Co.
Lock Drawer 2951
Beaumont, Texas 77704

General Manager
Cajun Electric Power Cooperative, Inc.
P. O. Box 578
New Roads, Louisiana 70821

President
Sam Rayburn G&T, Inc.
303 North Jackson
Livingston, Texas 77351

6.17 Regulation of Charges: If and to the extent any payments or charges under or related to this Agreement or operation of or generation from the Joint Facilities constitute rates of GSU or any other Co-owner subject to regulation under the Federal Power Act or any other federal or state law, including but not limited to all charges referred to in section 8.6, then GSU and such other Co-owners shall each have the right and nothing in this Agreement shall be construed as affecting in any way the right of GSU or such other Co-owner, to unilaterally make application to the Federal Energy Regulatory Commission or other appropriate regulatory agency for a change in rates under Section 205 of the Federal Power Act and

pursuant to the Commission's rules and regulations promulgated thereunder or under superseding or other applicable law, rules, and regulations.

6.18 Further Assurances: From time to time after the Closing GSU and the other Co-owners will execute such instruments of conveyance and other documents, upon request of the other, as may be reasonably necessary or appropriate to carry out the intent of this Agreement.

6.19 Section Headings Not to Affect Meaning: The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions thereof.

6.20 Amendments: This Agreement may be amended by and only by a written instrument duly executed by each and all of the Co-owners, subject to any necessary regulatory approval.

6.21 Parties: In the event this Agreement is executed only by GSU and Cajun, it shall be effective for all purposes in accordance with its terms between such executing parties as "Co-owners", and unless and until Sam Rayburn executes this Agreement and becomes a party hereto, all conditions and provisions relating specifically to Sam Rayburn shall be inoperative. If both Cajun and Sam Rayburn have executed this Agreement and conditions of closing are met to one but not the other, a closing shall be effected as provided in Article Three with respect to the one as to which the conditions have been met.

ARTICLE SEVEN

COOPERATION AND COORDINATION

7.1 Cooperation: The Co-owners will cooperate in good faith in all activities relating to the Joint Facilities including without limitation the filing of applications for authorizations, permits, or licenses and the execution of such other documents as may be reasonably necessary to carry out the provisions of this Agreement. The Co-owners shall use their best efforts and shall cooperate to obtain as quickly as possible all requisite governmental, regulatory, and vendor approvals of the transactions contemplated hereby. The Co-owners shall discharge all obligations under this Agreement in good faith, in accordance with good utility practices.

7.2 Information: GSU shall keep the Co-owners informed as to planning and progress of construction, acquisition, completion, operation, maintenance, and decommissioning of the Joint Facilities.

Nothing in this Agreement shall be deemed to require GSU to reveal to any Co-owner any confidential or proprietary information received from third parties which GSU is obligated to hold in confidence. If requested by any Co-owner, GSU will in good faith attempt to obtain a release of such obligation with respect to such information as any Co-owner needs for submittal to a governmental authority or for any other proper purpose. Any confidential or proprietary information which GSU does disclose to any other Co-owner for any purpose shall be held in confidence by such Co-owner

on the same terms as required of GSU by the third party, and the Co-owner shall require the same obligation of all contractors and consultants to whom such information is properly disclosed.

7.3 Commitment for Financing: Cajun shall use its best efforts to obtain loan contracts and a Rural Electrification Administration guarantee providing for not less than \$535,000,000 for financing its ownership interest in the Joint Facilities within nine (9) months after the date of this Agreement.

Sam Rayburn shall use its best efforts to obtain loan contracts and a Rural Electrification Administration guarantee providing for not less than \$125,020,000 for financing its ownership interest in the Joint Facilities within nine (9) months after the date of this Agreement.

7.4 Availability of Records and Audit Committee: GSU, as Project Manager, shall maintain procedures, records; and comprehensive books of account as may be required to determine the costs of the Joint Facilities, and for computation of amounts payable or deposited in appropriate accounts by the Co-owners. The Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission for class A and B utilities shall be used for the determination of any question related to costs and expenses arising under this Agreement, except that, where specific methods of computation are set forth herein, such methods shall prevail.

An annual audit will be made of the accounting records of GSU pertaining to the recording and development of costs used for billing purposes for the Joint Facilities. All costs of such audit shall be borne in accordance with the Co-owners' shares. The annual audit shall be performed by an accredited auditing firm of national repute selected by GSU. The annual audit may be made as a part of the annual audit of GSU but it shall include the required schedules, reports, and information as agreed upon by the Audit Committee.

In addition to the regular annual audit, the Co-owners, individually or jointly, shall have the right, but not the obligation, to inspect or audit, at their own expense, the books of account and other records, in whole or in part, maintained by GSU as Project Manager and agent at any reasonable time. The results of each such inspection or audit shall be made available to the other Co-owners upon request.

The Co-owners shall select an Audit Committee composed of one primary member appointed by each Co-owner, and GSU shall select one of its representatives to serve as Chairman. The Committee shall be established for coordination of all audit activities concerning the Project.

7.5 Management Advisory Committee: A Management Advisory Committee composed of representatives of the Co-owners shall be established to serve in an advisory capacity only and to make recommendations to GSU as Project Manager. The existence and recommendations of the Committee shall not operate as a restriction on the rights, powers, and authority granted to

GSU in this Agreement, and GSU may accept or reject any such recommendations.

7.6 No Legal Partnership: Notwithstanding any provision of this Agreement, the Co-owners do not intend under Louisiana or Texas law to create hereby or by their actions as Co-owners any joint venture, partnership, association, or trust, or render the Co-owners liable as partners or trustees. No Co-owners or group of Co-owners shall be under the control of or shall be deemed to control any other Co-owner or other Co-owners as a group.

ARTICLE EIGHT

OPERATIONS

8.1 Co-owners' Entitlements: Each Co-owner shall be entitled to its ownership percentage of the hourly net electrical output of or the net electrical capability of River Bend Unit 1 at any given time, subject to the provisions of Articles Eight and Ten of this Agreement. The capability of River Bend Unit 1 shall be as determined by GSU from time to time based upon good utility practices, taking into account current operating conditions and any applicable regulatory restrictions or guides.

8.2 Authority for GSU to Manage, Control, Maintain, and Operate: GSU shall have plenary authority to manage, control, maintain, and operate River Bend Unit 1 and the other Joint Facilities and shall take all steps which it deems necessary or appropriate for that purpose. As the Project Manager of the Joint Facilities, GSU will manage, control, maintain, and operate the Joint Facilities in all respects as if GSU were the sole owner of the Joint Facilities.

GSU and the other Co-owners agree that GSU will operate River Bend Unit 1 as a separate unit for economic operation and GSU will not be required to run the unit (but may at GSU's absolute option) when other capacity and energy is available to GSU at a lower cost than from River Bend Unit 1. A Co-owner may request its entitlement of capacity and energy from such unit

and GSU will supply such capacity and energy from such unit subject to the provisions of this Agreement.

8.3 Capacity and Energy of Another Co-owner: No Co-owner shall have authority under this Agreement to sell or otherwise dispose of another Co-owner's capacity and energy except as provided in section 8.9 and Article Ten.

8.4 Sharing of Costs of Operation: Except as otherwise expressly provided in this Agreement or mutually agreed upon by the Co-owners, all fixed Costs of Operations incurred in connection with the Joint Facilities shall be borne by the Co-owners in proportion to their respective ownership interest and all Costs of Operations which vary with the level of generation shall be borne in proportion to energy delivered from the Joint Facilities.

8.5 Operating Account: Prior to the Commercial Operation of River Bend Unit 1, GSU shall establish a separate account or accounts (the "Operating Account"), which, in the discretion of GSU may be interest bearing or non-interest bearing in a bank or banks which meets or meet all applicable requirements imposed by depositories of GSU. All moneys for the payment of Costs of Operations shall be deposited by the Co-owners in the Operating Account, and GSU, as agent for all Co-owners, has the sole right and authority to withdraw and apply funds as necessary to pay Costs of Operations.

8.5.1 Method of Billing and Payment: GSU will prepare cost estimates and payment schedules for each Co-owner's proportionate share of the Costs of Operations to be paid in advance into the Operating Account by the first day of each month in which the Operating Account disbursements are to be made by GSU. GSU will include adjustments between actual and estimated Operating Costs with its notice of the next estimated payment. Such cost estimates and payment schedules shall be updated from time to time by GSU to provide each Co-owner with current budget information. GSU may budget and include in such cost estimates and payment schedules a continuing reserve for contingencies in an amount deemed reasonably appropriate by GSU.

Payments by each Co-owner shall be in immediately available funds in the amounts requested by GSU, who shall give at least five days' notice in writing. Late payments by any Co-owner shall be subject to interest charges in accordance with section 10.2.

8.5.2 Deficiencies: If, during any month, the balance of the Operating Account is insufficient to pay the Costs of Operations which GSU determines are necessary or appropriate to be paid that month (other than as the result of the non-payment or late payment by a Co-owner), GSU shall promptly so notify all Co-owners by telephone, with written confirmation, stating the amount required to be paid by each. Each Co-owner shall pay its respective share of such deficit into the Operating Account in immediately available funds within five banking days after receipt of telephone notice by GSU. GSU shall have no

responsibility or liability to make up any such deficit from its own funds in excess of its proportionate share of such deficit.

8.5.3 Interest: Interest earned on amounts deposited in the Operating Account shall be credited against a Co-owner's obligations for the following month in the same percentage as payments (other than delinquent payments not paid when due) were made in the previous month.

A Co-owner shall not own any right to interest paid into the Operating Account by or on behalf of such Co-owner pursuant to the provisions of Article Ten hereof; the interest shall be owned in common, and credited against payments required of the other Co-owners not then in default in the proportion which their ownership interests bear to each other.

8.5.4 Correctness of Costs: No payment made pursuant to this Article Eight shall constitute a waiver of any right of any Co-owner to contest the correctness of such accounting by GSU. Any Co-owner shall have until the 180th day after the receipt of an accounting for any charge or credit to contest the correctness of such charge or credit, after which time the correctness of such charge or credit shall be conclusive. The questioning party shall bear the expense of verification.

8.5.5 Termination: Upon termination of this Agreement and the settlement of all obligations relating to Costs of Operations, GSU

shall close the Operating Account and distribute to each Co-owner its undivided ownership interest of any balance remaining in the Operating Account.

8.6 Scheduling and Dispatching: GSU shall have plenary authority for the hourly scheduling and dispatching of River Bend Unit 1 generation. GSU scheduling and dispatching procedures shall conform to good utility practices.

So long as River Bend Unit 1 is operating, Co-owners may schedule up to whatever amount of capacity and energy can then be effectively generated from their respective undivided ownership interests in the Unit. Each Co-owner shall, except as otherwise provided herein, be responsible for and agrees to take all action necessary or appropriate for it to take and dispose of the capacity and energy to which it is entitled in proportion to its ownership interest.

GSU shall promptly notify all Co-owners of forced outages or reductions in the hourly net energy output from River Bend Unit 1 due to Force Majeure.

If any Co-owner ("requesting Co-owner") desires generation when it has not been scheduled by GSU or desires generation in excess of that scheduled by GSU, then it shall give reasonable advance notice to GSU and the other Co-owners. If the Joint Facilities are operable and safely available for such generation and generation at the desired level is practicable, all in

the judgment of GSU, which shall not be exercised unreasonably, GSU shall schedule the desired generation or additional generation subject to the following provisions:

(1) In no case shall any Co-owner have any right or entitlement to generation in excess of its maximum entitlement except by mutual agreement with GSU or another Co-owner.

(2) If no generation had been scheduled by GSU, the following principles shall apply:

(a) The requesting Co-owner shall pay for all start-up and shut-down costs for the generation scheduled at a Co-owner's request.

(b) If the requesting Co-owner's maximum entitlement to capacity is less than the unit's minimum operating level (as determined by GSU from time to time), such Co-owner shall be deemed to have requested and shall take and pay for all generation scheduled by GSU in response to its request up to its maximum entitlement of capacity and energy (unless otherwise agreed by the Co-owners), and the other Co-owners, in proportion to their respective ownership interests, shall take and pay for generation so scheduled which is in excess of the requesting Co-owner's maximum entitlement. If the requesting Co-owner's maximum entitlement to capacity is greater than the Unit's minimum

operating level, such Co-owner shall take and pay for all generation scheduled by GSU in response to its request.

(c) The requesting Co-owner shall pay all variable costs associated with the generation scheduled at its request and such variable costs shall include, but are not limited to, all Operating Costs above those applicable during shut-down periods including labor, overhead, materials and supplies, fuel and other applicable costs; provided, however, that, to the extent other Co-owners are required to take generation under (b) above, such other Co-owners shall pay the variable costs associated with the generation such Co-owners are required to take but they shall not be required to pay any portion of the start-up and shut-down costs.

(d) During the period that generation has been scheduled at the request of a Co-owner, GSU may schedule additional generation. If such generation is scheduled at the request of a Co-owner, the applicable provisions of this section 8.6 shall apply. If such generation was not requested by a Co-owner and was scheduled by GSU pursuant to its scheduling authority, then such additional generation shall be taken by all Co-owners in proportion to their ownership interests up to their respective maximum entitlements; provided that, if and to the extent the requesting Co-owners' share of such additional generation, when added to the generation scheduled for it, exceeds its maximum entitlement, such excess

file rate schedules with appropriate regulatory authorities and from time to time to change rate schedules relating to such transactions, and nothing in this Agreement shall be construed as affecting in any way the right of GSU or other Co-owners unilaterally to make application to the Federal Energy Regulatory Commission or other appropriate regulatory agency for a change in rates under section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder or under superseding or other applicable law, rules, and regulations.

8.7 Test Energy: The hourly net energy output prior to the date of commercial operation of River Bend Unit 1 shall be classified as test energy. Each Co-owner shall be entitled to its respective share of such test energy.

8.8 Transactions with Other Systems: Each Co-owner shall be entitled to dispose of its proportionate share of the capacity and energy generated by River Bend Unit 1 through scheduled transactions with other systems. This Agreement is not intended to obligate any Co-owner to provide transmission service to others.

8.9 Station Service: Station Service will be subtracted from the gross generation to determine the net capacity and net energy output of River Bend Unit 1. If the output of River Bend Unit 1 is negative, GSU shall obtain any necessary capacity and energy for the operation of River Bend Unit 1 and the cost thereof shall be a Cost of Operation.

8.10 Observation: Authorized representatives of the Co-owners and the REA will be permitted at reasonable times and in accordance with the safety and security rules of GSU and of regulatory authorities to visit the Joint Facilities to observe construction, operation, and maintenance, including refueling activities being performed by GSU, and to examine, at their expense, all records and papers maintained by GSU with respect to the construction, operation, and maintenance of the Joint Facilities, except as precluded or to the extent limited by licensing or regulatory authority. None of the rights provided in this section shall be exercised in such a way as, in the judgment of GSU, would unreasonably interfere with the safe and efficient operation of the Joint Facilities or insurance, regulatory, and industrial security requirements.

8.11 Nuclear Fuel Management Plan: The Co-owners hereby approve the ten-year Nuclear Fuel Management Plan, dated June 21, 1979. By the first day of each year, GSU shall prepare and send to each Co-owner a ten-year nuclear fuel management plan (Nuclear Fuel Plan). Each Nuclear Fuel Plan shall be prepared after consideration of the nuclear fuel supply arrangements, power generation requirements, and other operational aspects of River Bend Unit 1. Each nuclear fuel plan shall be a part of this Agreement as Exhibit "G" and shall supersede all previous Nuclear Fuel Plans.

ARTICLE NINE

INCOME TAX MATTERS

9.1 Tax Partnership: The Co-owners, collectively sometimes referred to as "Partners", agree that their participation under this Agreement shall, for the purposes of federal and state income taxes and subject to section 9.11, be considered and taxed as a general tax partnership ("Tax Partnership"), and such Tax Partnership shall be governed by the provisions of this Article.

9.2 Name: The name of the Tax Partnership for the purposes of filing returns, elections and all other documents, the filing of which may become necessary due to its status as a partnership under the income tax laws, and to which any federal and state income tax returns and other relevant federal and state income tax documents filed by the Partners in their capacity as Partners in the Tax Partnership shall refer, shall be the River Bend Unit 1 Venture.

9.3 Term: The term of the Tax Partnership shall coincide with the term of this Agreement, subject to Section 9.11.

9.4 Accounts: The books of accounts for tax purposes shall be kept in accordance with the accounting method selected, in its sole discretion, by GSU. All other Partners agree to join in every election on behalf of the

Tax Partnership for federal or state income tax purposes which GSU deems advantageous for the Tax Partnership.

9.5 Fiscal and Tax Year: The initial fiscal year of the Tax Partnership shall begin upon the Closing and shall end on December 31 of that calendar year; and each succeeding fiscal year of the Tax Partnership shall begin on January 1 and end on December 31 until the termination of the Tax Partnership. The fiscal year of the Tax Partnership shall be its taxable year for federal and state income tax purposes.

9.6 Capital Contributions: Capital Accounts: For tax purposes only, and without affecting the rights or relationships of the Partners established by this Agreement, (1A) GSU shall be deemed to have contributed as its initial contribution to the capital of the Tax Partnership all its right, title, and interest in the Joint Facilities, through the date that the other Co-owners' contributions have been sufficient to entitle them to an ownership interest under section 2.6, to be used for utility purposes, and (1B) the amount of such contribution shall be the Cost of Construction, as defined; and (2) the other Co-owners shall be deemed to have contributed as their initial contribution to the capital of the Tax Partnership all contributions made pursuant to section 2.6 until such time as they have made sufficient contributions to entitle them under such section 2.6 to their full undivided ownership interest.

The Co-owners shall make such further contributions in cash or in kind to the capital of the Tax Partnership as the needs of the Joint Facilities may require as provided in section 2.8 of this Agreement.

9.7 Allocation: Distribution: The distributive share of each Partner of all items of income, gain, loss, deduction, credit, or distributions of the Tax Partnership shall be equal to such Partner's ownership interest.

9.8 Termination and Liquidation: Upon termination of the Tax Partnership, without terminating this Agreement or the rights and obligations under the other Articles of this Agreement, the Co-owners shall liquidate and wind up its affairs and as provided in this section and apply and distribute the proceeds in the following order or priority: (a) provide for payment of the debts and liabilities of the Tax Partnership as provided by law, and (b) distribute the remaining proceeds, if any, to the Partners in proportion to their ownership interests.

9.9 Transfer of Interests in Tax Partnership: A conveyance or transfer of all or any part of an ownership interest shall constitute a transfer of a partnership interest in the Tax Partnership.

9.10 Effect on Other Provisions and Relationships: It is expressly agreed and understood that the creation of the Tax Partnership for federal and state income tax purposes is a result of the Partners' desire to set forth the terms of the partnership arrangement which would be imposed upon their relationship in the Joint Facilities for federal and state income tax

purposes by the applicable law and regulations. It is also expressly agreed and understood that this Article Nine shall not be construed and is not intended to create a legal partnership for purposes of determining the rights and obligations of the Partners under the laws of any state and the States of Louisiana and Texas in particular. Consequently, the provisions of this Article Nine shall not modify or in any way affect the validity, force, effect, and application of the provisions of this Agreement governing the relationship of the Partners.

9.11 Future Election: Prior to commencement of Commercial Operation of River Bend Unit 1, GSU shall have the right at any time to cause the Tax Partnership to be terminated for federal or state, or both, income tax purposes. After commencement of Commercial Operation of River Bend Unit 1, the Co-owners shall each have the right at any time to cause the Tax Partnership to be terminated for federal or state income tax purposes. In the event the Co-owners exercise such right, all Co-owners agree to timely take all voluntary action, including but not limited to the execution and filing of an appropriate election under section 761(a) of the Internal Revenue Code, as may be necessary or appropriate to be excluded from treatment as a partnership for income tax purposes.

ARTICLE TEN

DEFAULT

10.1 Default: A Co-owner shall be deemed in default in the following events:

A. a failure of such Co-owner to make any monetary payment under this Agreement when due, or

B. a failure of such Co-owner to make any monetary payment under a Nuclear Energy Liability Policy (Secondary Financial Protection) which is maintained in accordance with Title 10 of Code of Federal Regulations Part 140 (10CFR140), or

C. a default by such Co-owner in the performance of any other obligation or duty under this Agreement, which default has not been cured within sixty (60) days after notice has been given by another Co-owner specifying the default, or, if not reasonably curable within such period, good faith efforts to cure same have not commenced during such period and are not being pursued with due diligence.

10.2 Remedy: In order to remedy any default, the defaulting Co-owner shall:

A. Pay all moneys overdue plus interest on the overdue amount at the annual rate of five percent plus the prime rate for commercial loans in effect on the due date of the payment or, if such rate is unlawful, at the highest interest rate allowable by law; and

B. Fully perform all of its duties and obligations in default or pay the reasonable equivalent in money for services or property provided by the non-defaulting Co-owner(s) resulting from a failure of the defaulting Co-owner to perform all duties and obligations under this Agreement.

Any Co-owner in default hereunder shall have a continuing obligation also to indemnify and hold harmless the other Co-owners for all losses, costs, damages, and expenses arising out of or resulting from its default.

10.3 Loss of Rights: A Co-owner in default shall have no right to any output of capacity or energy from the River Bend Unit 1 or to exercise any other rights under this Agreement until all monetary payments have been made, together with interest, and all duties and obligations have been performed.

10.4 Additional Co-owner Rights: In addition to any other rights or remedies available to the non-defaulting Co-owners, whether at law or equity, the Co-owners shall have the right, but not the obligation, in the event a Co-owner is in default, to:

A. Make a monetary payment on behalf of a defaulting Co-owner,
and

B. Take the output of capacity and energy of River Bend Unit No. 1, to which the Co-owner in default is entitled, in proportion to the amount of payment made by such a Co-owner on behalf of the defaulting Co-owner. In exercising this right, the Co-owner shall be responsible for the payment of the pro rata share of Costs of Construction, Costs of Plant, and Costs of Operations associated with the increase in the output of capacity and energy entitled to the defaulting Co-owner. Unless otherwise agreed, should two or more Co-owners exercise this right, the respective share of the output of energy and capacity shall be on a pro rata basis in accordance with the proportion which their undivided ownership interests in the Joint Facilities bear to each other.

10.5 Sale of Capacity and Energy Entitled to Defaulting Co-owner: In the event a Co-owner is in default, GSU, as agent for the other Co-owners, may sell any output of capacity and energy of River Bend Unit No. 1 which the Co-owner in default is entitled until:

A. Double the amount of monetary payments due from the defaulting Co-owner, plus interest, have been recovered from such sales (less operating costs, expenses, income and other taxes, but without deduction for depreciation, such net amount being referred to as "net proceeds") and paid to the Construction and Plant Account, Operating

Account, or Co-owner having paid the overdue amount on behalf of the defaulting Co-owner; and

B. All obligations and duties in default have been fully performed by the defaulting Co-owner.

The net proceeds realized from the sale of capacity and energy of River Bend Unit No. 1 to which the Co-owner in default is entitled shall be applied in the following manner:

A. First, to recover the amount of the payments, plus interest, in default;

B. Second, to be debited in the appropriate account for the benefit of the non-defaulting Co-owners in proportion to their ownership interests;

C. Third, to the extent the net proceeds are in excess of double the monetary payments, plus interest, owed by the defaulting Co-owner, such proceeds shall be applied as a credit against future payments due from the defaulting Co-owner under this Agreement.

Such sales by the non-defaulting Co-owners shall be made on such terms and for such period (up to ninety days in the future in necessary) deemed necessary in their judgment, which shall not be exercised unreasonably, to accomplish such sale under then existing market conditions and recover the

amounts provided for in this section. Any such sale of such output of capacity and energy of River Bend Unit 1 shall not relieve the Co-owner in default from any obligation or liability, including but not limited to consequential damages, under this Agreement on account of such default or otherwise, except that the net proceeds of such sale shall be applied as provided above.

10.6 Ninety-Day Default: In the event a Co-owner remains in default for a period of ninety days (regardless of whether or not payment has been made by another Co-owner under section 10.4 or recovery made under section 10.5), each Co-owner shall have the right, which may not be defeated by an offer or attempt by the defaulting Co-owner to remedy the default after the ninety-day period, in addition to any other rights available to a non-defaulting Co-owner, to exercise any one or more of the following options in proportion to which their undivided ownership interest in the Joint Facilities of the non-defaulting Co-owners bear to each other, unless such Co-owners agree to a different proportion:

A. Purchase, in whole or in part, the defaulting Co-owner's ownership interest in the Joint Facilities. Purchase shall be made by paying to the defaulting Co-owner (and/or holders of liens against its ownership interest, if any) the amount paid under this Agreement, to the extent applicable to the percentage interest to be purchased, for those Costs of Construction and Costs of Plant which were required to be capitalized by applicable accounting rules of the Federal Energy Regulatory Commission, or its successor, for rate-making purposes (or

would have been so required if the Co-owner were subject to its jurisdiction), less depreciation and retirements to the date of purchase, and by paying the aggregate applicable to the percentage interest to be purchased, of any amounts unpaid by the defaulting Co-owner, including interest as provided in Section 10.2 A, as of the date of such purchase either into the Construction and Plant Account, into the Operating Account, or to a Co-owner (including itself), which has paid the overdue amount in accordance with Section 10.4 A. The defaulting Co-owner shall cause its ownership interest, to the extent purchased, to be released from all encumbrances. Thereafter, the purchasing Co-owner or Co-owners shall be entitled to the selling Co-owner's rights and be responsible for the performance of the selling Co-owner's obligations hereunder relating to the interest purchased (including without limitation the payment of the Costs of Construction, Costs of Plant, and Costs of Operations applicable to the interest purchased). The selling Co-owner shall thereupon be relieved from such obligations (except the obligation to pay interest owed pursuant to section 10.2 A, which shall remain due to the purchasing Co-owner or Co-owners) and any other obligations to third parties incidental to the interest purchased, which shall be assumed by the purchasing Co-owner or Co-owners, and the other Co-owners shall look solely to the purchasing Co-owner or Co-owners for the performance of such obligations. If and to the extent the selling Co-owner owes other overdue amounts, including interest, then the purchase payments which would otherwise be remitted to the selling Co-owner shall to such extent be remitted to the Construction and Plant Account or the

Operating Account and applied toward such overdue amounts. The selling Co-owner shall take all action and execute and file where appropriate, all legal documents which shall be reasonably requested by the purchasing Co-owner or Co-owners to complete the transaction of purchase and sale and obtain required regulatory approvals. If only part of the defaulting Co-owner's ownership interest is so purchased then the selling Co-owner shall remain fully responsible for all of its obligations under this Agreement with respect to the part not so sold.

B. Invest, subject to required regulatory approvals, additional funds in the Joint Facilities and have the respective ownership interests adjusted so that the respective undivided ownership interests of the Co-owners in the Joint Facilities will be the same as that which their respective aggregate payments of the Costs of Construction and Costs of Plant of the Joint Facilities bears to the total Costs of Construction and Costs of Plant of the Joint Facilities as of the date of the adjustment. The defaulting Co-owner shall promptly upon request convey by special warranty deed and other appropriate instruments such portion of its ownership interest as is required to effect such adjustment and shall take all action necessary to obtain releases from all encumbrances of the portion of its ownership interest being transferred to accomplish the adjustment and to obtain required regulatory approvals.

C. In the event the default involved is a failure to make payments for the repair or reconstruction of Joint Facilities in the

event of damage or destruction as provided in section 6.5, the purchase price shall be the lesser of the price provided under clause A above or the defaulting Co-owner's ownership interest in the salvage value of the Joint Facilities.

10.7 Co-owners' Option for GSU to Continue as Project Manager and Agent: In the event GSU is the defaulting Co-owner, GSU, as Project Manager and agent for the other Co-owners, shall continue to plan, license, design, construct, complete, operate, maintain, and dispose of the Joint Facilities in accordance with the provisions of this Agreement, subject to the right of the non-defaulting Co-owners to appoint another Project Manager and agent to act during the period, and only during the period that such default remains unremedied.

10.8 Duty of Defaulting Co-owner: Any Co-owner in default under this Agreement shall take any and all such action and execute, and file where appropriate, any and all such legal documents and papers as may be reasonably requested by a Co-owner not in default which would have the purpose of facilitating the carrying out of this Agreement or otherwise effectuating its purpose, which shall include, but not be limited to, action to seek any required regulatory approval or to obtain any other required consent, release or amendment or other similar legal document.

In each instance of default, the defaulting Co-owner shall in all matters promptly take all such necessary action and perform its obligations with the highest degree of good faith, dispatch, and diligence toward the

fulfillment of the remedy for its default being pursued by the other Co-owner or Co-owners.

The Co-owners agree and acknowledge that the violation of any of their obligations to take action and execute legal documents which may be reasonably requested by a Co-owner not in default as set forth in this Article would cause irreparable injury to the other Co-owners and that the remedy at law for any violation or threatened violation thereof would be inadequate, and agree that any Co-owner not in default shall be entitled to a temporary and permanent injunction or other equitable relief specifically to enforce such obligation without the necessity of proving the inadequacy of its legal remedies.

10.9 Force Majeure: No Co-owner shall be deemed in default or be liable or responsible for any delay or failure in the performance, or ability to perform, of any duty or obligation (other than an obligation to pay money) it has with respect to the Joint Facilities under this Agreement, or otherwise, caused by Force Majeure, as defined herein.

10.10 Lack of REA Financing: In the event Cajun or Sam Rayburn does not make a contribution toward the Costs of Construction required hereunder when due, such failure shall constitute a default hereunder, unless all four of the following conditions are met: (1) such failure is due solely to the fact that (after the exercise by the coop of its best efforts made with the highest degree of good faith and diligence) the REA has refused to grant funding or loan guarantees necessary for the coop to make its

contribution; (2) the coop establishes to the reasonable satisfaction of GSU and the other Co-owners that it has no other funds or access to funds to make such contribution; (3) the coop elects, by written notice given to the other Co-owners not less than ninety days in advance of the default, to remain a Co-owner, freeze its respective contributions toward the Costs of Construction, and retain an undivided ownership interest in the Joint Facilities in the proportion the contributions to the Costs of Construction it has made is to the total Costs of Construction of the completed Joint Facilities and otherwise remain bound as a Co-owner under this Agreement in proportion to its ownership interest resulting from such adjustment; and (4) one or more of the other Co-owners elects to continue construction of the Joint Facilities.

10.11 Payment Under Protest: Any Co-owner who disagrees with or disputes the amount of any payment claimed by GSU to be due pursuant to this Agreement, shall tender the disputed payment when due under protest. After settlement of the disputed payment, any reimbursement found owing shall be paid to the Co-owner with interest. Interest on any payment subject to reimbursement shall accrue on a simple basis at the prime rate in effect during the applicable period but shall not accrue during any periods in which such payment has been held and invested in the appropriate account under this Agreement to the extent of interest earned thereon for the benefit of Co-owner who paid under protest. Further, no interest shall accrue for a period in excess of six (6) months after the payment was made under protest.

10.12 Non-Exclusive Remedy: No remedy referred to in this Article is intended to be exclusive of any other remedy set forth in this Article or available at law or in equity, but every such remedy herein provided shall be cumulative and may be exercised from time to time and as often as may be deemed expedient except where the exercise of any one of such remedies precludes its further exercise or the exercise of any other remedy. No delay or failure to exercise any remedy herein provided shall impair the right to exercise any such remedy or be construed to be a waiver of such right or of any default by a Co-owner.

Without limiting these remedies, any non-defaulting Co-owner shall have the right at any time, and from time to time:

A. to sue a Co-owner in default to recover or enforce payment of any and all amounts (together with interest, if appropriate) which a Co-owner in default is obligated by this Agreement to pay but has not paid or to require performance of any other obligations and duties of the defaulting Co-owner under this Agreement, or to recover for any loss or damage (including consequential damages, attorney's fees, and collection costs) suffered by reason of the default;

B. to seek a declaratory judgment with respect to rights and obligations of the Co-owners under this Agreement; and

C. to sue for an accounting among the Co-owners so long as such accounting is in aid of the exercise of any other right of a Co-owner under this Article.

Any Co-owner shall have the right to maintain suit of any nature at any time for any loss or claim that may previously have occurred or arisen with regard to this Agreement without waiting until the expiration of the term of this Agreement and without losing or waiving any right to maintain suit for subsequent losses or claims occurring or arising during the term of this Agreement, and recovery in any such suit shall not be deemed as splitting a cause of action. In addition, any Co-owner may bring a proceeding to enjoin the breach of this Agreement.

Neither the existence of these rights to legal action and submission of matters to arbitration by mutual consent as provided in Article Eleven, nor the exercise to or pendency of legal or arbitration proceedings shall (except and unless specifically enjoined) suspend, limit, or abrogate the rights and powers of GSU as Project Manager and agent hereunder, and GSU shall nevertheless continue to have, and third parties may act in reliance upon GSU's exercise of, such rights and powers.

ARTICLE ELEVEN

VOLUNTARY ARBITRATION

11.1 Controversies Subject to Arbitration: Any controversy, claim, counterclaim, or dispute arising out of or relating to this Agreement may voluntarily be submitted to arbitration upon the request of any Co-owner in the manner provided herein, with the written consent of the disputing Co-owners.

After it is agreed to submit a matter to arbitration, the Co-owner submitting a request for arbitration shall serve notice upon each of the Co-owners affected by the dispute setting forth in detail the matters to be arbitrated, including a statement of the facts or circumstances giving rise to the controversy, claim, counterclaim, or dispute involved and the Co-owner's contention with respect to the correct resolution thereof.

Within thirty days following the date of the written notice, the Co-owners affected by the dispute, acting through their representatives on the Management Advisory Committee, shall each select one arbitrator. The two arbitrators so selected shall meet within twenty days following their appointment and shall mutually agree upon the selection of one additional arbitrator.

If the arbitrators selected by the Co-owners shall fail or refuse to mutually agree upon the additional arbitrator within such twenty-day

period, then the Co-owners, or either of them, shall, within the next ten days thereafter, request the American Arbitration Association (or any similar organization if the American Arbitration Association does not then exist) to appoint the one additional arbitrator pursuant to its then existing rules.

The arbitration shall be conducted in accordance with the rules of the American Arbitration Association then in effect, to the full extent that such rules are consistent with applicable law.

The Co-owners agree that any arbitrator serving hereunder shall give full force and effect to all of the provisions of this Agreement.

The arbitrators shall hear evidence submitted by the respective Co-owners and may call for additional information, which additional information shall be furnished by the Co-owner or Co-owners having such information.

The findings and award of arbitration shall be binding and conclusive with respect to the matters submitted to arbitration, except as the same may be modified, corrected, or vacated in accordance with the applicable law then in effect governing arbitration.

It is understood by and between the Co-owners that the findings and award of arbitration are subject to appeal in accordance with the applicable law.

The costs of arbitration shall be shared equally by the Co-owners participating in the arbitration.

ARTICLE TWELVE

SURVIVAL OF ARTICLES AND TERM

12.1 Articles Surviving Closing: The agreements, covenants, representations, and warranties contained in this Agreement shall survive the Closing.

12.2 Term: This Agreement shall remain in effect, as amended pursuant to the terms hereof, until the first to occur of the (a) cancellation of this Agreement by the mutual written consent of all Co-owners of the Joint Facilities, (b) expiration of the operating licenses for River Bend Unit 1, as renewed or extended, or (c) retirement and decommissioning of River Bend Unit 1; but in no event shall such termination become effective until the disposition and decommissioning of the Joint Facilities has been completed (which may include long term storage and surveillance) as determined by GSU and full settlement of all obligations relating to Costs of Construction, Costs of Plant, and Costs of Operations has been completed.

It is the intent of the Co-owners that all of the provisions of this Agreement, except those expressly limited in time, including but not limited to agencies, waivers, rights of first refusal, and options and elections, shall, to the full extent permitted by law, continue in effect and be enforceable by the Co-owners for the term of this Agreement. If applicable law requires a lesser period of effectiveness as to any provision, then such provision shall continue in effect for the maximum

period permitted by law, and if such period must be measured otherwise than by the term of this Agreement, then it shall continue for 21 years less one day after the death of the last to die of all shareholders of GSU and members of the cooperative Co-owners living at the date of the earliest execution of this Agreement on behalf of the Co-owners.

ARTICLE THIRTEEN

BASIC AGREEMENTS

13.1 Buy American: (a) GSU covenants that in the performance of this Agreement (1) at least forty (40%) percent of the total cost of the unmanufactured articles, materials and supplies used or to be used in the construction of or otherwise made a part of the Joint Facilities shall have been mined or produced in the United States and (2) at least forty (40%) percent of the total cost of the manufactured articles, materials, and supplies used or to be used in the construction of or otherwise made a part of the Joint Facilities shall have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States. If any article, material, or supplies are partially mined, produced, or manufactured in the United States (said part being hereinafter called the "American Made Portion") and partially mined, produced, or manufactured somewhere other than in the United States, then only the cost of the American Made Portion shall be used in determining whether the requirements of the preceding sentence have been satisfied.

(b) At the Closing and from time to time thereafter when requested by the other Co-owners or the Administrator, GSU shall supply the Administrator or the party so requesting with information and documentation demonstrating that the Joint Facilities is being constructed in accordance with the requirements of subsection (a) of this section. Upon completing

the construction of the Joint Facilities, GSU shall certify to the Administrator that the Joint Facilities was constructed in accordance with the requirements of said subsection (a).

13.2 Equal Opportunity: The following provisions are included in this Agreement only to comply with legal requirements; the Co-owners do not intend by such recitals to bind themselves beyond their legal duty. In the event of cancellation, termination, or suspension for noncompliance with this section 13.2, such cancellation, termination, or suspension shall be limited to obligations as Project Manager, and shall not be applicable to or operate to cancel, terminate or suspend ownership or financial obligations of any Co-owner.

During the performance of those parts of this Agreement relating to the construction of the Joint Facilities or additions, betterments or improvements thereto, the Co-owners agree as follows:

(1) GSU, as Project Manager, will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. GSU as Project Manager will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection

for training, including apprenticeship. GSU as Project Manager agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.

(2) GSU as Project Manager will, in all solicitations or advertisements for employees placed by or on behalf of the Project Manager, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) GSU as Project Manager will send to each labor union or representative of workers, with which it has a collective bargaining agreement or other contract or understanding relating to the Joint Facilities, a notice to be provided advising the said labor union or workers' representatives of the Project Manager's commitments under this Section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) GSU as Project Manager will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and revelant orders of the Secretary of Labor.

(5) The Project Manager will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and revelant orders of the Secretary of Labor, or pursuant

thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(6) In the event of GSU's noncompliance as Project Manager with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and GSU as Project Manager may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(7) GSU as Project Manager will include the words, "During the performance of this contract, the contractor agrees as follows:" followed by the provisions of paragraphs (1) through (7) (with the words "GSU" and/or "Project Manager" changed to "contractor") in every subcontract so that such provisions will be binding upon each contractor, subcontractor, or vendor. GSU as Project Manager will take such action with respect to any contract or purchase order as the administering agency may lawfully direct as a means of enforcing such provisions, including sanctions for noncompliance; provided however, that in the event the Project Manager becomes involved in, or is threatened with, litigation with a contractor or vendor as a result of

such direction by the administering agency, the Project Manager may request and the United States will enter into such litigation to protect the interests of the United States.

(8) For all purposes of paragraph (6) of this Section 13.2, the term "this contract" shall mean only the contractual grant of authority to GSU to act as Project Manager to construct the Joint Facilities or any additions, betterments, or improvements thereto, and any such cancellation, termination or suspension of such authority may be effected only by action of the governmental agency having jurisdiction. In no event shall any such noncompliance subject this Agreement as a whole or any other provisions or authorities granted hereunder to cancellation, termination or suspension.

13.3 Non-Segregated Facilities: Each Co-owner certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. Each Co-owner certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, including the Project, under its control, where segregated facilities are maintained. Each Co-owner, agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Agreement. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms,

restaurants and other eating areas, time-clocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. GSU as Project Manager agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certification from proposed contractors prior to the award of contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.

13.4 Kick-Backs: In the acquisition, construction and completion of the Joint Facilities pursuant to this Agreement, GSU as Project Manager shall comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. GSU as Project Manager acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and 18 U.S.C. sections 287, 1001, as amended. Each Co-owner understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of Governmental Agencies having jurisdiction in the premises.

13.5 Benefit to Members of Congress: No member of or delegate to the Congress of the United States shall be admitted to any share or part of

this Agreement or to any benefit to arise herefrom other than the receiving of electric service on the same terms accorded other consumers.

13.6 Safety & Health: In the acquisition, construction, and completion of the Project pursuant to this Agreement, GSU as Project Manager shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of federal, state, and municipal safety laws and building and construction codes, including without limitation, all regulations of the Occupational Safety and Health Administration.

13.7 Flood Insurance Act: Notwithstanding anything contained in this Agreement, the Co-owners shall be under no obligation to advance any funds to GSU to finance the construction or acquisition of any building in any area identified by the Secretary of Housing and Urban Development, pursuant to the Flood Disaster Protection Act of 1973 (the "Flood Insurance Act") or any rules, regulations, or orders issued to implement the Flood Insurance Act ("Rules"), as an area having special flood hazards, or to finance any facilities or materials to be located in any such building, or in any building owned or occupied by GSU or the Co-owners located in such flood hazard area unless and until there has been compliance with all other conditions of this Agreement which are precedent to such advances, and the Administrator has determined, that (1) the community in which such area is located is then participating in the national flood insurance program, as required by the Flood Insurance Act and any Rules and (2) GSU and the Co-owners have obtained flood insurance coverage with respect to such building

and contents as may then be required pursuant to the Flood Insurance Act and any Rules.

13.8 Physically Handicapped: All portions of Project buildings and facilities which are intended to be accessible to the public or in which it is intended that a physically handicapped person may be employed shall be designed, constructed, or altered in accordance with the minimum standards in the "American Standard Specifications for making Buildings and Facilities Accessible to, and usable by the Physically Handicapped, Number A117.1-R1971," approved by the American Standards Association, Inc. (subsequently changed to American National Standards Institute, Inc.).

13.9 Historic Places: GSU shall not, without approval in writing by the Administrator of the Rural Electrification Administration, use any portion of the funds made available to GSU by the cooperative pursuant to the terms of this Agreement to construct any facilities which will involve any district, site, building, structure, or object which is included in the National Register of Historic Places, maintained by the Secretary of the Interior pursuant to the Historic Sites Act of 1935 and the National Historic Preservation Act.

13.10 Environment: The Co-owners shall comply with (1) all applicable water and air pollution control standards imposed by federal or state statutes or regulations with respect to the Joint Facilities, and (2) the provisions of any Environmental Impact Statement issued by the United States of America with respect to the Joint Facilities, pursuant to the

National Environmental Policy Act; and the Co-owners shall take all steps necessary to assure that all actions undertaken pursuant to this Agreement by the Co-owners or their agents are in compliance with the provisions of this section.

13.11 Right to Contest: Nothing in this Article Thirteen shall be construed to prevent GSU from resisting, challenging, contesting or appealing any law, statute, regulation, order or decision of any federal, state or local government or agency which GSU claims to be invalid, unlawful, arbitrary or capricious.

ARTICLE FOURTEEN

EXPERIMENTAL AND/OR RESEARCH PROJECTS AND/OR OTHER BUSINESS OR OPERATIONS

14.1 Experimental and/or Research Projects: Based on existing information and future technological advancement GSU or another Co-owner may from time to time wish to conduct certain experimental or research projects in connection with the Joint Facilities.

14.2 GSU's or Other Co-owner's Project: GSU or another Co-owner, in its own behalf, shall have the right to sponsor any experimental or research project at or in connection with the Joint Facilities as long as such project does not unduly impair any other Co-owner's rights under this Agreement. The sponsoring Co-owner may at its option invite other Co-owners to participate financially in such project and other Co-owners shall have the option of acceptance or refusal in financing such project. Any joint undertaking shall be as mutually agreed in writing.

14.3 Other Business or Operations: From time to time GSU and/or another Co-owner may wish to conduct a business or other operation at or in the vicinity of the Joint Facilities which may inure to the benefit of GSU and/or another Co-owner. Such business or operations may be operated by GSU, its subsidiaries and/or affiliates or the other Co-owner. GSU or the other Co-owner, at its sole option, may invite any other Co-owners to help finance and share benefits in the business or operation.

ARTICLE FIFTEEN

APPROVALS AND WITNESSES

In Witness Whereof, the undersigned parties have dully executed this Agreement in Baton Rouge, Louisiana, on August 28, 1979.

GULF STATES UTILITIES COMPANY

By Norman R. Lee

Title President

ATTEST:

By R. E. Ayler

Title Assistant Secretary

CAJUN ELECTRIC POWER COOPERATIVE, INC.

By John McRae

Title President

ATTEST:

By J. L. Robbins

Title Sec. - Treas

SAM RAYBURN DAM ELECTRIC COOPERATIVE, INC.

By W. L. Walker

Title President

ATTEST:

By W. E. Thirion

Title Controller

SAM RAYBURN G&T, INC.

By W. E. Thirion

Title President

ATTEST:

By W. E. Thirion

Title Secretary

List of Exhibits

River Bend Unit 1

Capital Costs Exhibit "A"

Site Map, Property & Facilities Exhibit "B"
River Bend Station
St. Francisville, Louisiana

Metes and Bounds Exhibit "C"
(of property)

Uranium Ore Exhibit "D"

GSU's Entitlement to Capacity Exhibit "E"
and Energy

Confirmation of Ownership Exhibit "F"

Nuclear Fuel Management Plan Exhibit "G"

EXHIBIT "A"
AUGUST 22, 1979

<u>DATE</u>	<u>MONTH</u>	<u>BASE AMOUNT (\$)</u>	<u>NEW BASE FROM COMPOUNDING INTEREST QUARTERLY (\$)</u>	<u>COST OF CAPITAL</u>		<u>COST OF CAPITAL INTEREST (\$)</u>
				<u>ANNUAL</u>	<u>MONTHLY</u>	
1971	November	\$ 87,457	\$	8.00	.00667	\$ 583
	December	196,991		"	"	1,314
	Cum. Interest					<u>1,897</u>
1972	January	275,076	276,973	8.00	.00667	1,847
	February	384,272	386,169	"	"	2,576
	March	535,367	537,264	"	"	3,584
	Cum. Interest					<u>9,904</u>
	April	1,847,744	1,857,648	8.00	.00667	12,391
	May	1,384,581	1,394,485	"	"	9,301
	June	1,492,104	1,502,008	"	"	10,018
	Cum. Interest					<u>41,614</u>
	July	1,664,671	1,706,285	8.00	.00667	11,381
	August	1,784,296	1,825,910	"	"	12,179
	September	2,047,521	2,089,135	"	"	13,935
	Cum. Interest					<u>79,109</u>
	October	2,436,924	2,516,033	8.00	.00667	16,782
	November	2,798,902	2,878,011	"	"	19,196
	December	3,188,180	3,267,289	"	"	21,793
	Cum. Interest					<u>136,880</u>

EXHIBIT "A"
AUGUST 22, 1979

<u>DATE</u>	<u>MONTH</u>	<u>BASE AMOUNT (\$)</u>	<u>NEW BASE FROM COMPOUNDING INTEREST QUARTERLY (\$)</u>	<u>CAPITAL</u>		<u>COST OF CAPITAL INTEREST (\$)</u>
				<u>ANNUAL</u>	<u>MONTHLY</u>	
1973	January	\$ 3,647,180	\$ 3,784,060	7.50	.00625	\$ 23,650
	February	4,165,436	4,302,316	"	"	26,889
	March	4,779,629	4,916,509	"	"	30,728
	Cum. Interest					<u>218,147</u>
	April	5,584,145	5,802,292	7.50	.00625	36,264
	May	6,381,058	6,599,205	"	"	41,245
	June	7,171,358	7,389,505	"	"	46,184
	Cum. Interest					<u>341,840</u>
	July	7,949,574	8,291,414	7.50	.00625	51,821
	August	8,656,119	8,997,950	"	"	56,237
	September	9,344,366	9,686,406	"	"	60,540
	Cum. Interest					<u>510,438</u>
	October	10,048,511	10,558,949	7.50	.00625	65,993
	November	10,875,170	11,385,608	"	"	71,160
	December	11,535,204	12,045,642	"	"	75,285
	Cum. Interest					<u>722,876</u>

EXHIBIT "A"
AUGUST 22, 1979

<u>DATE</u>	<u>MONTH</u>	<u>BASE AMOUNT (\$)</u>	<u>NEW BASE FROM COMPOUNDING INTEREST QUARTERLY (\$)</u>	<u>CAPITAL</u>		<u>COST OF CAPITAL INTEREST (\$)</u>
				<u>ANNUAL</u>	<u>MONTHLY</u>	
1974	January	\$ 12,254,194	\$ 12,977,070	7.50	.00625	\$ 81,107
	February	13,265,176	13,988,052	"	"	87,425
	March	13,977,185	14,700,061	"	"	91,875
	Cum. Interest					<u>983,283</u>
	April	15,055,648	16,038,931	7.50	.00625	100,243
	May	16,964,708	17,947,991	"	"	112,175
	June	18,837,692	19,820,975	"	"	123,881
	Cum. Interest					<u>1,319,582</u>
	July	20,178,923	21,498,505	7.50	.00625	134,366
	August	21,591,508	22,911,090	"	"	143,194
	September	23,194,878	24,514,460	"	"	153,215
	Cum. Interest					<u>1,750,357</u>
	October	25,052,502	26,802,859	8.867	.00739	198,073
	November	27,176,825	28,927,182	8.425	.00702	203,069
	December	29,344,015	31,094,372	8.050	.00671	208,643
	Cum. Interest					<u>2,360,142</u>

EXHIBIT "A"
AUGUST 22, 1979

<u>DATE</u>	<u>MONTH</u>	<u>BASE AMOUNT (\$)</u>	<u>NEW BASE FROM COMPOUNDING INTEREST QUARTERLY (\$)</u>	<u>COST OF CAPITAL</u>		<u>COST OF CAPITAL INTEREST (\$)</u>
				<u>ANNUAL</u>	<u>MONTHLY</u>	
1975	January	\$ 31,064,021	\$ 33,424,163	8.063	.006719	\$ 224,577
	February	33,048,199	35,408,341	7.850	.006542	231,641
	March	35,642,800	38,002,942	8.200	.006833	259,674
	Cum. Interest					<u>3,076,034</u>
	April	37,985,520	41,061,554	8.500	.007083	290,839
	May	40,162,160	43,238,194	8.625	.007188	310,796
	June	42,313,012	45,389,046	8.183	.006823	309,689
	Cum. Interest					<u>3,987,358</u>
	July	44,379,943	48,367,301	8.375	.006979	337,555
	August	46,753,661	50,741,019	8.675	.007229	366,807
	September	48,929,188	52,916,546	8.650	.007208	381,422
	Cum. Interest					<u>5,073,142</u>
	October	50,894,650	55,967,792	8.500	.007083	396,420
	November	53,796,851	58,869,993	8.390	.006992	411,619
	December	56,718,417	61,791,559	8.350	.006958	429,946
	Cum. Interest					<u>6,311,127</u>

EXHIBIT "A"

AUGUST 22, 1979

DATE	MONTH	BASE AMOUNT (\$)	NEW BASE FROM COMPOUNDING INTEREST QUARTERLY (\$)	COST OF CAPITAL		COST OF CAPITAL INTEREST (\$)
				ANNUAL	MONTHLY	
1976	January	\$ 59,562,740	\$ 65,873,867	8.075	.006729	\$ 443,265
	February	62,795,188	69,106,315	8.130	.006775	468,195
	March	66,119,970	72,431,097	8.135	.006779	491,010
	Cum. Interest					<u>7,713,597</u>
	April	70,037,480	77,751,077	8.050	.006708	521,544
	May	74,431,972	82,145,569	8.225	.006879	565,079
	June	80,715,722	88,429,319	8.320	.006933	613,080
	Cum. Interest					<u>9,413,300</u>
	July	87,750,106	97,163,406	8.180	.006817	662,363
	August	93,750,861	103,164,161	8.150	.006792	700,691
	September	99,921,173	109,334,473	8.030	.006692	731,666
	Cum. Interest					<u>11,508,020</u>
	October	106,066,873	117,574,893	7.830	.006525	767,176
	November	111,615,235	123,123,255	7.870	.006558	807,442
	December	117,054,989	128,563,009	7.550	.006292	808,918
	Cum. Interest					<u>13,891,556</u>

EXHIBIT "A"
AUGUST 22, 1979

<u>DATE</u>	<u>MONTH</u>	<u>BASE AMOUNT (\$)</u>	<u>NEW BASE FROM COMPOUNDING INTEREST QUARTERLY (\$)</u>	<u>COST OF CAPITAL</u>		<u>COST OF CAPITAL INTEREST (\$)</u>
				<u>ANNUAL</u>	<u>MONTHLY</u>	
1977	January	\$ 122,600,892	\$ 136,492,448	7.727	.006439	\$ 878,875
	February	128,110,589	142,002,145	7.785	.006488	921,310
	March	133,751,878	147,643,434	7.855	.006554	967,655
	Cum. Interest					<u>16,659,396</u>
	April	140,520,719	157,180,115	7.663	.006386	1,003,752
	May	148,548,519	165,207,915	7.792	.006493	1,072,695
	June	156,117,890	172,777,286	7.703	.006419	1,109,057
	Cum. Interest					<u>19,844,900</u>
	July	163,728,996	183,573,896	7.720	.006433	1,180,931
	August	170,690,646	190,535,546	7.781	.006484	1,235,432
	September	176,040,735	195,885,635	7.768	.006473	1,267,968
	Cum. Interest					<u>23,529,231</u>
	October	180,845,370	204,374,601	7.814	.006512	1,330,887
	November	185,767,103	209,296,334	7.900	.006583	1,377,798
	December	191,665,902	215,195,133	7.978	.006648	1,430,617
	Cum. Interest					<u>27,668,533</u>

EXHIBIT "A"
AUGUST 22, 1979

<u>DATE</u>	<u>MONTH</u>	<u>BASE AMOUNT (\$)</u>	<u>NEW BASE FROM COMPOUNDING INTEREST QUARTERLY (\$)</u>	<u>CAPITAL</u>		<u>COST OF CAPITAL INTEREST (\$)</u>
				<u>ANNUAL</u>	<u>MONTHLY</u>	
1978	January	\$ 198,786,919	\$ 226,455,452	8.266	.006855	\$ 1,552,352
	February	205,517,984	233,186,517	8.330	.006942	1,618,781
	March	211,150,036	238,881,569	8.297	.006914	1,651,192
	Cum. Interest					<u>32,490,858</u>
	April	216,677,076	249,167,934	8.433	.007028	1,751,152
	May	222,027,366	254,518,224	8.511	.007093	1,805,298
	June	226,678,415	259,169,273	8.583	.007153	1,853,837
	Cum. Interest					<u>37,901,145</u>
	July	231,617,478	269,518,623	8.736	.007280	1,962,096
	August	236,679,377	274,580,522	8.552	.007127	1,956,935
	September	240,903,318	278,804,463	8.541	.007118	1,984,530
	Cum. Interest					<u>43,804,706</u>
	October	244,609,220	288,413,926	8.738	.007282	2,100,230
	November	248,240,501	292,045,207	8.790	.007325	2,139,231
	December	254,131,235	297,935,941	8.968	.007473	2,226,475
	Cum. Interest					<u>50,270,642</u>

EXHIBIT "A"
AUGUST 22, 1979

<u>DATE</u>	<u>MONTH</u>	<u>BASE AMOUNT (\$)</u>	<u>NEW BASE FROM COMPOUNDING INTEREST QUARTERLY (\$)</u>	<u>COST OF CAPITAL</u>		<u>COST OF CAPITAL INTEREST (\$)</u>
				<u>ANNUAL</u>	<u>MONTHLY</u>	
1979	January	\$ 259,752,889	\$ 310,023,531	9.071	.007559	\$ 2,343,468
	February	263,112,407	313,383,049	9.079	.007566	2,371,056
	March	268,013,438	318,284,080	9.120	.007600	2,418,959
	Cum. Interest					<u>57,404,125</u>

Note: Please see attached Rider to this Exhibit "A"

Rider to Exhibit A

The Capital Costs calculated in this Exhibit for all purposes of the Agreement shall be adjusted to reflect the inclusion in the Base Amount of the costs of uranium finally determined to constitute Joint Facilities pursuant to the terms of Exhibit D.

LINE NO	BEARING	DISTANCE
1	N 8° 51' 41" E	1365.43'
2	S 68° 48' 20" E	445'
3	S 32° 18' 20" E	912.04'
4	S 65° 14' 31" E	188.78'
5	S 24° 59' 35" W	280'
6	N 18° 52' 20" W	208.13'
7	N 88° 59' 27" W	384.11'
8	S 75° 20' 33" W	600'

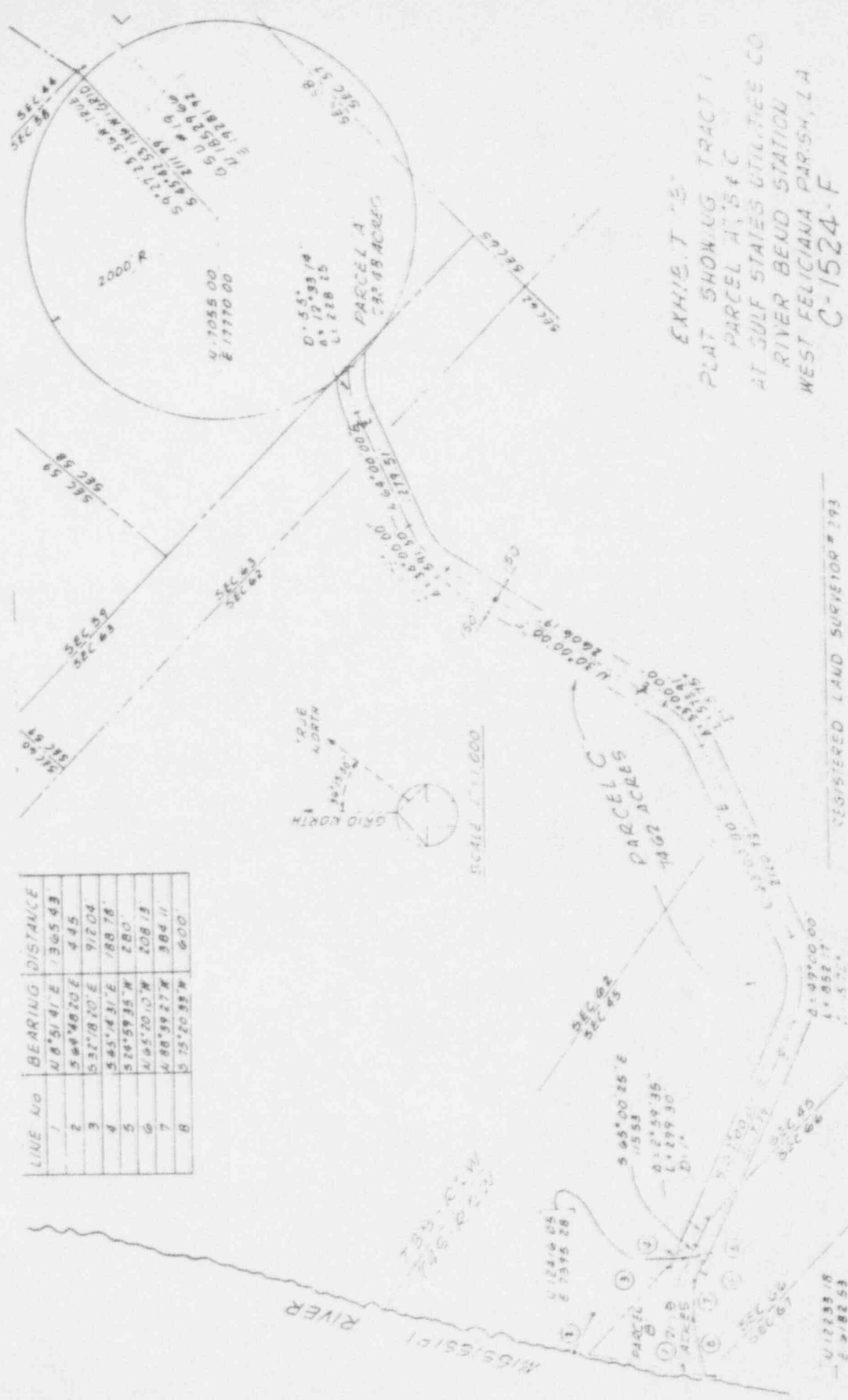


EXHIBIT "B"
 PLAT SHOWING TRACT 1
 PARCEL A, B & C
 AT GULF STATES UTILITIES CO
 RIVER BEND STATION
 WEST FELICIANA PARISH, LA
 C-1524-F

REGISTERED LAND SURVEYOR # 193

Section 1

Block 1

Block 1 contains 288.48
acres, more or less, located in Section 57, 58 and
59, Township 1 North, Range 1 West, Parish of West
Louisiana. The tract of land
is described

as being a 200-acre tract with a brass disc
located at the south-
west corner of the 200-acre tract of land
conveyed by Gulf States Oil and Gas Company from Eula
L. L. L. to the State of Louisiana as dated January 21,
1954 and is recorded in Conveyance Book No. 64, Folio
100. The said deed is recorded in the Parish of
Calcasieu, and more particularly Gulf States Utilities
Company, Inc. and has a value of \$ 18,529.66,
plus interest.

Block 2 is 22.11 acres, more or less, bearing S 45° 42'
E 211.11 feet to the center of the above
described 200-acre tract of land, said center
bearing Gulf States Oil and Gas Company's coordinates
to be 17,615.00, S 45° 42' E.

TRACE 1

PARCEL "C"

A certain tract of land is located in Sections 45 and 46, Township 4 North, Range 12 West, West Feliciana Parish, Louisiana.

Commencing at a point on the intersection of Section 45 and 46, Township 4 North, Range 12 West, with the Gulf States Utilities Company's right-of-way, said point and bearing and distance are as follows: from G. S. Utilities to the intersection of Gulf States Utilities Company, across Section 45, 1978, recorded Original No. 10013 records of West Feliciana Parish, Louisiana, said point is Gulf States Utilities Company local grid coordinates north of N 11,231.10, E 6,182.53;

THENCE S 10° bearing S 10° 10' 00" E, on the said left bank of the Mississippi River, 1,343.00 feet to a point of which Gulf States Utilities Company's coordinates are N 11,231.10, E 6,182.53;

THENCE Grid Bearing S 10° 10' 00" E, 745 feet to a point of which Gulf States Utilities Company's coordinates are N 11,231.10, E 6,182.53;

THENCE Grid Bearing S 10° 10' 00" E, 912.04 feet to a point of which Gulf States Utilities Company's coordinates are N 11,231.10, E 6,182.53;

THENCE Grid Bearing S 10° 10' 00" E, 100.78 feet to a point of which Gulf States Utilities Company's coordinates are N 11,231.10, E 6,182.53;

THENCE Grid Bearing S 10° 10' 00" E, at 140 feet the centerline of Gulf States Utilities Company River across said and beginning with the Parcel "C" continuing Grid Bearing S 10° 10' 00" E, a total distance of 300 feet to a point of which Gulf States Utilities Company's coordinates are N 11,231.10, E 6,182.53;

THENCE Grid Bearing N 10° 10' 00" W, 300.13 feet to a point of which Gulf States Utilities Company's coordinates are N 11,231.10, E 6,182.53;

THENCE Grid Bearing N 10° 10' 00" W, 306.11 feet to a point of which Gulf States Utilities Company's coordinates are N 11,231.10, E 6,182.53;

THENCE Grid Bearing N 10° 10' 00" W, 600 feet to a point of beginning and containing 21.65 acres of land.

TRACT 2

PARCEL "C"

A certain tract or parcel of land located in Sections 45 and 46, Township 7 South, Range 1 West and Sections 51, 42 and 43, Township 8 South, Range 2 West, West Feliciana Parish, Louisiana, and being 150 feet on each side of the following described centerline:

beginning at a point in the centerline of the Gulf States Utilities Company River Road, at Gulf States Utilities Company's coordinates of N 12,416.05, E 7,395.28, said point also being mentioned in Parcel "E" of this instrument;

THENCE with the centerline of said Gulf States Utilities Company Road and with the following grid courses;

THENCE S 61° 00' 25" E, 111.12 feet to a point of curve, said point has Gulf States Utilities Company's coordinates of N 12,372.26, E 7,494.73;

THENCE with a 1 degree curve to the left 299.30 feet to the point of tangent, said point has Gulf States Utilities Company's coordinates of N 12,347.93, E 7,774.44;

THENCE S 64° 00' 00" E, 1,167.71 feet to a point of curve, said point has Gulf States Utilities Company's coordinates of N 11,435.86, E 9,786.31;

THENCE with a 5.75 degree curve to the left 852.17 feet to the point of tangent, said point has Gulf States Utilities Company's coordinates of N 11,471.91, E 10,610.01;

THENCE N 63° 00' 00" E, 2,120.73 feet to a point of curve, said point has Gulf States Utilities Company's coordinates of N 12,434.70, E 12,499.62;

THENCE with a 5.75 curve to the left 573.91 feet to a point of tangent, said point has Gulf States Utilities Company's coordinates of N 12,624.31, E 12,910.19;

THENCE N 30° 00' 00" E, 2,600.19 feet to a point of curve, said point has Gulf States Utilities Company's coordinates of N 15,081.36, E 14,213.28;

THENCE with a 5.75 degree curve to the right 591.30 feet to a point of tangent, said point has Gulf States Utilities Company's coordinates of N 15,478.72, E 14,639.43;

THENCE N 64° 00' 00" E, 1,278.51 feet to a point of curve, said point has Gulf States Utilities Company's coordinates of N 16,039.62, E 15,789.44;

THENCE with a 5.5 degree curve to the right 228.25 feet to a point of termination on a 2000 foot arc line of which the center is at Gulf States Utilities Company's coordinates of N 17,059.80, E 17,770.00 and being the center of that certain 200.48 acre tract mentioned in Parcel "A" of this instrument, said point has Gulf States Utilities Company's coordinates of N 16,116.50, E 16,003.87 and containing 74.62 acres of land.

EXHIBIT "D"

Uranium Ore

GSU presently has the following contracts for the purchase of uranium:

General Atomic Company	2,000,000 lbs. U308
Ranchers Exploration and Development Company	<u>3,000,000</u> lbs. U308
Total	5,000,000 lbs. U308

As of April 30, 1979, approximately 3,052,586 pounds of uranium have been received under such contracts, of which 500,000 pounds have been disposed of by GSU and approximately 2,286,268 pounds have been sold to the Uranox Trust and an option retained by GSU to repurchase such uranium.

The Agreement provides that GSU will designate uranium which is to be considered as Joint Facilities for River Bend Unit 1. This exhibit constitutes such designation with respect to uranium covered by such existing contracts.

(1) All uranium delivered under the above described contracts after the first of the month following the date of closing (the "determination date") shall be considered as Joint Facilities.

(2) One-half of the uranium delivered under such contracts prior to the determination date (excluding the 500,000 pounds sold in 1977) shall be considered as Joint Facilities.

(3) One-half of the uranium delivered to GSU prior to the determination date (and all of the 500,000 pounds sold in 1977) shall not be considered as Joint Facilitator unless actually used by GSU at its option in such Unit. GSU reserves the right to sell or otherwise dispose of such half and the right not to use it in such Unit, and Cajun, Sam Rayburn, and other Co-owners shall not have any claim to or interest in the proceeds of any such sale or disposition or in any portion of such half not used in such Unit or of the sale of the 500,000 pounds.

EXHIBIT "E"

GSU's Entitlement to Capacity and Energy

0.1 If a Co-owner elects to sell capacity and energy back to GSU pursuant to Section 5.4 of the Agreement, it shall give GSU written notice of its election to do so not less than one (1) year prior to commencement of commercial operation of River Bend Unit 1, provided that if such Co-owner's initial investment of additional funds under Section 5.4 occurs within one year of commercial operation such notice must be given within ninety (90) days after such initial investment. Such notice shall specify by year the amount of capacity entitlement (which shall not exceed the amount of additional capacity to which the Selling Co-owner became entitled under Section 5.2 because of its additional investment) which GSU is to buy-back under Section 5.4 during the period (not to exceed five years) designated by the Selling Co-owner. GSU shall be entitled to all energy generated from the capacity entitlement so purchased by it.

1.1 Capacity Charge. GSU shall pay the Selling Co-owner for the capacity entitlement so purchased a monthly capacity charge calculated as provided in Section 1.5 below. Monthly Charges will be calculated and billed using reasonable estimates until such time as actual costs are available. Such prior estimated monthly charges shall be adjusted to actual charges as soon as practicable, with interest at the then current prime rate for commercial loans.

The monthly capacity charge shall be a fixed charge payable regardless of the availability of capacity unless its unavailability is a result of the Selling Co-owner being in default under the Agreement.

For purposes of the calculations under this Exhibit E, the capacity in kilowatts owned by the respective Co-owners and the kilowatts of capacity for which this charge is made shall be deemed on a consistent basis to be in terms of either the nominal rating of the unit or the rating determined as provided in Section 8.1.

1.2 Operating Charges. GSU will pay into the Operating Account for the account of the Selling Co-owner that portion of the Selling Co-owner's share of the Costs of Operations allocable to the energy entitlement associated with the capacity entitlement being bought back by GSU from the Selling Co-owner. If any charges included in Costs of Operations are also included as fixed charges under Sections 1.3 and 1.4 below, to avoid duplication such charges shall be taken into account only as Costs of Operations.

1.3 GSU's Annual Fixed Charges per kilowatt for purposes of this Exhibit E shall be:

$$A = \frac{DG + IG + AVTG + COFG}{CG}$$

1.4 Selling Co-owner's Annual Fixed Charges per kilowatt for purposes of this Exhibit E shall be:

$$B = \frac{DC + IG + AVTC + ITC}{CC}$$

1.5 Formula for Calculation of Monthly Charge per kilowatt:

$$\text{Monthly Charge} = \frac{(A + B) C}{24} + ST$$

1.6 For purposes of the calculations under Sections 1.3, 1.4, and 1.5 of this exhibit:

A = GSU Annual Fixed Charge per kilowatt, for River Bend Unit 1, calculated as provided in Section 1.3 of this exhibit.

B = Selling Co-owner's Annual Fixed Charge per kilowatt, for River Bend Unit 1, calculated as provided in Section 1.4 of this exhibit.

C = Number of kilowatts of Capacity owned by the Selling Co-owner being bought back under Section 5.4 of the Agreement by GSU during the month for which the calculation is made.

DG = GSU Depreciation for the Joint Facilities during such annual period.

IG = GSU Insurance for the Joint Facilities during such annual period prorated to respective owners share of facility.

AVTG = GSU Taxes other than Income Taxes such as Ad Valorem Taxes and franchise taxes allocable to the Joint Facilities during such annual period.

COFG = GSU's Total Cost of Funds in percent, calculated as provided in Section 1.7 below (namely (13)), times GSU's weighted average gross investment in the Joint Facilities during such annual period.

CG = Net Capacity of River Bend Unit 1 owned by GSU (in kilowatts).

DC = Selling Co-owner's Depreciation for the Joint Facilities during such annual period.

IC = Selling Co-owner's Insurance for the Joint Facilities during such annual period.

AVTC = Selling Co-owner's Taxes such as Ad Valorem Taxes allocable to the Joint Facilities for such annual period.

ITC = Selling Co-owner's total Cost of Long-term Debt in percent, calculated on a basis consistent with that provided in Section 1.7 below, times its weighted average gross investment in the Joint Facilities during such annual period.

CC = Net Capacity of River Bend Unit 1 owned by the Selling Co-owner (in kilowatts).

ST = Monthly Sale taxes paid by selling Co-owner as a result of the sale of capacity and energy to GSU.

1.7 GSU's Cost of Funds with respect to gross investment in the Joint Facilities as of the date of commercial operation shall be calculated pursuant to the following formula based on GSU's actual weighted average capital costs incurred in making such investment. The Cost of Funds with respect to gross investments in the Joint Facilities after such date of commercial operation shall be calculated pursuant to such formula based on GSU's actual weighted average capital costs incurred in making such investments.

	<u>Cost</u>	<u>Percent</u>	<u>Weighted</u>	<u>Total Cost of Funds (%)</u>
Long-Term Debt	(1)	(4)	(7) = (1) x (4)	(10) = (7)
Preferred Stock	(2)	(5)	(8) = (2) x (5)	(11) = (8) + (1 - CTR)
Equity	(3)	(6)	(9) = (3) x (6)	(12) = (9) + (1 - CTR)
	<u>100%</u>			<u>(13)</u>

where: (1) and (2) = weighted annual percent rates

(3) = most recent rate of return on GSU common equity allowed in the most recent FERC rate case prior to the date of Commercial Operation or, as appropriate, the date of the subsequent investment.

(4), (5) and (6) = components of capital structure

(10) + (11) + (12) = (13) total cost of Funds in Percent

$$\text{and CTR} = \left(\frac{T + F - 2TF}{1 - TF} \right)^{PT} + \left(\frac{L + F - 2LF}{1 - LF} \right)^{PL}$$

which is the:

Corporate Tax Rate Assuming Income Tax for Louisiana and Texas

P_T = Apportionment factor for Texas Income = $\frac{\text{Texas Income}}{\text{Texas Inc.} + \text{La. Inc.}}$

P_L = Apportionment factor for Louisiana Income = $\frac{\text{La. Income}}{\text{Texas Inc.} + \text{La. Inc.}}$

CTR = Corporate Tax Rate

F = Federal Income Tax Rate

T = Texas Income Tax Rate

L = Louisiana Income Tax Rate

This example illustrates the computation with state and federal taxes being mutually deductible. It also assumes state income taxes are not mutually deductible between Texas and Louisiana. The computation shall be appropriately adjusted to reflect any change in law regarding such deductibility.

EXHIBIT E
(Cooperatives)
GSU's Entitlement to Capacity and Energy

0.1 If a Co-owner elects to sell capacity and energy back to GSU pursuant to Section 5.4 of the Agreement, it shall give GSU written notice of its election to do so not less than one (1) year prior to commencement of commercial operation of River Bend Unit 1, provided that if such Co-owner's initial investment of additional funds under Section 5.4 occurs within one year of commercial operation such notice must be given within ninety (90) days after such initial investment. Such notice shall specify by year the amount of capacity entitlement (which shall not exceed the amount of additional capacity to which the Selling Co-owner became entitled under Section 5.2 because of its additional investment) which GSU is to buy-back under Section 5.4 during the period (not to exceed five years) designated by the Selling Co-owner. GSU shall be entitled to all energy generated from the capacity entitlement so purchased by it.

1.1 Capacity Charge. GSU shall pay the Selling Co-owner for the capacity entitlement so purchased a monthly capacity charge calculated as provided in Section 1.5 below. Monthly Charges will be calculated and billed using reasonable estimates until such time as actual costs are available. Such prior estimated monthly charges shall be adjusted to actual charges as soon as practicable, with interest at the then current prime rate for commercial loans.

The monthly capacity charge shall be a fixed charge payable regardless of the availability of capacity unless its unavailability is a result of the Selling Co-owner being in default under the Agreement.

In no event will the annual charges under this Section 1.1 for the entitlement transfer be less than the following amount:

$$\frac{C}{100} \times (DC + IC + AVTC + ITC)$$

The accounting procedures used to determine all costs for this exhibit (other than that specifically stated herein) shall be the method which is used by each party for the year 1980. When determining the gross investment in River Bend Unit 1, GSU shall include all AFUDC (Net) (calculated in accordance with FERC Order No. 561) incurred by the River Bend Unit 1 and without any offsets based upon inclusion of River Bend Unit 1 in rate base for rate-making purposes.

The Selling Co-owner's portion of allocated costs payable to GSU under Section 2.4 of the Agreement shall be reduced by the ratio of C divided by 100 during the period of the purchases of entitlement by GSU hereunder.

1.2 Operating Charges. GSU will pay an amount equal to that portion of the Selling Co-owner's share of the Costs of Operations allocable to the energy entitlement associated with the capacity entitlement being bought back by GSU from the Selling Co-owner. If any charges included in Costs of Operations are also included as fixed charges under Sections 1.3 and 1.4 below, to avoid duplication such charges shall be taken into account only as Costs of Operations.

1.3 GSU's Annual Fixed Charge Rate for purposes of this Exhibit E shall be:

$$A = \frac{DG + IG + AVTG + COFG}{GIG}$$

1.4 Selling Co-owner's Annual Fixed Charge Rate for purposes of this Exhibit E shall be:

$$B = \frac{DC + IC + AVTC + ITC}{GIC}$$

1.5 Formula for Calculation of Monthly Charge per kilowatt:

$$\text{Monthly Charge} = \frac{(A + B)}{24} \frac{(C)}{100} (CC) \left(\frac{GIG}{2CG} + \frac{GIC}{2CC} \right) + ST$$

1.6 For purposes of the calculations under Sections 1.3, 1.4, and 1.5 of this exhibit:

A = GSU Annual Fixed Charge Rate for River Bend Unit 1, calculated as provided in Section 1.3 above.

B = Selling Co-owner's Annual Fixed Charge Rate for River Bend Unit 1, calculated as provided in Section 1.4 above.

C = Portion (in percent) of Selling Co-owner's entitlement rights being assigned to GSU, pursuant to Section 0.1 above, during the month of the calculation of the Monthly Charge.

CC = Share of River Bend Unit 1 owned by Selling Co-owner (in percent).

CG = Share of River Bend Unit 1 owned by GSU (in percent).

DG = GSU's Book Depreciation in dollars for its ownership interest in River Bend Unit 1 during each Annual Period. Book Depreciation dollars shall be determined by applying the most recent depreciation rate adopted and approved by the Federal Energy Regulatory Commission for GSU's ownership interest in

Commission has not adopted and approved a depreciation rate to be applied to River Bend Unit 1, then the book depreciation as reflected in GSU's annual financial statements audited by its independent certified public accountants shall be used.

- IG = GSU's Insurance Premium Payments in dollars for its ownership interest in River Bend Unit 1 for each Annual Period.
- AVTG = GSU Taxes in dollars (other than income taxes) such as ad valorem taxes, franchise taxes, and all other taxes allocable to River Bend Unit 1 during each Annual Period.
- COFG = GSU's Total Cost of Funds in percent, calculated as provided in Section 1.7 below, times GSU's weighted average Net Depreciated Investment in River Bend Unit 1 during each Annual Period. Net Depreciated Investment of GSU shall mean its Gross Plant Investment in the Project less accumulated book depreciation as reflected in GSU's annual financial statements audited by its independent certified public accountants.
- GIG = GSU's Gross Plant Investment in River Bend Unit 1 for each Annual Period. Gross Plant Investment means GSU's total investment in River Bend Unit 1 for the Annual Period, including fuel inventory, materials, supplies and working capital, plus investments in renewals, additions, replacements, and modifications to River Bend Unit 1, as reflected in the annual financial statements of GSU audited by its independent certified public accountants. It is recognized that the amounts of Gross Plant Investment will change monthly during each Annual Period; accordingly, the monthly balances will be averaged to determine the total Annual Period Gross Plant Investment.
- DC = Selling Co-owner's Depreciation in dollars for its ownership interest in River Bend Unit 1 during each Annual Period. Selling Co-owner's Depreciation dollars shall be determined by using the same depreciation rate as used by GSU in calculation of DG.
- IC = Selling Co-owner's Insurance Premium Payments in dollars for its ownership interest in River Bend Unit 1 for each Annual Period.
- AVTC = Selling Co-owner's Taxes in dollars (other than income taxes) such as ad valorem taxes, franchise taxes, and all other taxes allowable to River Bend Unit 1 during each Annual Period.
- ITC = Selling Co-owner's total cost of long-term Debt (in dollars), calculated on a basis consistent with that provided in Section 1.7 below, times its weighted average net depreciated investment in River Bend Unit 1 during each Annual Period.

GIC = Selling Co-owner's Gross Plant Investment in River Bend Unit 1 for each Annual Period. Gross Plant Investment means Selling Co-owner's total investment in River Bend Unit 1 for the Annual Period, including fuel inventory, materials, supplies and working capital, plus investments in renewals, additions, replacements, and modifications to River Bend Unit 1, as reflected in the annual financial statements of the Selling Co-owner audited by its independent certified public accountants. It is recognized that the amounts of Gross Plant Investment will change monthly during each Annual Period; accordingly, the monthly balances will be averaged to determine the total Annual Period Gross Plant Investment.

ST = Selling Co-owner's Monthly Sales Taxes, if any, as a result of the assignment to GSU.

All such costs shall be determined with respect to the ownership interests in River Bend Unit 1 without regard to the assignment of entitlement pursuant to the Entitlement Assignment Contract between GSU and Selling Co-owner or assignments of entitlement pursuant to Section 5.4 of the Agreement.

1.7 GSU's Cost of Funds with respect to net depreciated investment in River Bend Unit 1 as of the date of commercial operation shall be calculated pursuant to the following formula based on GSU's actual weighted average capital costs incurred in making such investment. The Cost of Funds with respect to net depreciated investment in River Bend Unit 1 after such date of commercial operation shall be calculated pursuant to such formula based on GSU's actual weighted capital costs incurred in making such investments.

	<u>Rate Percent</u>		<u>Weighted Cost</u>	<u>Total Cost of Funds (%)</u>
Long-Term Debt	(1)	(4)	(7) = (1) x (4)	(10) = (7)
Preferred Stock	(2)	(5)	(8) = (2) x (5)	(11) = (8) ÷ (1 - CTR)
Equity	(3)	$\frac{(6)}{100\%}$	(9) = (3) x (6)	$\frac{(12)}{(13)} = (9) \div (1 - \text{CTR})$

where: (1) and (2) = weighted annual percent rates
 (3) = most recent rate of return on GSU common equity allowed in the most recent FERC rate case prior to the date of Commercial Operation or, as appropriate, the date of the subsequent investment.
 (4), (5) and (6) = components of capital structure
 (10) + (11) + (12) = (13) total cost of Funds in Percent

$$\text{and CTR} = \left(\frac{T + F - 2TF}{1 - TF} \right) P_T + \left(\frac{L + F - 2LF}{1 - LF} \right) P_L$$

which is the:

Corporate Tax Rate Assuming Income Tax for Louisiana and Texas

P_T = Apportionment factor for Texas Income = Texas Income after
apportionment \div (Texas Inc. + La. Inc.)

P_L = Apportionment factor for Louisiana Income = La. Income after
apportionment \div (Texas Inc. + La. Inc.)

CTR = Corporate Tax Rate

F = Federal Income Tax Rate

T = Texas Income Tax Rate

L = Louisiana Income Tax Rate

This example illustrates the computation with state and federal taxes being mutually deductible. It also assumes state income taxes are not mutually deductible between Texas and Louisiana. The computation shall be appropriately adjusted to reflect any change in law regarding such deductibility.

The assignment to GSU of Selling Co-owner's entitlement rights to capacity and energy from River Bend Unit 1 shall not relieve the Selling Co-owner of its obligations and GSU shall not be responsible for and does not hereby assume or guarantee, directly or indirectly, any of the Selling Co-owner's obligations (i) under the Selling Co-owner's Loan Contract (referred to in Article Three of the Agreement), or any of its other agreements with or obligations to any of its lenders, the Rural Electrification Administration (REA), or the National Rural Utilities Cooperative Finance Corporation (CFC), (ii) under the Agreement, (iii) any other liabilities or obligations of the Selling Co-owner.

It is understood and agreed that GSU shall acquire by this Contract the right at all times to request the scheduling of generation to the maximum amount of the entitlement assigned and the right to take all generation to the extent of the entitlement assigned as provided in Article Eight of the Agreement.

Other than the above-mentioned assignment of the Selling Co-owner's entitlement rights to capacity and energy in the River Bend Unit 1 and rights related thereto, no other obligations, benefits, and responsibilities of the Selling Co-owner which are contained in the Agreement are assigned to GSU.

CONFIRMATION OF OWNERSHIP

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned Notary Public for the Parish of East Baton Rouge and in the presence of the subscribing witnesses personally appeared:

-----CAJUN ELECTRIC POWER COOPERATIVE, INCORPORATED,-----

(hereinafter called "Cajun"), a Louisiana corporation, domiciled in the Parish of Pointe Coupee, herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be Highway 1, New Roads, Louisiana, and

-----SAM RAYBURN G & T, INC.-----

(hereinafter called "Sam Rayburn"), a Texas corporation, domiciled in the _____ herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be _____, and

-----GULF STATES UTILITIES COMPANY,-----

(hereinafter called "GSU"), a Texas corporation, authorized to do and doing business in the State of Louisiana, herein represented by its

_____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be 446 North Boulevard, Baton Rouge, Louisiana, who declared and acknowledged as follows:

(1) GSU, Sam Rayburn and Cajun are parties to a Joint Ownership Participation and Operating Agreement executed on the _____ day of _____, 19____, a duplicate original of which is attached hereto and made a part hereof (hereinafter referred to as the Joint Ownership Agreement), under which the parties have acquired and own undivided ownership interests of 63% and 30% and 7%, respectively, in certain Joint Facilities, as described therein, located in West Feliciana Parish, Louisiana, including the tracts of land being more particularly described below:

(2) Under said Joint Ownership Agreement, and particularly under the terms of Section 2.6 thereof, the parties have contributed \$_____ in the proportions indicated above for the construction of said Joint Facilities.

In consideration of the contributions of GSU and in order to perfect the undivided 63% ownership interest of GSU in the immovable property described below, Cajun and Sam Rayburn hereby transfer and convey an undivided 63% interest in and to the immovable property described below to GSU:

All parties acknowledge that GSU reserves and retains any oil, gas and other minerals in and under 100% of said property and all executive rights with respect thereto. GSU has conveyed to Cajun and Sam Rayburn shares of the royalty rights and of the mineral lease bonuses and rentals proportionate to their undivided ownership interests in said property, it being specifically understood that GSU has retained its undivided ownership share of royalties and lease bonus and rental payments.

This transfer and conveyance is made without warranties or representations by Cajun and Sam Rayburn and is intended to perfect an undivided 63% ownership interest in GSU only in such title as GSU holds.

Cajun, Sam Rayburn and GSU hereby acknowledge that their respective interests in the property above described are burdened with their respective obligations to one another as set forth in the Joint Ownership Agreement and that said obligations constitute real rights, i.e.,

servitudes, and covenants which run with the land and bind their respective successors in interest.

All parties signing the within instrument have declared themselves to be of full legal capacity.

All agreements and stipulations herein, and all the obligations herein assumed, shall inure to the benefit of and be binding upon the successors and assigns of the respective parties.

The certificate of mortgages required by Article 3364 of the Revised Civil Code of Louisiana is dispensed with by the parties. Certificates are annexed showing that taxes assessed against the property have been paid.

Done and signed by the parties at my office in Baton Rouge, Louisiana,
on the date first above written, in the presence of me, Notary, and the
following competent witnesses who have signed in the presence of the
parties and me, Notary.

WITNESSES:

CAJUN ELECTRIC POWER
COOPERATIVE, INC.

By _____

WITNESSES:

SAM RAYBURN G & T, INC.

By _____

WITNESSES:

GULF STATES UTILITIES COMPANY

By _____

Notary Public

CONFIRMATION OF OWNERSHIP

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned Notary Public for the Parish of East Baton Rouge and in the presence of the subscribing witnesses personally appeared:

-----GULF STATES UTILITIES COMPANY,-----

(hereinafter called "GSU"), a Texas corporation, authorized to do and doing business in the State of Louisiana, herein represented by its

_____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be 446 North Boulevard, Baton Rouge, Louisiana, and

-----CAJUN ELECTRIC POWER COOPERATIVE, INCORPORATED-----

(hereinafter called "Cajun"), a Louisiana corporation, domiciled in the Parish of Pointe Coupee, herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be Highway 1, New Roads, Louisiana, who declared and acknowledged as follows:

(1) GSU and Cajun are parties to a Joint Ownership Participation and Operating Agreement executed on the _____ day of _____, 19____, a duplicate original of which is attached hereto and made a part hereof (hereinafter referred to as the Joint Ownership Agreement), pursuant to which Cajun agreed to acquire an undivided 30% ownership interest in certain Joint Facilities, as described therein, located in West Feliciana Parish, Louisiana, including the tracts of land being more particularly described below:

(2) Under said Joint Ownership Agreement, and particularly under the terms of Section 2.6 thereof, Cajun has contributed \$_____ which has been used for or dedicated to the construction of said Joint Facilities and has under said Joint Ownership Agreement earned an undivided 30% interest in and to said Joint Facilities.

In consideration of the foregoing, and in order to perfect the undivided 30% ownership interest of Cajun in the immovable property described below, GSU hereby transfers and conveys an undivided 30% interest in and to the immovable property described below to Cajun:

Cajun acknowledges that GSU reserves and retains any oil, gas and other minerals in and under the property herein conveyed, but GSU hereby conveys to Cajun an undivided 30% of the royalty rights and of the mineral lease bonuses and rentals in the land above described, it being specifically understood that GSU retains, in addition to its share of royalties and lease bonus and rental payments, all executive rights.

This transfer and conveyance is made without warranties or representations by GSU, and is intended to perfect an undivided 30% ownership interest in Cajun only in such title as GSU holds.

Cajun and GSU hereby acknowledge that their respective interests in the property above described are burdened with their respective obligations to one another as set forth in the Joint Ownership Agreement and that said obligations constitute real rights, i.e., servitudes, and covenants which run with the land and bind their respective successors in interest.

All parties signing the within instrument have declared themselves to be of full legal capacity.

All agreements and stipulations herein, and all the obligations herein assumed, shall inure to the benefit of and be binding upon the successors and assigns of the respective parties.

The certificate of mortgages required by Article 3364 of the Revised Civil Code of Louisiana is dispensed with by the parties. Certificates are annexed showing that taxes assessed against the property have been paid.

Done and signed by the parties at my office in Baton Rouge, Louisiana, on the date first above written, in the presence of me, Notary, and the following competent witnesses who have signed in the presence of the parties and me, Notary.

WITNESSES:

GULF STATES UTILITIES COMPANY

By _____

WITNESSES:

CAJUN ELECTRIC POWER
COOPERATIVE, INC.

By _____

Notary Public

EXHIBIT "F"

ACKNOWLEDGMENT OF OWNERSHIP

This acknowledgment of ownership is made and entered into this _____ day of _____, 19____, by and between Gulf States Utilities Company (hereinafter called "GSU"), a Texas corporation, and Cajun Electric Power Cooperative, Incorporated (hereinafter called "Cajun"), a Louisiana corporation, and Sam Rayburn G & T, Inc. (hereinafter called "Sam Rayburn"), a Texas corporation, as required by Section 2.6.2 of the Joint Ownership Participation and Operating Agreement between GSU, Cajun and Sam Rayburn executed on the _____ day of _____, 19____ (hereinafter referred to as the "Joint Ownership Agreement").

(1) GSU, Cajun and Sam Rayburn hereby acknowledge that Cajun has contributed \$_____ and Sam Rayburn has contributed \$_____, which amounts have been used for or dedicated to the construction of the Joint Facilities as defined in the Joint Ownership Agreement and that said amounts constitute % and %, respectively, of the total Costs of Construction as defined in the Joint Ownership Agreement.

(2) Accordingly, GSU hereby acknowledges that under the terms of Section 2.6 of the Joint Ownership Agreement, Cajun and Sam Rayburn have earned an undivided % and % ownership interest,

respectively, in said Joint Facilities and, therefore, own an undivided % and % interest, respectively, in the Joint Facilities.

(3) In order to perfect the ownership interests of all parties which have already been acquired through contributions to construction costs of said Joint Facilities, as acknowledged above, GSU, Cajun and Sam Rayburn hereby transfer and convey with full warranty of title and subrogation to all rights and actions of warranty each may have to each other undivided interests in and to said Joint Facilities as follows: GSU %, Cajun %, and Sam Rayburn %; and, contemporaneously herewith by separate instruments to be of record in Louisiana, convey and transfer to each other the stated undivided interests in those portions of the Joint Facilities which constitute immovable property under Louisiana law, said undivided interests being free and clear of all liens and encumbrances except those, if any, placed on the undivided interests by their respective owners or permitted by the Joint Ownership Agreement.

(4) Cajun, Sam Rayburn, and GSU agree that this acknowledgment of Cajun's and Sam Rayburn's undivided % and % interest in the Joint Facilities is subject to the exceptions, reservations, and rights set forth in the Joint Ownership Agreement and particularly, but not limited to, Sections 2.3, 2.4 and 2.5 of said Joint Ownership Agreement, and is made without warranties

or representations as provided in Section 6.1 thereof, except as to title as provided above.

(5) This acknowledgment and transfer is not intended as and shall not constitute an assignment, in whole or in part, of any contracts between GSU and others for the construction or purchase of any facilities, materials, equipment, work, or services constituting a part of or related to the Joint Facilities. Such contracts shall be held by GSU subject to the Joint Ownership Agreement.

IN WITNESS WHEREOF, the parties have executed this acknowledgment of ownership on the day, month and year first above written.

WITNESSES:

GULF STATES UTILITIES COMPANY

By _____

WITNESSES:

CAJUN ELECTRIC POWER
COOPERATIVE, INCORPORATED

By _____

WITNESSES:

SAM RAYBURN G & T, INC.

By _____

CONFIRMATION OF OWNERSHIP

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned Notary Public for the Parish of East Baton Rouge and in the presence of the subscribing witnesses personally appeared:

-----GULF STATES UTILITIES COMPANY,-----

(hereinafter called "GSU"), a Texas corporation, authorized to do and doing business in the State of Louisiana, herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be 446 North Boulevard, Baton Rouge, Louisiana, and

-----SAM RAYBURN G & T, INC. -----

(hereinafter called "Sam Rayburn"), a Texas corporation, domiciled in the _____, herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be _____, who declared and acknowledged as follows:

(1) GSU and Sam Rayburn are parties to a Joint Ownership Participation and Operating Agreement executed on the _____ day of _____, 19____, a duplicate original of which is attached hereto and made a part hereof (hereinafter referred to as the Joint Ownership Agreement), pursuant to which Sam Rayburn agreed to acquire an undivided % ownership interest in certain Joint Facilities, as described therein, located in West Feliciana Parish, Louisiana, including the tracts of land being more particularly described below:

(2) Under said Joint Ownership Agreement, and particularly under the terms of Section 2.6 thereof, Sam Rayburn has contributed \$_____ which has been used for or dedicated to the construction of said Joint Facilities and has under said Joint Ownership Agreement earned an undivided % interest in and to said Joint Facilities.

In consideration of the foregoing, and in order to perfect the undivided % ownership interest of Sam Rayburn in the immovable property described below, GSU hereby transfers and conveys with full warranty of title and subrogation to all rights and actions of warranty GSU may have an undivided %

interest in and to the immovable property described below to
Sam Rayburn:

Sam Rayburn acknowledges that GSU reserves and retains any oil, gas and other minerals in and under the property herein conveyed, but GSU hereby conveys to Sam Rayburn an undivided % of the royalty rights and of the mineral lease bonuses and rentals in the land above described, it being specifically understood that GSU retains, in addition to its share of royalties and lease bonus and rental payments, all executive rights.

Sam Rayburn and GSU hereby acknowledge that their respective interests in the property above described are burdened with their respective obligations to one another as set forth in the Joint Ownership Agreement and that said obligations constitute real rights, i.e., servitudes, and covenants which run with the land and bind their respective successors in interest.

All parties signing the within instrument have declared themselves to be of full legal capacity.

All agreements and stipulations herein, and all the obligations herein assumed, shall inure to the benefit of and be

binding upon the successors and assigns of the respective parties.

The certificate of mortgages required by Article 3364 of the Revised Civil Code of Louisiana is dispensed with by the parties. Certificates are annexed showing that taxes assessed against the property have been paid.

Done and signed by the parties at my office in Baton Rouge, Louisiana, on the date first above written, in the presence of me, Notary, and the following competent witnesses who have signed in the presence of the parties and me, Notary.

WITNESSES:

GULF STATES UTILITIES COMPANY

By _____

WITNESSES:

SAM RAYBURN G & T, INC.

By _____

Notary Public

CONFIRMATION OF OWNERSHIP

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned Notary Public for the Parish of East Baton Rouge and in the presence of the subscribing witnesses personally appeared:

-----CAJUN ELECTRIC POWER COOPERATIVE, INCORPORATED,-----

(hereinafter called "Cajun"), a Louisiana corporation, domiciled in the Parish of Pointe Coupee, herein represented by its

_____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be Highway 1, New Roads, Louisiana, and

-----SAM RAYBURN G & T, INC.-----

(hereinafter called "Sam Rayburn"), a Texas corporation, domiciled in the _____, herein represented by

its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be _____, and

-----GULF STATES UTILITIES COMPANY, -----

(hereinafter called "GSU"), a Texas corporation, authorized to do and doing business in the State of Louisiana, herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be 446 North Boulevard, Baton Rouge, Louisiana, who declared and acknowledged as follows:

(1) GSU, Sam Rayburn and Cajun are parties to a Joint Ownership Participation and Operating Agreement executed on the _____ day of _____, 19____, a duplicate original of which is attached hereto and made a part hereof (hereinafter referred to as the Joint Ownership Agreement), under which the parties have acquired and own undivided ownership interests of % and % and %, respectively, in certain Joint Facilities, as described therein, located in West Feliciana Parish, Louisiana, including the tracts of land being more particularly described below:

(2) Under said Joint Ownership Agreement, and particularly under the terms of Section 2.6 thereof, the parties have contributed \$ _____ in the proportions indicated above for the construction of said Joint Facilities.

In consideration of the contributions of GSU and in order to perfect the undivided % ownership interest of GSU in the immovable property described below, Cajun and Sam Rayburn hereby transfer and convey with full warranty of title and subrogation to all rights and actions of warranty they may have an undivided % interest in and to the immovable property described below to GSU:

All parties acknowledge that GSU reserves and retains any oil, gas and other minerals in and under 100% of said property and all executive rights with respect thereto. GSU has conveyed to Cajun and Sam Rayburn shares of the royalty rights and of the mineral lease bonuses and rentals proportionate to their undivided ownership interests in said property, it being specifically understood that GSU has retained its undivided ownership share of royalties and lease bonus and rental payments.

Cajun, Sam Rayburn and GSU hereby acknowledge that their respective interests in the property above described are burdened with their respective obligations to one another as set forth in the Joint Ownership Agreement and that said obligations constitute real rights, i.e., servitudes, and covenants which run with the land and bind their respective successors in interest.

All parties signing the within instrument have declared themselves to be of full legal capacity.

All agreements and stipulations herein, and all the obligations herein assumed, shall inure to the benefit of and be binding upon the successors and assigns of the respective parties.

The certificate of mortgages required by Article 3364 of the Revised Civil Code of Louisiana is dispensed with by the parties. Certificates are annexed showing that taxes assessed against the property have been paid.

Done and signed by the parties at my office in Baton Rouge, Louisiana, on the date first above written, in the presence of me, Notary, and the following competent witnesses who have signed in the presence of the parties and me, Notary.

WITNESSES:

CAJUN ELECTRIC POWER
COOPERATIVE, INC.

By _____

WITNESSES:

SAM RAYBURN G & T, INC.

By _____

WITNESSES:

GULF STATES UTILITIES COMPANY

By _____

CONFIRMATION OF OWNERSHIP

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned Notary Public for the Parish of East Baton Rouge and in the presence of the subscribing witnesses personally appeared:

-----GULF STATES UTILITIES COMPANY,-----

(hereinafter called "GSU"), a Texas corporation, authorized to do and doing business in the State of Louisiana, herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be 446 North Boulevard, Baton Rouge, Louisiana, and

-----CAJUN ELECTRIC POWFR COOPERATIVE, INCORPORATED -----

(hereinafter called "Cajun"), a Louisiana corporation, domiciled in the Parish of Pointe Coupee, herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be Highway 1, New Roads, Louisiana, who declared and acknowledged as follows:

(1) GSU and Cajun are parties to a Joint Ownership Participation and Operating Agreement executed on the _____ day of _____, 19____, a duplicate original of which is attached hereto and made a part hereof (hereinafter referred to as the Joint Ownership Agreement), pursuant to which Cajun agreed to acquire an undivided % ownership interest in certain Joint Facilities, as described therein, located in West Feliciana Parish, Louisiana, including the tracts of land being more particularly described below:

(2) Under said Joint Ownership Agreement, and particularly under the terms of Section 2.6 thereof, Cajun has contributed \$ _____ which has been used for or dedicated to the construction of said Joint Facilities and has under said Joint Ownership Agreement earned an undivided % interest in and to said Joint Facilities.

In consideration of the foregoing, and in order to perfect the undivided % ownership interest of Cajun in the immovable property described below, GSU hereby transfers and conveys with full warranty of title and subrogation to all rights and actions of warranty GSU may have an undivided % interest in and to the immovable property described below to Cajun:

Cajun acknowledges that GSU reserves and retains any oil, gas and other minerals in and under the property herein conveyed, but GSU hereby conveys to Cajun an undivided % of the royalty rights and of the mineral lease bonuses and rentals in the land above described, it being specifically understood that GSU retains, in addition to its share of royalties and lease bonus and rental payments, all executive rights.

Cajun and GSU hereby acknowledge that their respective interests in the property above described are burdened with their respective obligations to one another as set forth in the Joint Ownership Agreement and that said obligations constitute real rights, i.e., servitudes, and covenants which run with the land and bind their respective successors in interest.

All parties signing the within instrument have declared themselves to be of full legal capacity.

All agreements and stipulations herein, and all the obligations herein assumed, shall inure to the benefit of and be binding upon the successors and assigns of the respective parties.

The certificate of mortgages required by Article 3364 of the Revised Civil Code of Louisiana is dispensed with by the parties. Certificates are annexed showing that taxes assessed against the property have been paid.

Done and signed by the parties at my office in Baton Rouge, Louisiana, on the date first above written, in the presence of me, Notary, and the following competent witnesses who have signed in the presence of the parties and me, Notary.

WITNESSES:

GULF STATES UTILITIES COMPANY

By _____

WITNESSES:

CAJUN ELECTRIC POWER
COOPERATIVE, INC.

By _____

Notary Public

EXHIBIT "F"

ACKNOWLEDGMENT OF OWNERSHIP

This acknowledgment of ownership is made and entered into this ____ day of _____, 19____, by and between Gulf States Utilities Company (hereinafter called "GSU"), a Texas corporation and Cajun Electric Power Cooperative, Incorporated, (hereinafter called "Cajun"), a Louisiana corporation, and Sam Rayburn G & T, Inc. (hereinafter called "Sam Rayburn"), a Texas corporation, as required by Section 2.6.2 of the Joint Ownership Participation and Operating Agreement between GSU, Cajun and Sam Rayburn executed on the ____ day of _____, 19____ (hereinafter referred to as the "Joint Ownership Agreement").

(1) GSU, Cajun and Sam Rayburn hereby acknowledge that Cajun has contributed \$_____ and Sam Rayburn has contributed \$_____, which amounts have been used for or dedicated to the construction of the Joint Facilities as defined in the Joint Ownership Agreement and that said amounts constitute 30% and 7%, respectively, of the total Costs of Construction as defined in the Joint Ownership Agreement.

(2) Accordingly, GSU hereby acknowledges that under the terms of Section 2.6 of the Joint Ownership Agreement, Cajun and Sam Rayburn have earned an undivided 30% and 7% ownership interest, respectively, in said Joint Facilities and, therefore, own an undivided 30% and 7% interest, respectively, in the Joint Facilities.

(3) In order to perfect the ownership interests of all parties which have already been acquired through contributions to construction costs of said Joint Facilities, as acknowledged above, GSU, Cajun and Sam Rayburn hereby transfer and convey to each other undivided interests in and to said Joint Facilities as follows: GSU 63%, Cajun 30%, and Sam Rayburn 7%; and, contemporaneously herewith by separate instruments to be of record in Louisiana, convey and transfer to each other the stated undivided interests in those portions of the Joint Facilities which constitute immovable property under Louisiana law, said undivided interests being free and clear of all liens and encumbrances except those, if any, placed on the undivided interests by their respective owners or permitted by the Joint Ownership Agreement.

(4) Cajun, Sam Rayburn, and GSU agree that this acknowledgment of Cajun's and Sam Rayburn's undivided 30% and 7% interest in the Joint Facilities is subject to the exceptions, reservations, and rights set forth in the Joint Ownership Agreement and particularly, but not limited to, Sections 2.3, 2.4 and 2.5 of said Joint Ownership Agreement, and is made without warranties or representations as provided in Section 6.1 thereof.

(5) This acknowledgment and transfer is not intended as and shall not constitute an assignment, in whole or in part, of any contracts between GSU and others for the construction or purchase of any facilities, materials, equipment, work, or services constituting a part of or related to the Joint Facilities. Such contracts shall be held by GSU subject to the Joint Ownership Agreement.

IN WITNESS WHEREOF, the parties have executed this acknowledgment of ownership on the day, month and year first above written.

WITNESSES:

GULF STATES UTILITIES COMPANY

By _____

WITNESSES:

CAJUN ELECTRIC POWER
COOPERATIVE, INCORPORATED

By _____

WITNESSES:

SAM RAYBURN G & T, INC.

By _____

CONFIRMATION OF OWNERSHIP

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned Notary Public for the Parish of East Baton Rouge and in the presence of the subscribing witnesses personally appeared:

-----GULF STATES UTILITIES COMPANY,-----

(hereinafter called "GSU"), a Texas corporation, authorized to do and doing business in the State of Louisiana, herein represented by its

_____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be 446 North Boulevard, Baton Rouge, Louisiana, and

-----SAM RAYBURN G & T, INC.-----

(hereinafter called "Sam Rayburn"), a Texas corporation, domiciled in the

_____ herein represented by its _____, duly authorized hereto pursuant to a resolution of its Board of Directors, certified copy of which is attached hereto, whose permanent mailing address is declared to be _____, who declared and acknowledged as follows:

(1) GSU and Sam Rayburn are parties to a Joint Ownership Participation and Operating Agreement executed on the _____ day of _____, 19____, a duplicate original of which is attached hereto and made a part hereof (hereinafter referred to as the Joint Ownership Agreement), pursuant to which Sam Rayburn agreed to acquire an undivided 7% ownership interest in certain Joint Facilities, as described therein, located in West Feliciana Parish, Louisiana, including the tracts of land being more particularly described below:

(2) Under said Joint Ownership Agreement, and particularly under the terms of Section 2.6 thereof, Sam Rayburn has contributed \$_____ which has been used for or dedicated to the construction of said Joint Facilities and has under said Joint Ownership Agreement earned an undivided 7% interest in and to said Joint Facilities.

In consideration of the foregoing, and in order to perfect the undivided 7% ownership interest of Sam Rayburn in the immovable property described below, GSU hereby transfers and conveys an undivided 7% interest in and to the immovable property described below to Sam Rayburn:

Sam Rayburn acknowledges that GSU reserves and retains any oil, gas and other minerals in and under the property herein conveyed, but GSU hereby conveys to Sam Rayburn an undivided 7% of the royalty rights and of the mineral lease bonuses and rentals in the land above described, it being specifically understood that GSU retains, in addition to its share of royalties and lease bonus and rental payments, all executive rights.

This transfer and conveyance is made without warranties or representations by Sam Rayburn, and is intended to perfect an undivided 7% ownership interest in Sam Rayburn only in such title as Sam Rayburn holds.

Sam Rayburn and GSU hereby acknowledge that their respective interests in the property above described are burdened with their respective obligations to one another as set forth in the Joint Ownership Agreement and that said obligations constitute real rights, i.e., servitudes, and covenants which run with the land and bind their respective successors in interest.

All parties signing the within instrument have declared themselves to be of full legal capacity.

All agreements and stipulations herein, and all the obligations herein assumed, shall inure to the benefit of and be binding upon the successors and assigns of the respective parties.

The certificate of mortgages required by Article 3364 of the Revised Civil Code of Louisiana is dispensed with by the parties. Certificates are annexed showing that taxes assessed against the property have been paid.

Done and signed by the parties at my office in Baton Rouge, Louisiana, on the date first above written, in the presence of me, Notary, and the following competent witnesses who have signed in the presence of the parties and me, Notary.

WITNESSES:

GULF STATES UTILITIES COMPANY

By _____

WITNESSES:

SAM RAYBURN G & T, INC.

By _____

Notary Public

Exhibit "G"Nuclear Fuel Management PlanRiver Bend Unit One

Revised Effective

January 1, 1987

1.1 Introduction

This Nuclear Fuel Management Plan (Nuclear Fuel Plan) shall be made a part of the River Bend Joint Ownership Participation and Operating Agreement between Gulf States Utilities Company, Cajun Electric Power Cooperative, Incorporated, and Sam Rayburn G & T, Inc. dated as of August 28, 1979. By the first day of each year, GSU shall prepare and submit to each Co-owner a 10-year Nuclear Fuel Plan which estimates the sum of all of the co-owners' requirements. GSU will amend the Nuclear Fuel Plan from time to time as reasonably required to reflect changes in conditions and will submit such amended Nuclear Fuel Plan to each Co-owner.

Among other information, the Nuclear Fuel Plan consists of the estimated refueling schedule, the energy per refueling cycle and estimated cash flow analyses of forecast expenditures and credits for each major component of the nuclear fuel cycle. In the event any provisions of this plan should be inconsistent with any provisions of the Agreement, the provisions of the Agreement shall control.

1.2 Implementation of the Nuclear Fuel Plan

The plan is to manage nuclear fuel and make arrangements for its timely delivery, efficient operation and for an economical level of inventory. Subject to the terms of the Agreement, GSU shall exercise reasonable efforts to secure all nuclear fuel and nuclear fuel cycle services on its own behalf and other Co-owners in a manner which implements the Nuclear Fuel Plan to the extent reasonably practicable.

1.3 Payment

Each Co-owner shall be liable and make payments for its proportionate share of all actual costs for nuclear fuel (including but not limited to yellowcake, conversion, enrichment, fabrication, storage, reprocessing, insurance and transportation) as appropriate, in accordance with the provisions of the Agreement.

1.4 Accounting

When the residual fuel value of fuel assemblies unloaded from the River Bend Unit 1 reactor or the cost of final disposition of such spent fuel assemblies is determined, as the case may be, GSU shall make a detailed final accounting of all costs, payments and energy allocable to each Co-owner. Such final accounting shall stipulate

any credits or deficits due each Co-owner, including any provisional settlements made. GSU shall send such data to each Co-owner after which the Parties shall settle accounts within 30 days or as otherwise agreed.

1.5 Fuel Amortization

Prior to the beginning of each fuel operating cycle, each Co-owner shall provide GSU with all necessary financial information required to determine Co-owner's fuel amortization rate and monthly fuel cost. By the 10th day of each month, GSU shall determine and provide each Co-owner with its monthly fuel cost in mills per kilowatt hour. Such cost may be provided on an estimated basis, with actual cost provided as soon as reasonably available. At the request of a Co-owner, GSU will provide such Co-owner with the unamortized value of their proportionate share of nuclear fuel or any other information concerning fuel depletion reasonably requested.

1.6 Refueling Schedule and Energy per Refueling Cycle

Up-to-date Plant construction and operating schedules are essential for efficient nuclear fuel procurement and planning. The tables in this section give the present estimates of dates for fuel loading (initial core and reloads). It is recognized that all construction

and operating schedules are subject to uncertainties and change. This section also shows the current estimate of energy per refueling cycle. Because fuel cycle lengths and plant operating capacity factor may be changed, energy per cycle may also change. The information in this section covers 10 years from the year of this Nuclear Fuel Plan.

River Bend Station
Refueling Schedule and Cycle Energy*

<u>NO.</u>	<u>ESTIMATED FUELING DATE</u>	<u>ESTIMATED TOTAL ENERGY PER CYCLE (10⁶ Kwhe)</u>
1	9/85	7.8115
2	9/87	8.5987
3	3/89	8.7575
4	9/90	8.6239
5	3/92	8.6636
6	9/93	8.6980
7	3/95	8.6897
8	9/96	8.6334

No reload scheduled in 1997

*Reference - GE818R25

1.7 River Bend Unit 1 Annual Fuel Estimated Cash Flow Requirements.

This section consists of an estimated cash flow analysis of forecast expenditures and credits, if applicable, for each major component of the nuclear fuel cycle for the next 10 years.

YEARLY RIVER BEND UNIT ONE

ESTIMATED ANNUAL CASHFLOW REQUIREMENTS

FOR NUCLEAR FUEL

(1987-1996)

(Millions of \$)

YEAR	U_3O_8 ⁽¹⁾	CONVERSION ⁽²⁾	ENRICHMENT	FABRICATION	BACK END ⁽³⁾	TOTAL
1987	0	1.2	0	8.2	4.7	14.1
1988	0	1.1	15.6	7.2	4.8	28.7
1989	0	1.0	0	4.8	5.7	11.5
1990	0	.6	16.0	10.0	5.7	32.3
1991	0	0	17.7	7.5	5.7	30.9
1992	19.0	1.8	0	5.0	5.8	31.6
1993	18.5	1.7	19.7	14.4	5.7	60.0
1994	0	0	18.3	8.5	5.7	32.5
1995	20.7	1.9	0	5.7	5.7	34.0
1996	21.2	2.0	19.4	15.8	5.8	64.2

- (1) Uranium purchases in 1992 - 1996 are based on inventory policy and will be reviewed in 1987.
- (2) The conversion cashflows reflect anticipated services deferral during 1987-1989; UF_6 storage charges are included.
- (3) Backend charges are estimated based on a 1 mill/Kwh surcharge on net generation under the DOE Spent Fuel and/or High Level Waste Disposal Contract and will be paid then-currently on a quarterly basis; on going rule-making and annual charge review may yield later charge change.

NOTE: The above cashflow estimates are based on contractual commitments and projected fuel and services requirements.

1.8 River Bend Monthly Fuel Estimated Cashflow Requirement

This section consists of an estimated cashflow analysis of the forecast net expenditures, as applicable, by month for each major component to the nuclear fuel cycle for the next 5 years.

NOTE: The following cashflow estimates are largely contractual and are subject to adjustments derived from subsequent renegotiations.

YEARLY RIVER BEND UNIT ONE

ESTIMATED ANNUAL CASHFLOW REQUIREMENTS

FOR NUCLEAR FUEL

(1987-1991)

(Millions of \$)

YEAR	U ₃ O ₈	CONVERSION	ENRICHMENT	FABRICATION	BACK END	TOTAL
1987						
Jan.	0	1.2	0	1.2	1.0	3.4
Feb.	0	0	0	1.2	0	1.2
Mar.	0	0	0	1.2	0	1.2
Apr.	0	0	0	1.2	.8	2.0
May	0	0	0	1.3	0	1.3
June	0	0	0	1.3	0	1.3
July	0	0	0	.8	1.4	2.2
Aug.	0	0	0	0	0	0
Sept.	0	0	0	0	0	.0
Oct.	0	0	0	0	1.5	1.5
Nov.	0	0	0	0	0	.0
Dec.	0	0	0	.0	0	.0
TOTAL	0	1.2	0	8.2	4.7	14.1

YEAR

1988	U_3O_8	CONVERSION	ENRICHMENT	FABRICATION	BACK END	TOTAL
Jan.	0	1.1	0	0	.5	1.6
Feb.	0	0	0	0	0	0
Mar.	0	0	0	0	0	0
Apr.	0	0	0	0	1.4	1.4
May	0	0	0	0	0	0
June	0	0	0	0	0	0
July	0	0	0	0	1.4	1.4
Aug.	0	0	0	0	0	0
Sept.	0	0	15.6	1.8	0	17.4
Oct.	0	0	0	1.8	1.5	3.3
Nov.	0	0	0	1.8	0	1.8
Dec.	0	0	0	1.8	0	1.8
TOTAL	0	1.1	15.6	7.2	4.8	28.7

YEAR						
1989	U_3O_8	CONVERSION	ENRICHMENT	FABRICATION	BACK END	TOTAL
Jan.	0	1.0	0	1.8	1.4	4.2
Feb.	0	0	0	1.8	0	1.8
Mar.	0	0	0	1.2	0	1.2
Apr.	0	0	0	0	1.4	1.4
May	0	0	0	0	0	0
June	0	0	0	0	0	0
July	0	0	0	0	1.4	1.4
Aug.	0	0	0	0	0	0
Sept.	0	0	0	0	0	0
Oct.	0	0	0	0	1.5	1.5
Nov.	0	0	0	0	0	0
Dec.	0	0	0	0	0	0
TOTAL	0	1.0	0	4.8	5.7	11.5

YEAR						
1990	U_3O_8	CONVERSION	ENRICHMENT	FABRICATION	PACK END	TOTAL
Jan.	0	.6	0	0	1.4	2.0
Feb.	0	0	0	0	0	0
Mar.	0	0	16.0	1.5	0	17.5
Apr.	0	0	0	1.5	1.4	2.9
May	0	0	0	1.5	0	1.5
June	0	0	0	1.5	0	1.5
July	0	0	0	1.5	1.4	2.9
Aug.	0	0	0	1.5	0	1.5
Sept.	0	0	0	1.0	0	1.0
Oct.	0	0	0	0	1.5	1.5
Nov.	0	0	0	0	0	0
Dec.	0	0	0	0	0	0
TOTAL	0	.6	16.0	10.0	5.7	32.3

YEAR						
1991	U_3O_8	CONVERSION	ENRICHMENT	FABRICATION	BACK END	TOTAL
Jan.	0	0	0	0	1.5	1.5
Feb.	0	0	0	0	0	0
Mar.	0	0	0	0	0	0
Apr.	0	0	0	0	1.4	1.4
May	0	0	0	0	0	0
June	0	0	0	0	0	0
July	0	0	0	0	1.4	1.4
Aug.	0	0	0	0	0	0
Sept.	0	0	17.7	1.8	0	19.5
Oct.	0	0	0	1.9	1.4	3.3
Nov.	0	0	0	1.9	0	1.9
Dec.	0	0	0	1.9	0	1.9
TOTAL	0	0	17.7	7.5	5.7	30.9

AMENDMENT NO. 1

TO

JOINT OWNERSHIP PARTICIPATION AND OPERATING AGREEMENT
RIVER BEND UNIT 1 NUCLEAR PLANT

This amendment to the Joint Ownership Participation and Operating Agreement, River Bend Unit 1 Nuclear Plant dated August 28, 1979 (hereinafter called "Agreement") is made and entered into this 3rd day of November, 1980, by and between Gulf States Utilities Company (hereinafter called "GSU"), Cajun Electric Power Cooperative, Inc. (hereinafter called "Cajun"), and Sam Rayburn G&T, Inc. (hereinafter called "Sam Rayburn").

Section 1. The parties hereby agree that the last sentence of Section 7.2 of the Agreement is amended to read as follows:

"Any confidential or proprietary information which GSU does disclose to any other Co-owner for any purpose shall be held in confidence by such Co-owner on the same terms as required of GSU by the third party, and the Co-owner shall require the same obligation of all contractors and consultants to whom such information is properly disclosed, except that such Co-owner may provide to the REA confidential or proprietary information which GSU does disclose if such information is part of information requested by the REA pursuant to the terms and conditions of any mortgage and security agreement by and between such Co-owner and the REA."

Section 2. The parties hereby agree that Section 13.2 of the Agreement is amended to read as follows:

"13.2 Equal Opportunity: During the performance of this contract, the Project Manager agrees as follows:

(1) The Project Manager will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Project Manager will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Project Manager agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Project Manager will, in all solicitations or advertisements for employees placed by or on behalf of the Project Manager, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Project Manager will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the Project Manager's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Project Manager will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

(5) The Project Manager will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(6) In the event of the Project Manager's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the Project Manager may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in

Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Project Manager will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order (with the words 'Project Manager' changed to the word 'Contractor') unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Project Manager will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Project Manager becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Project Manager may request the United States to enter into such litigation to protect the interests of the United States."

Section 3. Subject to approval by the Office of Federal Contract Compliance Programs (OFCCP), the parties agree that paragraph (6) of Section 13.2 of the Agreement (as amended in Section 2 above) shall be deleted and the following paragraph substituted therefor:

"(6) In the event of the Project Manager's non-compliance with the nondiscrimination clause of this contract, this contract will not be cancelled, terminated, or suspended in whole or in part, but the Project Manager may be declared ineligible for further Government contracts or federally assisted contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law."

This substitution shall apply only to the Agreement and shall not apply as to any prime contracts, subcontracts or other agreements entered into on behalf of the Co-owners as provided in paragraph (7) of Section 13.2 of the Agreement.

This agreement of the parties on substitution of the paragraph above shall become effective without further action by the parties upon issuance by the OFCCP or REA of written confirmation to the parties to the effect that the OFCCP has approved the substitution.

Section 4. Exhibit E to the Agreement is hereby deleted and the attached Exhibit E is hereby substituted therefor.

Section 5. This entire Amendment No. 1 is subject to acceptance or approval by any regulatory body having jurisdiction and by the Administrator of the REA.

IN WITNESS WHEREOF, the undersigned parties have duly executed
this amendment to the Agreement.

GULF STATES UTILITIES COMPANY

ATTEST:

By R. E. Ayles

Title Assistant Secretary

By Thomas R. Lee

Title President

CAJUN ELECTRIC POWER COOPERATIVE, INC.

ATTEST:

By J. S. Johnson

Title Secretary - Treasurer

By John F. Hill

Title President

SAM RAYBURN G&T, INC.

ATTEST:

By H. E. Truitt

Title Secretary-Treasurer

By Carl Morgan

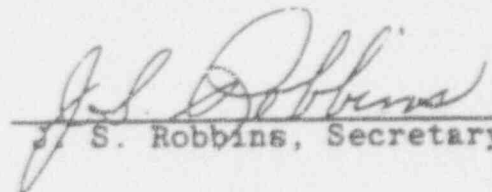
Title President

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors in special session duly convened, does hereby approve, direct and authorize the President to execute Amendment No. 1 to Joint Ownership Participation and Operating Agreement River Bend Unit 1 Nuclear Plant between Cajun Electric Power Cooperative, Inc. and Gulf States Utilities Company subject to the approval of the Administrator of the Rural Electrification Administration.

CERTIFICATE

I hereby certify that the above is a true and correct copy of the Resolution adopted by the Board of Directors of Cajun Electric Power Cooperative, Inc., at their special meeting held on November 3, 1980.


J. S. Robbins, Secretary

(Corporate Seal)

AMENDMENT NO. 2

TO

JOINT OWNERSHIP PARTICIPATION AND OPERATING AGREEMENT

RIVER BEND UNIT 1 NUCLEAR PLANT

This amendment to the Joint Ownership Participation and Operating Agreement, River Bend Unit 1 Nuclear Plant dated August 28, 1979, as heretofore amended (hereinafter called "Agreement") is made and entered into this 15th day of December, 1980, by and between Gulf States Utilities Company (hereinafter called "GSU"), Cajun Electric Power Cooperative, Inc. (hereinafter called "Cajun"), and Sam Rayburn G&T, Inc. (hereinafter called "Sam Rayburn").

Section 1. The parties hereby agree to amend Section 2.6 of the Agreement by inserting "Subject to the provisions in Section 2.6.4 for the periodic delivery of documents," before "Cajun" in the first line.

Section 2. The parties hereby agree to amend Section 2.6 of the Agreement by adding the following subsection:

"Section 2.6.4. Periodic Delivery of Documents:

- (a) Prior to the delivery of documents pursuant to Section 2.6.2, GSU, Cajun and Sam Rayburn, upon each deposit of money in the Construction and Plant Account by Cajun or Sam Rayburn pursuant to Section 2.7.1 or at such other time as GSU, Cajun or Sam Rayburn deem it desirable, will confirm and acknowledge by delivery and exchange of documents the undivided ownership interests in the

Joint Facilities, free and clear of all mortgages and encumbrances, other than Permitted Encumbrances (such confirmation and acknowledgment, free and clear of all mortgages and encumbrances, other than Permitted Encumbrances, hereinafter called the "Confirmation"), so that, as of each such deposit by Cajun and Sam Rayburn pursuant to Section 2.7.1 or at such other time the Co-owners will have confirmed the ownership by each, as tenants in common, of an undivided ownership interest in the Joint Facilities in the proportion the contributions to the Costs of Construction each Co-owner has made bear to the total Costs of Construction of the Joint Facilities incurred to the date of any Confirmation. The form of documents for such Confirmation shall be substantially as provided in Exhibit "F" of the Agreement.

(b) On or prior to the first Confirmation, GSU will have obtained a release from the lien of the GSU Mortgage (such release of lien hereinafter called the "Release") of a percentage of its ownership interest in the Joint Facilities at least equal to the percentage of the undivided ownership interest in the Joint Facilities earned by Cajun and Sam Rayburn, or either of them, since assuming responsibility for and bear all Costs of Construction as provided in Section 2.6; thereafter, GSU will, on or prior to any future Confirmation, obtain a Release of a percentage of its ownership interest in the Joint

Facilities at least equal to the percentage of the undivided ownership interest earned by Cajun and Sam Rayburn, or either of them, in the Joint Facilities since the last Confirmation. The form of Releases shall be substantially as provided in Exhibit "I-A" to this Amendment. All of Cajun's or Sam Rayburn's obligations under this Agreement to make additional payments of Costs of Construction are contingent upon GSU obtaining such Releases at the times specified above.

GSU's obligations to deliver such documents and Releases are conditioned upon Cajun and Sam Rayburn delivering Confirmations of the undivided ownership interest of GSU in all Joint Facilities and releases substantially as provided in Exhibit "I-B" from the liens of their mortgages of such GSU ownership interest as of the same date as the GSU Confirmation and release.

- (c) If GSU fails to deliver the appropriate documents it is obligated to deliver in paragraphs (a) and (b) above and does not remedy such failure within thirty (30) days after written demand to do so, Cajun or Sam Rayburn (or both of them) may elect, by written notice given to all Co-owners, to remain a Co-owner, freeze its respective contributions toward the Costs of Construction, and retain an undivided ownership interest in the Joint Facilities in the proportion the contributions to the Costs of Construction it has made are to the total

Costs of Construction of the completed Joint Facilities, and otherwise remain bound as a Co-owner under this Agreement in proportion to its ownership interest resulting from such adjustment (such action on the part of Cajun and Sam Rayburn, or either of them, hereinafter called an "Election"). In the event both Cajun and Sam Rayburn make an Election, GSU shall bear all Costs of Construction; or in the event either Cajun or Sam Rayburn makes an Election, GSU shall bear all of the proportionate share of Costs of Construction previously borne by the Co-owner choosing the Election. GSU shall, at the option of the Co-owner making an Election, reimburse such Co-owner, within ninety (90) days of receipt of a written request to do so, for all Costs of Construction contributed by such Co-owner which have not received Confirmation. GSU's ownership interest shall include that earned by it through payment and reimbursement of Costs of Construction pursuant to the preceding two sentences, and all Co-owners shall deliver to GSU appropriate Confirmations and releases of liens as to the GSU ownership interest so earned.

- (d) It is recognized that any Confirmation may of necessity be based upon preliminary, incomplete, or estimated information. The Co-owners shall execute and deliver instruments of confirmation, acknowledgment, conveyance, and transfer, together with appropriate releases or

disclaimers of liens, to reflect correctly their respective undivided ownership interests based upon actual costs and contributions. The Co-owners may make adjustments through the periodic Confirmations to correct for any prior errors. The Co-owners intend that from and after each Confirmation, GSU, Cajun and Sam Rayburn by virtue of this Agreement will each have title to the Joint Facilities as tenants in common in proportion to their respective undivided ownership interest therein earned to date, and that unless otherwise provided in this Agreement, no co-owner will have any title in or to the undivided ownership interest in the Joint Facilities owned by another Co-owner.

B.

- (e) Notwithstanding any other provision in this Section 2.6.4 or in the Agreement, in the event a Co-owner fails to perform or fails to cause to be performed all acts hereinabove set forth in this Amendment, any Co-owner shall have the right at any time, and from time to time, to sue the non-performing Co-owner for the specific performance of the act or acts which such Co-owner has failed to perform or has failed to have caused to be performed."

I Section 3. The parties hereby agree to amend Section 3.1.D of the Agreement by inserting in the fifth line of Section 3.1.D the