

[Final Execution Copy]



REVOLVING CREDIT AGREEMENT

Dated as of June 15, 1973

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ARTICLE I

DEFINITIONS

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date hereof and, as at and subsequent to the Closing Date, each Confirming Bank; collectively, the "Banks".

"Base Amount" has the meaning assigned to that term in Section 2.01(c)(ii).

"Basic Documents" means the Loan Documents, the GPU Loan Agreement, the GPU Loan Agreement Restatement and the New GPU Notes.

"Bond Pledge Agreements" means the ME Bond Pledge Agreement and, if executed and delivered, the JC Bond Pledge Agreement.

"Bonds" means the ME Bonds and the JC Bonds.

"Borrowing" means a borrowing consisting of simultaneous Advances from the Banks to any one Borrower.

"Business Day" means any day other than a Saturday, Sunday or day on which commercial banks in the State of New York are authorized by law to close.

"Closing Date" means June 20, 1979, the date upon which the Initial Advances to the Borrowers shall, subject to the terms and conditions hereof, be made.

"Collateral Agreements" means the Stock Pledge Agreement, the Bond Pledge Agreements and the Security Agreements.

"Commitment Increase Request" means a certificate of the principal financial officer of GPU substantially in the form of Exhibit J hereto.

"Confirming Bank" means each Bank which, prior to the Closing Date, has confirmed, orally or in writing (including by telex, cable or telegram), to the Agent or the Co-Agent that the Base Orders are satisfactory to it; collectively, the "Confirming Banks".

"Event of Default" has the meaning assigned to that term in Section 6.01.

"External Lender" means a Lender to a Borrower from a commercial bank which is not a Confirming Bank.

"Final Aggregate Total Commitment" means the sum of the Total Commitments of the Confirming Banks.

"GPU Loan Agreement" means the Loan Agreement, dated as of November 15, 1976, as amended by an Agreement, made as of March 20, 1979, among GPU, Citibank, Chemical Bank, Irving Trust Company, Manufacturers Hanover Trust Company and Marine Midland Bank and, upon the effectiveness of the GPU Loan Agreement Restatement, such Loan Agreement as amended and restated pursuant thereto.

"GPU Loan Agreement Restatement" means an Amendment to the Loan Agreement, dated as of November 15, 1976, as amended by an Agreement, made as of March 20, 1979, among GPU, Citibank, Chemical Bank, Irving Trust Company, Manufacturers Hanover Trust Company and Marine Midland Bank in substantially the form of Exhibit B hereto.

"Guaranties" means the JC Guaranty, the ME Guaranty, the RE Guaranty and the ServCo Guaranty.

"Indebtedness" of any Person means (i) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which such Person otherwise assures a creditor against loss, (ii) obligations under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases in respect of which obligations such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss, and (iii) unfunded vested benefits under each plan maintained for employees of such Person and covered by Title IV of the Employee Retirement Income Security Act of 1974.

"JC Bonds" means that Mortgage Bonds or JC Bonds payable to one or more indentured obligors to the certain Indenture (the "Indenture"), dated March 1, 1946, from JC to Citibank, Chemical Bank, Irving Trust Company, Manufacturers Hanover Trust Company and Marine Midland Bank, in full or in part, such bonds payable to the obligors in accordance with Section 6.01 of the Indenture, and which are covered by Title IV of the Employee Retirement Income Security Act of 1974, and a stated interest rate of 11 1/2% per annum.

"JC Bond Pledge Agreement" means a Pledge Agreement, executed by JC, in substantially the form of Exhibit D hereto.

"JC Guaranty" has the meaning assigned to that term in Section 3.01(vi)(b).

"JC Security Agreement" has the meaning assigned to that term in Section 3.01(vi)(i).

"JC Term Loan Agreement" means that certain Term Loan Agreement, dated as of May 21, 1979, as amended and restated to the date hereof, among JC, certain of the Banks and Citibank, as Agent.

"Line" means any arrangement (other than pursuant to this Agreement, the GPU Loan Agreement or the Senior Debt Documents) with any commercial bank pursuant to which such commercial bank has agreed (whether or not such agreement shall be legally enforceable) to make unsecured loans or extend credit on an unsecured basis to one or more Borrowers up to a specified amount either on a demand basis or for periods of not in excess of 270 days or any similar financing arrangement commonly known as a "line of credit". The principal amount of indebtedness outstanding under Lines as at May 31, 1979, specified by Borrower and by lending bank is set forth on Schedule II hereto.

"Loan Documents" means this Agreement, the Notes, the Guaranties and the Collateral Agreements.

"Loan Limit" means at any time in the case of:

(a) GPU, \$75,000,000 as at the date hereof and, subsequent to the date hereof, such increased amount not in excess of \$150,000,000 as shall be from time to time consented to in writing by the Super Majority Banks subsequent to the receipt by the Agent of a Commitment Increase Request in respect thereof;

(b) JC, \$139,000,000 plus the Additional JC Amount;

(c) ME, \$125,000,000 or such other amount (presently \$90,000,000) not in excess of \$125,000,000 as the SIC may from time to time authorize by appropriate order, a copy of which order or orders, certified by the Secretary of ME, together with a favorable opinion with respect thereto of Messrs. Berlack, Israels & Liberman, counsel to ME, shall

be delivered to the Agent, in sufficient copies for the Banks, prior to any Borrowing by ME which would cause the outstanding Indebtedness of ME hereunder to exceed the theretofore authorized amount; provided, however, that the ME Loan Limit in effect from time to time shall be reduced by an amount equal to the amount, if any, by which the principal amount of ME Bonds pledged to the Co-Agent pursuant to the ME Bond Pledge Agreement from time to time shall be less than \$40,000,000; and

(d) PE, \$116,000,000.

"Majority Banks" means at any time Banks holding at least 66 2/3% of the then aggregate unpaid principal amount of the Notes held by Banks, or, if no such principal amount is then outstanding, having at least 66 2/3% of the Aggregate Total Commitment; provided, however, that with respect to the Co-Agent acting under or in respect of any Collateral Agreement, "Majority Banks" means at any time Banks holding at least 66 2/3% of the then aggregate unpaid principal amount of Secured Debt.

"ME Bonds" means First Mortgage Bonds of ME issued pursuant to one or more indentures supplemental to that certain Indenture (the "ME Indenture"), dated November 1, 1944, from ME to Morgan Guaranty Trust Company of New York (formerly Guaranty Trust Company of New York), Trustee, which bonds, in the case of any such bonds pledged to the Co-Agent in accordance with Section 3.01(vi)(g), shall have a stated maturity of October 1, 1981, and a stated interest rate of 11% per annum.

"ME Bond Pledge Agreement" has the meaning assigned to that term in Section 3.01(vi)(g).

"ME Guaranty" has the meaning assigned to that term in Section 3.01(vi)(c).

"ME Security Agreement" has the meaning assigned to that term in Section 3.01(vi)(h).

"NJCBPU" means the Board of Public Utilities of the State of New Jersey.

"New GFC Notes" means the promissory notes of GFC in substantially the form of Exhibit A-1 to the GFC Loan Agreement Restatement issued to Citibank, Chemical Bank, Irving Trust Company, Manufacturers Hanover Trust Company and Marine Midland Bank in connection with the effectiveness of the GFC Loan Agreement Restatement.

"New Note Issue Date" has the meaning assigned that term in Section 2.02.

"Note" means each promissory note of any Borrower to the order of a Bank evidencing the Indebtedness of such Borrower hereunder to such Bank in substantially the form of Exhibit A-1, Exhibit A-2, Exhibit A-3 or Exhibit A-4 hereto, respectively, and issued pursuant to Section 2.02 and Article III.

"PaPUC" means the Pennsylvania Public Utility Commission.

"PE Guaranty" has the meaning assigned to that term in Section 3.01(vi)(d).

"Percentage" means, for each Bank, a percentage equal to a fraction of which the numerator is such Bank's Total Commitment and the denominator is the Final Aggregate Total Commitment.

"Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organization or other juridical entity, or a government or any agency or political subdivision thereof.

"Rate Orders" has the meaning assigned, to that term in Section 3.01(vii).

"SEC" means the Securities and Exchange Commission.

"Secured Debt" means, as to any Collateral Agreement, the Indebtedness purported to be secured thereby.

"Security Agreements" means the ME Security Agreement and the JC Security Agreement.

"Senior Debt" means Indebtedness of a Borrower under a Senior Debt Document.

"Senior Debt Document" means any of those agreements and other documents listed on Schedule I hereto, as such agreements and other documents may be supplemented from time to time.

"ServCo Guaranty" has the meaning assigned to that term in Section 3.01(vi)(e).

"Stock Pledge Agreement" has the meaning assigned to that term in Section 1.01(vi)(5).

"Super Majority Banks" means at any time Banks holding at least 85% of the then aggregate unpaid principal amount of the Notes held by Banks, or, if no such principal amount is then outstanding, having at least 85% of the Final Aggregate Total Commitment.

"Termination Date" means the earlier of October 1, 1981, or the date on which the Total Commitments are terminated in whole pursuant to Section 2.05 or Section 6.01.

"Trustee Bank" has the meaning assigned to that term in Section 2.01(c).

"Total Commitment" means for each Bank, the amount set opposite such Bank's name on the signature pages of the counterparts hereof executed by such Bank.

"Utility Act" means the Public Utility Holding Company Act of 1935.

SECTION 1.02. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES; REFUNDINGS; AVAILABILITY

SECTION 2.01. (a) The Advances. Subject to the provisions of subsections (b) and (c), below, each Bank severally agrees, on the terms and conditions provided herein, to make Advances (the "Advances") to any Borrower from time to time during the period from and including the Closing Date to the Termination Date, provided that immediately after giving effect to each Advance the aggregate outstanding amount of Advances by each Bank to all Borrowers shall not exceed such Bank's Total Commitment. Each Borrowing under this Section 2.01 shall be in an aggregate amount of \$1,000,000 or an integral multiple thereof (provided, however, that, in

respect of each Borrower, the initial Borrowing shall be in an aggregate amount which is not less than the aggregate principal amount of the indebtedness of such Borrower to the Banks outstanding on the date thereof under the Lines from the Banks to such Borrower and, in the case of JC, shall be in an additional amount equal to the aggregate principal amount of the indebtedness of JC then outstanding under the JC Term Loan Agreement). Except as provided in Section 2.01(c), each Borrowing shall consist of Advances made on the same day by the Banks, each in the amount of their respective Percentages of the aggregate amount of such Borrowing. Within the limits of this Section 2.01, each Borrower may borrow, prepay pursuant to Sections 2.06 or 2.07 and reborrow under this Section 2.01.

(b) Incremental Availability of the Final Aggregate Total Commitment. Subject to the other terms and conditions hereof, the Final Aggregate Total Commitment shall be available to the Borrowers as follows:

(i) as at the Closing Date, there shall be available to the Borrowers the Final Aggregate Total Commitment less \$120,000,000; and

(ii) upon the written consent of the Super Majority Banks, subsequent to the receipt by the Agent of a Commitment Increase Request in respect thereof, there shall be available to the Borrowers such additional amount not in excess of \$120,000,000 as shall be specified in such consent.

(c) Certain Advances to JC and ME. With respect to Advances to JC by Citibank or to ME by Morgan Guaranty Trust Company of New York (each such Bank in respect of the applicable such Borrower being the "Trustee Bank"), the initial Borrowing by each such Borrower shall include an Advance by the Trustee Bank in an amount which is the greater of (i) the aggregate principal amount of the indebtedness of such Borrower to the Trustee Bank to be paid pursuant to Section 2.11 (the "Base Amount") and (ii) the Trustee Bank's Percentage of the aggregate amount of such Borrowing. In the event that clause (i) of the preceding sentence shall be applicable in respect of a Borrowing: (x) the Banks other than the Trustee Bank shall make available (in proportion to their respective Percentages) Advances to the applicable Borrower on the same day in an aggregate amount equal to the aggregate amount of such Borrowing less the applicable Base Amount; (y) subsequent Borrowings by such Borrower shall consist of Advances in proportion to their respective Percentages) Advances on the same

day by such other Banks to such Borrower until the Trustee Bank's Percentage of the aggregate principal amount of the Indebtedness of such Borrower outstanding hereunder is equal to the applicable Base Amount; and (z) thereafter, Borrowings by such Borrower shall consist of Advances made on the same day by the Banks (including the Trustee Bank), each in the amount of their respective Percentages of such Borrowing or remaining (giving effect to clause (y), above) portion thereof.

SECTION 2.02. The Notes and Refundings. The Advances will be evidenced by, and each Borrower shall repay the principal of each Advance and interest thereon in accordance with, the Notes received by the Banks pursuant to Article III, initially pursuant to Section 3.01(vi)(a). The Borrowers may, on the dates specified below (each a "New Note Issue Date"), issue, and the Banks hereby agree, subject to the terms and conditions provided for herein, to accept new Notes payable to the Banks on the dates specified below:

<u>New Note Issue Date</u>	<u>Payable On</u>
October 1, 1979	April 1, 1980
April 1, 1980	October 1, 1980
October 1, 1980	April 1, 1981
April 1, 1981	October 1, 1981.

New Notes issued and accepted hereunder shall, as at each New Note Issue Date, be deemed to constitute satisfaction in full of the obligation of the respective Borrowers to repay on such New Note Issue Date the Indebtedness evidenced by the Notes theretofore outstanding, and such Indebtedness will thereupon be evidenced by the new Notes issued and accepted on such New Note Issue Date (and upon such issuance and acceptance, the former Notes shall no longer be deemed outstanding).

SECTION 2.03. Making the Advances. Each Advance (except the initial Advances, which shall, subject to the terms and conditions hereof, be made on June 20, 1979) shall be made on at least five Business Days' written notice to the Agent (which shall give prompt notice thereof, and of each other notice received from any Borrower hereunder, to

each Bank) signed by a duly authorized officer of such Borrower stating the identity of the Borrower to which the Advances are to be made and the requested amount and date of such Advances. Not later than 11:00 A.M. (New York City time) on the date of such Borrowing, each Bank shall make available to the Agent at its address referred to in Section 3.02, in immediately available funds, an amount equal to such Bank's Advance in respect of such Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower designated in such notice to receive such Advances in immediately available funds at the Agent's aforesaid address.

SECTION 2.04. Fees. (a) Commitment Fee. The Borrowers agree to pay to each Confirming Bank a commitment fee on such Bank's Total Commitment (whether used or unused and whether or not available) from the Closing Date until the Termination Date at the rate of $1/2$ of $1\frac{1}{2}$ per annum, payable in arrears on the first day of each calendar month commencing August 1, 1979, and on the Termination Date.

(b) Administration Fee. The Borrowers agree to pay to the Co-Agent for its own account and the account of the Agent, as they shall agree, an administration fee of \$100,000 per annum from the Closing Date until the Termination Date payable in advance in consecutive quarterly installments of \$25,000 each on the Closing Date, and thereafter on the first day of October, January, April and July in each year, commencing October 1, 1979.

(c) Fee Allocation Among Borrowers. The Borrowers' respective obligations in respect of fees pursuant to this Section 2.04 and costs, expenses and taxes pursuant to Section 3.04 shall be determined by agreement among themselves and specified in a certificate signed by the principal financial officer of each Borrower delivered to the Agent and the Co-Agent on or prior to the Closing Date. Such certificate shall be conclusively binding upon each Borrower; provided, however, that, if no Event of Default, or event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default, shall have occurred and be continuing, a substitute certificate may be delivered from time to time by the Borrowers which shall, upon its delivery, be conclusively binding upon each Borrower until a further substitute certificate is delivered as aforesaid; provided, further, however, that GAC shall be liable in respect of all

such fees and costs, expenses and taxes to the extent that any obligation of any other Borrower in respect thereof is unenforceable or unpaid for any reason or in the event that no such certificate is furnished.

SECTION 2.05. Reduction of Total Commitments and Loan Limits. The Total Commitment of each Bank shall be reduced, upon at least five Business Days' written notice to the Agent, signed by a duly authorized officer of each Borrower, by such Bank's Percentage of the amount specified in such notice by which such Borrower's Loan Limit is to be reduced and, at the same time, such Borrower's Loan Limit shall be reduced by such amount; provided, however, that each partial reduction shall be in the aggregate amount of \$5,000,000 or an integral multiple thereof.

SECTION 2.06. Optional Prepayments. Any Borrower may, upon at least five Business Days' written notice to the Agent signed by a duly authorized officer of such Borrower, prepay the outstanding Notes issued by such Borrower in whole or ratably in part with accrued interest to the date of such prepayment on the amount prepaid, provided that each partial prepayment shall be in an aggregate principal amount not less than \$5,000,000. Each such prepayment shall, upon the giving of such notice, be and become due and payable upon the date specified in such notice.

SECTION 2.07. Mandatory Prepayments. (a) In the event that any Borrower shall sell any of its property or assets (other than in the ordinary course of its business as conducted on the date hereof) or any of its debt securities or shall otherwise after the date hereof create or incur any Indebtedness (other than hereunder or as permitted hereby or under External Lines), such Borrower shall give the Agent written notice thereof not less than five Business Days prior to such Borrower's first receipt of the proceeds therefrom (the "Proceeds") and shall, immediately upon its receipt of the Proceeds for its account (unless, in the case of JC, ME and PE, such Proceeds are required to be deposited with the Trustee under such Borrower's First Mortgage Bond Indenture and are not released) prepay the Notes of such Borrower in an amount equal to the lesser of the Proceeds or the then unpaid principal amount of the outstanding Notes issued by such Borrower, together with interest accrued thereon to the date of such prepayment; provided, however, that Proceeds shall not include (i) capital contributions and/or loans made by GPU to JC, ME or PE, (ii) proceeds of the sale or assignment of nuclear material or of contracts

in respect of nuclear material if such nuclear material or contracts have not been pledged or assigned to secure Indebtedness hereunder or under the Notes or (iii) proceeds of sales of debt securities so long as such debt securities are expressly and effectively subordinated to the Indebtedness hereunder on terms acceptable to the Majority Banks. Each such prepayment shall, upon the giving of such notice, be and become due and payable upon the date specified in such notice.

(b) In the event that at any time the aggregate unpaid principal amount of the Advances to a Borrower shall be or become in excess of its Loan Limit, such Borrower shall immediately make a prepayment of the Notes in an amount equal to at least the amount of such excess, plus interest accrued on the amount prepaid to the date of such prepayment.

SECTION 2.08. Payments and Computations. Each Borrower shall give to the Agent not less than 24 hours notice (which notice may be oral) of each payment under any Loan Document (other than regularly scheduled payments of interest, principal and fees) and shall make each such payment not later than 10:00 A.M. (New York City time) on the day when due in lawful money of the United States of America to the Agent (but, in the case of fees pursuant to Section 2.04, to the Co-Agent) at its address referred to in Section 8.02 in immediately available funds. The Agent or the Co-Agent, as the case may be, will promptly thereafter distribute to each Bank its ratable share of each such payment received by it for the account of the Banks. Each Borrower hereby authorizes each Bank, if and to the extent payment owed to such Bank is not made when due under any Loan Document, to charge from time to time against any account of such Borrower with such Bank any amount so due. All computations of interest under the Notes and commitment fee hereunder shall be made on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days (including the first day but excluding the last day) elapsed.

SECTION 2.09. Payment on Non-Business Days. Whenever any payment to be made hereunder or under the Notes shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fee, as the case may be.

SECTION 2.10. Sharing of Payments, Etc. If any Bank shall obtain any payment or any collateral (whether

voluntary, involuntary, through the exercise of any right of set-off, through operation of the Bankruptcy Act or otherwise) on account of the Notes held by it in excess of its ratable share of payments and collateral on account of the Notes obtained by all the Banks, such Bank shall purchase from the other Banks such participations in the Notes held by them or shall provide such Banks with shares of the benefits of any collateral (including cash collateral, as defined in the Bankruptcy Act) or any proceeds resulting from such collateral, as the case may be, as shall be necessary to cause such purchasing or benefited Bank to share the excess payment or the benefits of such collateral or such proceeds ratably with each of them, provided, however, that if all or any portion of any such excess payment is thereafter recovered from such purchasing Bank, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest. Each Bank agrees to apply any amount received by it through the exercise of any right of set-off which such Bank may have first to amounts outstanding hereunder and under the Notes, after giving continuing effect to the foregoing sentence. Each Borrower agrees that any Bank so purchasing a participation from another Bank pursuant to this Section 2.10 may exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of such Borrower in the amount of such participation.

SECTION 2.11. Use of Proceeds. The proceeds of the initial Borrowings shall be applied, forthwith upon their availability, to the extent necessary to pay in full the then outstanding principal amount under all Lines to the Borrowers from the Banks and, in the case of JC, to pay in full the aggregate principal amount of the indebtedness of JC then outstanding under the JC Term Loan Agreement (upon the making of which payment, the obligations of the banks parties to the JC Term Loan Agreement to make advances thereunder shall terminate).

ARTICLE III CONDITIONS PRECEDENT TO ADVANCES

SECTION 3.01. Condition Precedent to Initial Advances. The initial borrowing by each Borrower shall occur coincidentally with the initial borrowings by the other Borrowers, and the obligation of each Bank to make its initial Advance to each of the Borrowers is subject to the conditions

precedent that: (i) all interest and other amounts accrued to the date of such Borrowings in respect of all Lines to the Borrowers from the Banks shall have been paid; (ii) all interest and commitment fees accrued to the date of such Borrowings in respect of the Indebtedness of JC under the JC Term Loan Agreement shall have been paid; (iii) the fee provided for in Section 2.04(b) shall have been paid; (iv) the certificate provided for in Section 2.04(c) shall have been delivered; (v) all interest accrued to the date of such Borrowings under the GPU Loan Agreement and the promissory notes issued thereunder shall have been paid; (vi) the Agent shall have received on or before the day of such Advances the following, each dated such day, in form and substance satisfactory to the Agent and the Co-Agent and (except for the Notes, the GPU Loan Agreement Restatement and the New GPU Notes and the items furnished pursuant to clauses f(i-ii), g(i-ii), h(i-iii) and i(i-iii), below) in sufficient copies for each Bank:

(a) A Note of each Borrower payable to the order of each Bank;

(b) A guaranty of the Indebtedness of JC hereunder, duly executed by GPU, in substantially the form of Exhibit B hereto (the "JC Guaranty");

(c) A guaranty of the Indebtedness of ME hereunder, duly executed by GPU, in substantially the form of Exhibit B hereto (the "ME Guaranty");

(d) A guaranty of the Indebtedness of PE hereunder, duly executed by GPU, in substantially the form of Exhibit B hereto (the "PE Guaranty");

(e) A guaranty of certain Indebtedness of GPU Service Corporation, duly executed by GPU, in substantially the form of Exhibit B hereto (the "ServCo Guaranty");

(f) A Pledge Agreement, duly executed by GPU, in substantially the form of Exhibit C hereto (the "Stock Pledge Agreement"), together with:

(i) certificates representing the Pledged Share referred to in the Stock Pledge Agreement and undated stock powers for such certificates executed in blank; and

(ii) evidence that all other actions necessary or, in the opinion of the Agent, desirable to perfect and protect the security interests created by the Stock Pledge Agreement have been taken.

(g) A Pledge Agreement, duly executed by ME, in substantially the form of Exhibit D hereto (the "ME Bond Pledge Agreement"), together with:

(i) not less than \$40,000,000 principal amount of ME Bonds in bearer form or registered in the name of the Co-Agent or its nominee;

(ii) evidence that all other actions necessary or, in the opinion of the Agent, desirable to perfect and protect the security interests created by the ME Bond Pledge Agreement have been taken;

(h) A Security Agreement, duly executed by ME, in substantially the form of Exhibit E hereto (the "ME Security Agreement"), together with:

(i) acknowledgment copies of proper Financing Statements (Form UCC-1) duly filed under the respective Uniform Commercial Codes of the State of Oklahoma and the Commonwealth of Pennsylvania in the Office of the County Clerk of Oklahoma County, Oklahoma, and in the Office of the Secretary of the Commonwealth of Pennsylvania, respectively;

(ii) a certified copy of a Uniform Commercial Code Certificate of Search of the Secretary of the Commonwealth of Pennsylvania, listing the Pennsylvania Financing Statement referred to above in clause (i) and all other effective Financing Statements which name ME (under its present name and any previous name) as debtor filed with the Secretary of the Commonwealth of Pennsylvania and a certified copy of an abstractor's report listing the Oklahoma Financing Statement referred to above in clause (i) and all other effective Financing Statements which name ME (under its present name and any previous name) as debtor filed with the County Clerk of Oklahoma County, Oklahoma, together, in each case, with copies of such Financing Statements (none of which shall cover the collateral purported to be covered by the ME Security Agreement); and

(iii) a consent of Kerr-McGee Nuclear Corporation to the ME Security Agreement and the transactions contemplated thereby;

(i) An Amended and Restated Security Agreement, duly executed by JC, in substantially the form of Exhibit 7 hereto (the "JC Security Agreement"), together with:

(i) acknowledgment copies of proper Financing Statements (Form UCC-1) duly filed under the respective Uniform Commercial Codes of the States of New Jersey and Oklahoma in the Office of the Secretary of State of the State of New Jersey and in the Office of the County Clerk of Oklahoma County, Oklahoma, respectively;

(ii) a certified copy of a Uniform Commercial Code Certificate of Search of the Secretary of the State of New Jersey, listing the New Jersey Financing Statement referred to above in clause (i) and all other effective Financing Statements which name JC (under its present name and any previous name) as debtor filed with the Secretary of State of New Jersey and a certified copy of an abstractor's report listing the Oklahoma Financing Statement referred to above in clause (i) and all other effective Financing Statements which name JC (under its present name and any previous name) as debtor filed with the County Clerk of Oklahoma County, Oklahoma, together, in each case, with copies of such Financing Statements (none of which shall cover the collateral purported to be covered by the JC Security Agreement, except such as may have been filed in favor of certain of the Banks in connection with the JC Security Agreement prior to its amendment and restatement); and

(iii) a consent of Kerr-McGee Nuclear Corporation to the JC Security Agreement and the transactions contemplated thereby;

(j) The GPU Loan Agreement Restatement, executed by each of the parties hereto;

(k) A New GPU Note payable to the order of each of Citibank, Chemical Bank, Irving Trust Company, Manufacturers Hanover Trust Company and Marine Midland Bank, respectively;

(l) Federal Reserve Forms U-1 provided for in Regulation U issued by the Board of Governors of the Federal Reserve System, the statements made in which shall be such, in the opinion of the Agent, as to permit the transactions contemplated hereby in accordance with said Regulation U;

(m) Copies of all necessary governmental approvals with respect to the Basic Documents, including, without limitation, appropriate orders of the SEC under the Utility Act and of the NJBPU and of the PaPUC in connection with the Basic Documents and the transactions contemplated thereby, including the borrowings under this Agreement and the GPU Loan Agreement, in each case certified by the Secretary or an Assistant Secretary of the applicable Borrower;

(n) Copies of resolutions adopted by the Board of Directors of each Borrower approving each Basic Document to which it is or is to be a party, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to each such Basic Document, certified by the Secretary or an Assistant Secretary of each Borrower;

(o) A certificate of the Secretary or an Assistant Secretary of each Borrower certifying the names and true signatures of the officers of such Borrower authorized to sign each Basic Document to which it is or is to be a party and the other documents to be delivered by it hereunder;

(p) A favorable opinion of Messrs. Berlack, Israels & Liberman, counsel for the Borrowers, in substantially the form of Exhibit G hereto and as to such other matters as any Bank through the Agent may reasonably request;

(q) A favorable opinion of Messrs. Shearman & Sterling, special counsel for the Banks, in substantially the form of Exhibit H hereto; and

(vii) the Agent shall have received on or before the day of such Advances and in sufficient copies for each of the Banks copies, in each case certified by the Secretary or an Assistant Secretary of the applicable Borrower, of appropriate orders (which orders (the "Rate Orders") shall be satisfactory to each Bank), in the case of JC, of the NJBPU and, in the case of ME and PE, of the PaPUC with respect to the rates which such Borrowers may charge their respective customers.

SECTION 3.02. Conditions Precedent to All Advances and to the Acceptance of New Notes. The obligation of each Bank to make an Advance on the occasion of each Borrowing (including each Borrower's initial Borrowing) or to accept a new Note on a New Note Issue Date shall be subject to the further conditions precedent that on such date:

(a) the following statements shall be true and the Agent shall have received for the account of such Bank certificates (each a "Borrowing Certificate") signed by a duly authorized officer of each Borrower, dated such date, stating that:

(i) the representations and warranties of such Borrower contained in each of the Basic Documents are correct on and as of the date of such Borrowing as though made on and as of such date;

(ii) no event has occurred and is continuing, or would result from such Borrowing or the issuance of such Note, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both; provided, however, that no such Borrowing Certificate need advert to an Event of Default under Section 6.01(g) following a determination of the Majority Banks in accordance with Section 3.06 or otherwise, unless notice thereof has been received by such Borrower; and

(iii) giving effect to such Borrowing and the application of its proceeds, the unpaid principal amount of such Borrower's Notes does not exceed such Borrower's Loan Limit;

(b) there shall not have been a determination by the Majority Banks in accordance with Section 3.06 or otherwise that the revenues to be available to such Borrower will be insufficient to assure its ongoing financial viability;

(c) there shall not have been a determination by the Majority Banks in accordance with Section 3.06 or otherwise that there has occurred a change in the financial condition or prospects of such Borrower since May 29, 1979, which is material and adverse and substantially increases the risk that the Notes issued by such Borrower will not be repaid when due;

(d) the Agent and the Co-Agent shall have received such other approvals, opinions or documents as any Bank through the Agent may reasonably request.

SECTION 3.03. Additional Conditions Precedent to Acceptance of Notes on Each New Note Issue Date. The obligation of each Bank to accept a new Note on a New Note Issue Date shall be subject to the further conditions precedent that the Agent shall have received for the account of such Bank a new Note, dated such date, and payable on the first day of April or October next following drawn to the order of such Bank duly executed by such Borrower and a favorable opinion, dated such date, of Messrs. Berlack, Israels & Liberman, counsel to the Borrowers, confirming their opinion delivered pursuant to Section 3.01(vi)(p), with references therein to the Notes of such Borrower to mean the new Notes issued on such New Note Issue Date.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrowers. Each Borrower represents and warrants as at the Closing Date and as of the date of each Borrowing and on each New Note Issue Date with respect to itself as follows:

(a) Such Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

(b) The execution, delivery and performance by such Borrower of each Loan Document to which it is or is to be a party are within such Borrower's corporate powers, have been duly authorized by all necessary corporate action, do not contravene (i) such Borrower's charter or by-laws or (ii) law or any contractual restriction binding on or affecting such Borrower, and do not result in or require the creation of any lien, security interest or other charge or encumbrance (other than pursuant to the Collateral Agreements to which it is or is to be a party) upon or with respect to any of its properties.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by such Borrower of any Loan Document to which it is or is to be a party except for (i) in the case of each Borrower, appropriate orders of the SEC under the Utility Act, (ii) in the case of JC, an appropriate order or orders of the NJBPU and (iii) in the case of each of ME and PE, an appropriate order or orders of the PAPUC, each of which orders has been obtained, is in full force and effect and is sufficient for its purpose.

(d) This Agreement is, and each other Loan Document to which such Borrower is to be a party when delivered hereunder will be, legal, valid and binding obligations of such Borrower enforceable against such Borrower in accordance with their respective terms.

(e) The balance sheets of such Borrower and its subsidiaries as at December 31, 1978, and the related statements of income and retained earnings of such Borrower and its subsidiaries for the fiscal year then ended, copies of which have been furnished to each Bank, fairly present the financial condition of such Borrower and its subsidiaries as at such date and the results of the operations of such Borrower and its subsidiaries for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied, and since December 31, 1978, there has been no material adverse change in such condition or operations except such as shall have occurred in connection with or a result of the accident incident at the Three Mile Island facility which commenced on March 28, 1979, and since May 29, 1979, there has been no material adverse change in such condition or operations.

(f) There has not been any failure by such Borrower to file at or prior to the time required any reports or other filings with any regulatory authority having jurisdiction over it which would materially adversely affect its business or financial condition.

(g) No proceeds of any Advance will be used to acquire any security in any transaction which is subject to Sections 13 and 14 of the Securities Exchange Act of 1934.

(h) Such Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(i) The outstanding principal amount of its Senior Debt as at the date hereof is as specified on Schedule I hereto.

(j) No "Reportable Event" (as that term is used in subsections (1) through (8) of Section 4043(b) of Title IV of the Employee Retirement Income Security Act of 1974 ("ERISA")) has occurred or is continuing with respect to the following: any employee benefit plan or other plan which is covered by Title IV of ERISA and (a) which is maintained for employees of such Borrower, or (b) with respect to which such Borrower has withdrawn during a plan year for which it was a substantial employer as defined under Title IV of ERISA. In addition, such Borrower has not terminated nor is it aware of any determination by the Pension Benefit Guaranty Corporation that there is a need to terminate any plan described in the preceding sentence.

ARTICLE V
COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. Each Borrower covenants that it will, so long as any Note shall remain unpaid or any Bank shall have any obligation to make Advances hereunder, unless the Super Majority Banks shall otherwise consent in writing:

(a) Payment of Taxes, Etc. Pay and discharge all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any properties of such Borrower, provided it shall not be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings.

(b) Performance and Compliance with Other Agreements. Perform and comply with each of the material provisions of each material indenture, credit agreement, contract or other agreement by which such Borrower is bound, non-performance or non-compliance with which would have a material adverse effect upon its business or credit or in any way affect its ability to perform its obligations hereunder except material contracts or other agreements being contested in good faith.

(c) Preservation of Corporate Existence, Etc. Preserve and maintain its corporate existence in the jurisdiction of its incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is necessary or desirable in view of its business and operations or the ownership of its properties and preserve its rights, franchises and privileges to conduct its business substantially as conducted on the date hereof.

(d) Compliance with Laws, Etc. Comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, non-compliance with which would have a material adverse effect upon its business or credit or in any way affect

its ability to perform its obligations hereunder except laws, rules, regulations and orders being contested in good faith.

(e) Maintenance of Insurance. Maintain insurance with responsible and reputable insurance companies or associations in such amounts as is available to such Borrower covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties (including, without limitation, the operation and ownership of nuclear generating facilities) in the same general areas in which it or they operate.

(f) Maintenance of Retained Earnings. Maintain at all times retained earnings of not less than, in the case of GPU and its subsidiaries on a consolidated basis, \$300,000,000 and, in the case of each of JC, ME and PE on an unconsolidated basis, \$1.00.

(g) Indebtedness Under External Lines. Will maintain at all times Indebtedness under such Borrower's External Lines in an aggregate outstanding principal amount of not less than the amount of such Indebtedness outstanding as at the Closing Date (less \$1,000,000 in the case of JC, \$1,000,000 in the case of ME and \$2,000,000 in the case of PE); provided, however, that if and for so long as the principal amount of Indebtedness of such Borrower outstanding under this Agreement shall be less than the amount of such Borrower's initial Borrowing then the aggregate outstanding principal amount of Indebtedness under such Borrower's External Lines which such Borrower is required by this subsection (g) to maintain shall be an amount not less than the net amount specified above for such Borrower multiplied by a fraction whose numerator shall be the principal amount of Indebtedness of such Borrower outstanding under this Agreement at the time of any such determination and whose denominator shall be the amount of such Borrower's initial Borrowing.

(h) Visitation Rights. At any reasonable time and from time to time, permit the Agent, the Co-Agent or any Bank or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, such Borrower and to discuss the affairs, finances and accounts of such Borrower with any of its officers or directors.

SECTION 5.02. Negative Covenants of the Borrowers.
Each Borrower covenants that it will not, so long as any Note shall remain unpaid or any Bank shall have any obligation to make Advances hereunder, without the prior written consent of the Super Majority Banks:

(a) Liens, Etc. Create any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its properties or rights, whether now owned or hereafter acquired, or assign any right to receive income, services or property, except that the foregoing restrictions shall not apply to mortgages, deeds of trust, pledges, liens, security interests, or other charges or encumbrances or any other type of preferential arrangement created by the Loan Documents or the Senior Debt Documents or:

(i) existing on the date hereof;

(ii) created by the Senior Debt Documents; provided, however, that no mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance or other type of preferential arrangement created by or in respect of any Senior Debt Document shall extend to or cover property of any type which is excluded therefrom on the date hereof;

(iii) for taxes, assessments or governmental charges or levies on property of such Borrower if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings;

(iv) imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business;

(v) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation; or

(vi) arising out of purchase money mortgages or other liens on property acquired by such Borrower in the ordinary course of business to secure the purchase price of such property or to secure Indebtedness incurred solely for the purpose of financing the acquisition of any such property to be subject to such mortgages or other liens, or mortgages or other liens existing on any such property at the time of acquisition, or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided that no such mortgage or other lien shall extend to or cover any property other than the property being acquired, and no such extension, renewal or replacement shall extend to or cover any property not theretofore subject to the mortgage or lien being extended, renewed or replaced.

(b) Indebtedness. Create or suffer to exist any Indebtedness, except:

(i) Indebtedness of such Borrower hereunder or under the Notes;

(ii) Indebtedness directly secured by liens permitted by Section 3.02(a);

(iii) Indebtedness under Senior Debt Documents;

(iv) Prior to the Closing Date, Indebtedness under the JC Term Loan Agreement;

(v) Prior to the Closing Date, Indebtedness of such Borrower under Lines from the Banks;

(vi) Indebtedness of such Borrower under External Lines;

(vii) Indebtedness arising from the deferral of the purchase price of certain mobile transformers purchased by the Borrowers from Brown Boveri Corporation;

(viii) Indebtedness which is expressly and effectively subordinated to the Indebtedness hereunder and under the Notes on terms acceptable to the Majority Banks;

(ix) Indebtedness arising from the purchase in the ordinary course of its business as conducted on the date hereof of fuel, supplies and services with respect to which no assertion that such Indebtedness is delinquent in payment has been made and outstanding for more than 60 days, unless such Borrower is contesting such assertion in good faith and by appropriate proceedings; or

(x) Indebtedness in respect of unfunded vested benefits under each plan maintained for employees of such Borrower and covered by Title IV of the Employee Retirement Income Security Act of 1974.

(c) Lease Obligations. Create, incur, assume or suffer to exist any obligations as lessee (other than lease obligations included in Indebtedness) (i) for the rental or hire of production, transmission or distribution property or fossil fuel in connection with any sale and leaseback transaction except transactions relating to air or water pollution control facilities, or (ii) for the rental or hire of personal property of any kind under leases or agreements to lease for a period of one year or more which would cause the annual rental payments in respect of all such obligations payable in any period of 12 consecutive months to exceed \$10,000,000.

(d) Assumptions, Guaranties, Etc. of Indebtedness of Other Persons. Assume, guarantee, endorse or otherwise become directly or contingently liable (including, without limitation, liable by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to or otherwise invest in the debtor or otherwise to assure the creditor against loss) in connection with any obligation or Indebtedness of any other Person, except (i) guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) guaranties of GC of obligations of the Florence Mining Company to General Electric Credit Corporation, (iii) obligations to pay insurance premiums, (iv) the Guaranties, (v) guaranties existing on the date hereof, (vi) guaranties by GPU of obligations of any Borrower for the purchase or use of property (including, but not limited to, fuel) or services, (vii) indemnifications of any Borrower or GPU or GPU Service Corporation

for the benefit of suppliers and contractors of property or services to any Borrower (other than GPU) with respect to nuclear material and facilities, and (viii) guaranties by GPU of Indebtedness of ME under External Lines in amounts not exceeding those outstanding under such External Lines on the Closing Date.

(e) Mergers, Etc. Merge or consolidate with any Person sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all of its assets or properties, including its receivables (whether now owned or hereafter acquired) or any material asset or property (it being agreed that (i) the capital stock or assets of any wholly-owned (except for qualifying shares) subsidiary of such Borrower is a material asset or property and (ii) any nuclear material or any contract in respect of any nuclear material which has not been pledged or assigned to secure Indebtedness hereunder or under the Notes is not a material asset or property) to any Person, except pursuant to the Loan Documents, unless such disposition is effected for fair value in cash and such Borrower's Indebtedness hereunder is prepaid in an amount equal to the proceeds of any such disposition, or agree to do any of the foregoing.

(f) Investments in Other Persons. Make any loan or advance to any Person or purchase or otherwise acquire the capital stock, assets or obligations of, or any interest in, any Person except:

(i) in the ordinary course of such Borrower's business as presently conducted or as may arise in the course of transactions permitted by Section 5.02(d),

(ii) short-term readily marketable obligations of the kind in which such Borrower's Board of Directors has authorized investment on the date hereof,

(iii) loans or advances to, or purchases or acquisitions of the capital stock, assets or obligations of, any wholly-owned (except for qualifying shares) subsidiary of such Borrower, and

(iv) in the case of PE, loans or advances to, or purchases or acquisitions of the capital stock,

assets or obligations of, The Helen Mining Company or Helvetia Coal Company, the principal amount of, or purchase price for, which shall not exceed \$5,000,000 in respect of each such company in any year.

(g) Prepayment of External Lines. Use the proceeds of any Advance to make any payment on or in respect of Indebtedness of such Borrower under External Lines.

(h) Prepayment of GPU Loan Agreement. In the case of GPU, make any prepayment in any amount of the Indebtedness of GPU under the GPU Loan Agreement or the New GPU Notes, other than pursuant to an acceleration of such Indebtedness.

SECTION 5.03. Negative Covenant of GPU. GPU covenants that it will not, without the prior written consent of the Super Majority Banks, use the proceeds of any Advance made to it hereunder (a) for the purpose of making any capital contribution or loan to, of acquiring any equity or debt security of, or of paying directly or indirectly any obligation or liability of, any Borrower unless the aggregate amount of Advances to such Borrower outstanding hereunder on the date of any such Advance to GPU shall be equal to such Borrower's Loan Limit and (b) for any purpose other than (i) as set forth in clause (a) above, (ii), in the case of the initial Borrowing by GPU, the payment of the then outstanding principal amounts under all Lines to GPU from the Banks, (iii) the payment of the current operating expenses of GPU or GPU Service Corporation, or (iv) the payment of dividends on its capital stock.

SECTION 5.04. Covenants of GPU with Respect to GPU Service Corporation. GPU covenants that, so long as any Note shall remain unpaid or any Bank shall have any obligation to make Advances hereunder, unless the Super Majority Banks shall otherwise consent in writing, it will:

(a) cause GPU Service Corporation to perform, observe and comply with each of the covenants contained in Section 5.01 (except the covenant contained in Section 5.01(g)) and in Section 5.02(c), (d), (e) and (f), as fully and completely as if GPU Service Corporation were a Borrower other than GPU; and

(b) not permit GPU Service Corporation to:

(i) Liens, Etc. Create any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its properties or rights, whether now owned or hereafter acquired, or assign any right to receive income, services or property, except that the foregoing restrictions shall not apply to mortgages, deeds of trust, pledges, liens, security interests, or other charges or encumbrances or any other type of preferential arrangement created by the Loan Documents or:

(A) existing on the date hereof;

(B) created by a mortgage in favor of Hartford National Bank on certain property of GPU Service Corporation in Parsippany, New Jersey;

(C) created by a mortgage in favor of The Fidelity Bank on certain property of GPU Service Corporation in Reading, Pennsylvania;

(D) for taxes, assessments or governmental charges or levies on property of GPU Service Corporation if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings;

(E) imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business;

(F) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation; or

(G) arising out of purchase money mortgages or other liens on property acquired by GPU Service Corporation in the ordinary course of business to secure the purchase

price of such property or to secure indebtedness incurred solely for the purpose of financing the acquisition of any such property to be subject to such mortgages or other liens, or mortgages or other liens existing on any such property at the time of acquisition, or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided that no such mortgage or other lien shall extend to or cover any property other than the property being acquired, and no such extension, renewal or replacement shall extend to or cover any property not theretofore subject to the mortgage or lien being extended, renewed or replaced; or

(ii) Indebtedness. Create or suffer to exist any Indebtedness, except:

(A) Indebtedness of GPU Service Corporation existing on the date hereof;

(B) Indebtedness directly secured by liens permitted by clause (i), above;

(C) Indebtedness to GPU; or

(D) Indebtedness in respect of unfunded vested benefits under each plan maintained for employees of GPU Service Corporation and covered by Title IV of the Employee Retirement Income Security Act of 1974.

SECTION 5.05. Reporting Requirements. Each Borrower covenants that it will, so long as any Note shall remain unpaid or any Bank shall have any obligation to make Advances hereunder, unless the Majority Banks shall otherwise consent in writing, furnish to each Bank:

(a) as soon as possible and in any event within three days after the occurrence of each Event of Default or each event which, with the giving of notice or lapse of time or both, would constitute an Event of Default, continuing on the date of such statement, the statement of the chief financial officer of such Borrower setting forth details of such Event of Default or event and the action which it is proposed to take with respect thereto;

(b) (i) as soon as possible and in any event within three Business Days of the enactment or issuance of any statute, order, decree, rule or regulation having applicability to such Borrower which could or would increase or decrease the rates which such Borrower is entitled to charge its customers or could or would modify the basis thereof, the statement of the chief financial officer of such Borrower setting forth details of such statute, order, decree, rule or regulation and, if available, copies thereof; and (ii) within eight Business Days of such enactment or issuance, a detailed analysis of the anticipated effects of such statute, order, decree, rule or regulation upon the rates which such Borrower is entitled to charge to customers and upon the revenues of such Borrower, certified by the chief financial officer of such Borrower;

(c) as soon as available and in any event within 30 days after the end of each calendar month, summary financial statements (including a balance sheet and statements of income and sources and applications of funds) of each Borrower for such month, together with a summary pro forma analysis of such Borrower's sources and applications (including its construction costs) of funds for the 12-month period commencing immediately subsequent to the end of such calendar month;

(d) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of such Borrower, a balance sheet of such Borrower as of the end of such quarter and statements of income and retained earnings and of source and application of funds of such Borrower (in the case of GPU, on a consolidated and consolidating basis) for the 3-month and the 12-month periods ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures for the 3-month and the 12-month periods ending on the corresponding date of the preceding fiscal year, all in reasonable detail and duly certified (subject to year-end audit adjustments) by the chief financial officer of such Borrower as having been prepared in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01, together with a certificate of said officer stating that he has no knowledge that an Event of Default, or

an event which, with notice or lapse of time, or both, would constitute an Event of Default, has occurred and is continuing or, is an Event of Default or such event has occurred and is continuing, a statement as to the nature thereof and the action which such Borrower proposes to take with respect thereto;

(e) as soon as available and in any event within 90 days after the end of each fiscal year of such Borrower, a copy of the annual audit report for such year for such Borrower including therein a balance sheet as of the end of such fiscal year and statements of income and retained earnings and of source and application of funds of such Borrower (in the case of GPU, on a consolidated and consolidating basis) for such fiscal year, in each case certified (except for the consolidating financial statements) by Coopers & Lybrand or other independent public accountants of recognized standing acceptable to the Agent, as having been prepared in accordance with generally accepted accounting principles consistently applied together with a certificate of (i) such accounting firm to the Agent stating that in the course of its audit of the business of such Borrower, which audit was conducted by such accounting firm in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge that an Event of Default, or an event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default, has occurred and is continuing, or is, in the opinion of such accounting firm, an Event of Default or such event has occurred and is continuing, a statement as to the nature thereof and (ii) the chief financial officer of such Borrower corresponding to the certificate referred to in the last clause of Section 5.05(d);

(f) as soon as available and in any event within 45 days after the end of each quarter of each fiscal year of such Borrower, detailed pro forma analyses of revenues, cash flows, expenditures and construction expenditures, each such analysis to be in form and substance satisfactory to the Agent, for the next succeeding quarter of such fiscal year and for the next succeeding 4 consecutive months, each certified by the chief financial officer of such Borrower;

(g) promptly after the sending or filing thereof, copies of all such proxy statements, financial state-

ments and reports which such Borrower sends to its stockholders (other than in the case of JC, ME and PE, proxy statements, financial statements and reports which are sent only to GPU), and copies of all regular, periodic and special reports, and all registration statements which such Borrower files with the SEC or any governmental authority which may be substituted therefor, with any national securities exchange, with the NJBPU or the PaPUC;

(h) as soon as possible and in any event within three days after (i) the occurrence of any cancellation or reduction of the principal amounts available to such Borrower under External Lines or (ii) such Borrower's receipt of any demand for repayment of its indebtedness outstanding under Lines, the statement of the chief financial officer of such Borrower setting forth the details of such occurrence or demand and the action which it is proposed to take with respect thereto;

(i) as soon as possible and in any event within three days of the occurrence of a material adverse change in the financial condition or prospects of such Borrower, the statement of the chief financial officer of such Borrower setting forth the details of such change, the anticipated effects thereof and the action which it is proposed to take with respect thereto;

(j) promptly after the furnishing thereof, copies of any statement, certificate or report furnished to any other holder of the securities of such Borrower pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Banks pursuant to any other clause of this Section 5.05;

(k) promptly after the filing or receiving thereof, copies of all reports and notices which such Borrower files under the Employee Retirement Income Security Act of 1974 with the Pension Benefits Guaranty Corporation, the Internal Revenue Service or the U.S. Department of Labor or which such Borrower receives from such Corporation; and

(l) such other information respecting the business, properties or the condition or operations, financial or otherwise, of such Borrower as any Bank may through the Agent from time to time reasonably request.

ARTICLE VI
EVENTS OF DEFAULT

SECTION 6.01. Events of Default. As to a Borrower, if any of the following events ("Events of Default") shall occur and be continuing:

(a) Such Borrower shall fail to make any payment of principal of, or interest on, any Note when due;
or

(b) Any representation or warranty or statement made by such Borrower (or any of its officers) in or in connection with any Loan Document or in any schedule, certificate or other document delivered pursuant to or in connection with any Loan Document shall prove to have been incorrect in any material respect when made;
or

(c) Such Borrower shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed and, except in respect of any such failure under Section 5.02, any such failure shall remain unremedied for 10 days after written notice thereof shall have been given to such Borrower by the Agent or any Bank (and, if such notice was given by a Bank, such Bank shall promptly give notice thereof to the Agent); or

(d) Such Borrower shall (i) fail to pay any Indebtedness (other than Indebtedness evidenced by the Notes) of such Borrower, or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness, or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness, when required to be performed or observed, and such failure shall continue after the applicable grace period, if any, specified in such agreement or instrument, with the effect of such failure to perform or observe is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or any such Indebtedness (other than Indebtedness in an aggregate

principal amount of not in excess of \$1,000,000 in the case of JC, of not in excess of \$1,000,000 in the case of ME and of not in excess of \$2,000,000 in the case of PG of such Borrower under one or more External Lines) shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; or

(e) Such Borrower shall generally not pay its debts as they become due or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors or shall institute any proceeding or voluntary case seeking to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or seeking the entry or an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property or such Borrower or any of its subsidiaries shall take any corporate action to authorize any of the actions described in this subsection (e); or

(f) Any proceeding shall be instituted against such Borrower seeking to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or seeking the entry or an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property; or

(g) There shall have occurred a change in the financial condition or prospects of such Borrower since May 29, 1979, which, in the determination of the Majority Banks in accordance with Section 3.06 or otherwise, is material and adverse and substantially increases the risk that the Notes issued by such Borrower will not be repaid when due; or

(h) A final judgment or order for the payment of money in excess of \$1,000,000 shall be rendered against such Borrower and such judgment or order shall continue

unsatisfied and in effect for a period of 30 consecutive days (excluding therefrom any period during which enforcement of such judgment or order shall be stayed, whether by pendency of appeal or otherwise); or

(i) Such Borrower, if it is JC, shall fail, on or prior to June 30, 1979, to have issued, to have caused to be authenticated and to have sold to Persons other than the Banks not less than \$50,000,000 in aggregate principal amount of JC Bonds or, if less than such aggregate principal amount of JC Bonds are so sold, JC shall fail, on or prior to June 30, 1979, to have pledged to the Banks JC Bonds in an aggregate principal amount of \$50,000,000, minus the amount of JC Bonds so sold; provided, however, that, in respect of any JC Bonds pledged to the Banks, such pledge shall be pursuant to a Pledge Agreement in form substantially similar to Exhibit D hereto (the "JC Bond Pledge Agreement"), duly executed and delivered to the Co-Agent, together with such JC Bonds in bearer form or registered in the name of the Co-Agent or its nominee and an opinion of Messrs. Berlack, Israels & Liberman, counsel for JC, in substantially the form of Exhibit I hereto; or

(j) Any provision of any of the Guaranties or the Stock Pledge Agreement after delivery thereof under Section 3.01 shall for any reason cease to be valid and binding on GPU, or GPU shall so state in writing; or

(k) If such Borrower is ME, any provision of the ME Bond Pledge Agreement or the ME Security Agreement after delivery thereof under Section 3.01 shall for any reason cease to be binding on ME or ME or GPU shall so state in writing; or

(l) If such Borrower is JC, any provision of the JC Bond Pledge Agreement or the JC Security Agreement after delivery thereof under this Section 6.01 or Section 3.01, respectively, shall for any reason cease to be binding on JC or JC or GPU shall so state in writing; or

(m) If the indebtedness of such Borrower (as guarantor or otherwise) purports to be secured thereby, any of the Collateral Agreements after its delivery

shall for any reason, except to the extent permitted by the terms thereof, cease to create a valid and perfected first priority security interest in any of the collateral purported to be covered thereby; or

(n) If such Borrower is JC, there shall be enacted by the State of New Jersey, a statute which by its terms is principally applicable to JC or to a group of which JC is a member and which could cause the revenues to be available to JC to be insufficient to assure its ongoing financial viability; or

(o) If such Borrower is ME or PE, there shall be enacted by the Commonwealth of Pennsylvania, a statute (including, without limitation, Pennsylvania Senate Bill Number 632, Session of 1979, as amended on Third Consideration, May 22, 1979) which by its terms is principally applicable to such Borrower or to a group of which such Borrower is a member and which could cause the revenues to be available to such Borrower to be insufficient to assure its ongoing financial viability;

then, and in any such event described in subsections (a)-(d) and (f)-(o), above, the Agent shall at the request, or may with the consent, of the Majority Banks: (i) by notice to such Borrower and any one or more of the other Borrowers, declare the obligation of each Bank to make Advances to such Borrower and any one or more of the other Borrowers to be terminated, whereupon the same shall immediately terminate; and/or (ii) by notice to such Borrower, declare the Notes issued by such Borrower, all interest thereon and all other amounts payable under this Agreement by such Borrower to be forthwith due and payable, whereupon such Notes, all such interest and all such amounts shall become and be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Borrower and in any such event described in subsection (e), above, the obligations of each Bank to make Advances to the Borrowers shall immediately terminate and the Notes issued by such Borrower, all interest thereon and all other amounts payable under this Agreement by such Borrower shall become and be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Borrower.

ARTICLE VII
THE AGENT AND THE CO-AGENT

SECTION 7.01. Authorization and Action. Each Bank hereby appoints and authorizes the Agent and the Co-Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent and the Co-Agent, respectively, by the terms thereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes, the Guaranties or the Collateral Agreements), the Agent and the Co-Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Banks, and such instructions shall be binding upon all Banks and all holders of Notes; provided, however, that neither the Agent nor the Co-Agent shall be required to take any action which exposes the Agent or the Co-Agent to personal liability or which is contrary to any Loan Document or applicable law.

SECTION 7.02. The Agent and the Co-Agent. Under no circumstances whatsoever shall (a) the Agent, by reason of its being Agent, be responsible for or liable because of any action taken or omitted to be taken by the Co-Agent, its directors, officers, employees or agents, whether or not resulting from the gross negligence or wilful misconduct of the Co-Agent, and (b) the Co-Agent, by reason of its being Co-Agent, be responsible for or liable because of any action taken or omitted to be taken by the Agent, its directors, officers, employees or agents, whether or not resulting from the gross negligence or wilful misconduct of the Agent. In the event that either the Agent or the Co-Agent is held liable for the actions or omissions of the other, the Co-Agent or the Agent (as the case may be) agrees to indemnify the other from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the other as a result of such action or omission by it.

SECTION 7.03. Reliance of Agent and Co-Agent. Each. Neither the Agent, the Co-Agent nor any of their respective directors, officers, agents or employees shall

be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, except for their own gross negligence or wilful misconduct. Without limitation of the generality of the foregoing, the Agent and the Co-Agent: (i) may treat the payee of any Note as the holder thereof until the Agent and the Co-Agent receive written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Agent; (ii) may consult with legal counsel (including counsel for the Borrowers), independent public accountants (including the Borrowers' independent public accountants) and other experts selected by the Agent or the Co-Agent and shall not be liable for any action taken or omitted to be taken in good faith by either of them in accordance with the advice of such counsel, accountants or experts; (iii) make no warranty or representation to any Bank and shall not be responsible to any Bank for any statements, warranties or representations made in or in connection with any Loan Document; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document or to inspect the property (including the books and records) of any Borrower; (v) shall not be responsible to any Bank for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or collateral covered thereby or any other instrument or document furnished pursuant thereto; and (vi) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable or telex) believed by the recipient to be genuine and signed or sent by the proper party or parties.

SECTION 7.04. Citibank, Chemical Bank and Their Affiliates. With respect to their respective obligations to make Advances, the Advances made by them and the Notes issued to them, Citibank and Chemical Bank shall have the same rights and powers under the Loan Documents as any other Bank and may exercise the same as though they were not, respectively, the Agent and the Co-Agent; and the term "Bank" or "Banks" shall, unless otherwise expressly indicated, include Citibank and Chemical Bank in their individual capacities. Citibank, Chemical Bank and their affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, any Borrower, any of its subsidiaries and any person or entity who may do business with or own securities of any Borrower or any of its subsidiaries, all as if Citibank were not the Agent and Chemical Bank were not the Co-Agent and without any duty to account therefor to the Banks.

SECTION 7.05. Bank Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon the Agent, the Co-Agent or any other Bank and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent, the Co-Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

SECTION 7.06. Indemnification. The Banks agree to indemnify the Agent and/or the Co-Agent (to the extent not reimbursed by any Borrower), ratably according to the respective principal amounts of the Notes then held by each of them, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent and/or the Co-Agent in any way relating to or arising out of the Loan Documents, or any of them, or any action taken or omitted by the Agent and/or the Co-Agent under the Loan Documents, or any of them, provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of the indemnitee or from its status as a Trustee Bank. Without limitation of the foregoing, each Bank agrees to reimburse the Agent and/or the Co-Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Agent and/or the Co-Agent in connection with the preparation, execution, administration, or enforcement of, or legal advice in respect of rights or responsibilities under, the Loan Documents, or any of them, to the extent that the Agent and/or the Co-Agent is not reimbursed for such expenses by any Borrower.

SECTION 7.07. Successor Agent. The Agent or Co-Agent may resign at any time as Agent or Co-Agent (as the case may be) under the Loan Documents by giving written notice thereof to the Banks and each Borrower and may be removed as Agent or Co-Agent (as the case may be) under the

Loan Documents at any time with or without cause by the Majority Banks. Upon any such resignation or removal, the Majority Banks shall have the right to appoint a successor Agent or Co-Agent thereunder. If no successor Agent or Co-Agent shall have been so appointed by the Majority Banks, and shall have accepted such appointment, within 30 days after the giving of notice of resignation or the Majority Banks' removal of the retiring Agent or Co-Agent, then the retiring Agent or Co-Agent (as the case may be) may, on behalf of the Banks, appoint a successor Agent or Co-Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$100,000,000. Upon the acceptance of any appointment as Agent or Co-Agent under the Loan Documents by a successor Agent or Co-Agent, such successor Agent or Co-Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent or Co-Agent, and the retiring Agent or Co-Agent shall be discharged from its duties and obligations as Agent or Co-Agent, respectively, under the Loan Documents. After any retiring Agent's or Co-Agent's resignation or removal as Agent or Co-Agent under the Loan Documents, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent or Co-Agent under the Loan Documents.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of any Loan Document, nor consent to any departure by any Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Super Majority Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Banks, do any of the following: (a) waive any of the conditions specified in Article III, (b) increase any Bank's Percentage or subject any Bank to any additional obligations, (c) reduce the principal of, or interest on, the Notes or any fees hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees hereunder, (e) release any collateral except as shall be otherwise provided in any Loan Document,

(f) take any action which requires the consent of all the Banks pursuant to the terms of any Loan Document, (g) change any Bank's Percentage or of the aggregate unpaid principal amount of the Notes, or the number of Banks, which shall be required for the Banks or any of them to take any action under any Loan Document, except to the extent, if any, caused by banks becoming a party hereto after the Closing Date, or (h) amend the provisions of this Section 3.01.

SECTION 3.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writ (including telex, cable and telegram) and, unless otherwise provided, mailed or transmitted or delivered, if to GPU, at its address at 260 Cherry Hill Road, Parsippany, New Jersey 07054, Attention: Vice President and Chief Financial Officer; if to JC, at its address at Madison Avenue at Punch Bowl Road, Morristown, New Jersey 07960, Attention: Vice President, Finance; if to ME, at its address at 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pennsylvania (P.O. Box 542, Reading, Pennsylvania 19640), Attention: Vice President, Finance; if to PE, at its address at 1001 Broad Street, Johnstown, Pennsylvania 15907, Attention: Vice President - Financial (in case of notices or other communications to JC, ME or PE, with a copy thereof to GPU at its address given above); if to any Bank, at its address set forth under its name on the signature pages of the counterpart hereof executed by such Bank; if to the Agent, at its address at 399 Park Avenue, New York, New York 10043 (Telex No. 125 507), Attention: Energy-East Department, National Banking Group; and, if to the Co-Agent, at its address at 277 Park Avenue, New York, New York 10017 (Telex No. 129 100), Attention: Public Utility District; or as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall, when mailed or transmitted, be effective when deposited in the mails or delivered to the transmission facility, respectively, except that notices and communications to the Agent or the Co-Agent pursuant to Article II or VII or Section 3.06 shall not be effective until received by the Agent or the Co-Agent as the case may be.

SECTION 3.03. No Waiver; Remedies. No failure on the part of any Bank or the Agent or the Co-Agent to exercise, and no delay in exercising, any right under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any Loan Document preclude any other or further exercise thereof or the exercise

of any other right. The remedies provided in the Loan Documents are cumulative and not exclusive of any remedies provided by law.

SECTION 3.04. Costs, Expenses and Taxes. The Borrowers agree to pay on demand all costs and expenses in connection with the preparation, execution, delivery, filing, recording and administration of the Loan Documents and the other documents to be delivered under the Loan Documents, including, without limitation, the reasonable fees and out-of-pocket expenses of Messrs. Shearman & Sterling and Messrs. Cravath, Swaine & Moore, special counsel for the Banks, and local counsel who may be retained by said counsel, with respect thereto and with respect to advising the Agent and the Co-Agent as to their respective rights and responsibilities under the Loan Documents, and all costs and expenses, if any, in connection with the enforcement of the Loan Documents and the other documents to be delivered under the Loan Documents. The Borrowers also agree to indemnify the Agent, the Co-Agent and each Bank from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent, the Co-Agent or any Bank in any way relating to or arising out of the Loan Documents, or any of them, or any action taken or omitted by the Agent, the Co-Agent or any Bank under the Loan Documents or any of them. In addition, the Borrowers shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement, the other Loan Documents and the other documents to be delivered hereunder, and agree to save the Agent, the Co-Agent and each Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes.

SECTION 3.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default as to a Borrower, and (ii) the making of the request or the granting of the consent specified by Section 3.01 to authorize the Agent to declare the Notes due and payable pursuant to the provisions of Section 3.01, each Bank is hereby authorized at any time and from time to time, without notice to such Borrower (any such notice being expressly waived by each Borrower), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time

owing by such Bank to or for the credit or the account of such Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement or the Note of such Borrower held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Bank agrees promptly to notify such Borrower after any such set-off and application made by such Bank, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Bank may have.

SECTION 3.06. Certain Determinations: Suspension of Availability. (a) A determination by the Majority Banks for purposes of Section 3.02(b), Section 3.02(c) or Section 6.01(g) shall be evidenced by notices in writing (including by hand delivery, telex, cable or telegram, but not by mail) to the Agent from the Majority Banks. The Agent may (but under no circumstances, except pursuant to the next sentence, shall have any obligation to) poll the Banks at any time to afford the Majority Banks an opportunity to make such a determination. The Agent shall, reasonably promptly upon receipt of written notice (including by hand delivery, telex, cable or telegram, but not by mail), which notice must be received by the Agent prior to the giving of any notice of Borrowing, from Banks holding at least 15% of the then aggregate outstanding principal amount of the Notes or, if no such principal amount is outstanding, 15% of the Final Total Aggregate Commitment or 25% or more in number of the Banks (which notice shall state why it is believed that such a determination would be appropriate), give telex notice thereof to the Banks requesting their decision as to such a determination. A Bank which does not respond to such notice within two Business Days of its transmission shall be deemed not to have made such a determination.

(b) Each Bank shall, within the earlier of three Business Days of the forwarding by the Agent of the report of any Borrower delivered to the Agent pursuant to Section 5.05(b)(ii) and eleven Business Days of any enactment or issuance of which notice is given by a Borrower to the Agent pursuant to Section 5.05(b)(ii), give written notice (including by hand delivery, telex, cable or telegram, but not by mail) as to whether such Bank has determined that the revenues to be available to such Borrower will be insufficient to assure its ongoing financial viability for purposes of

Section 3.02(b) or that there has been a change in such Borrower's financial condition or prospects since May 29, 1979, which is material and adverse and substantially increases the risk that the Notes issued by such Borrower will not be repaid when due for purposes of Section 3.02(c) or Section 6.01(g). A Bank which does not so respond within the allotted three Business Days shall be deemed not to have made such a determination.

(c) In the event of the enactment or issuance by the government of the Commonwealth of Pennsylvania or the State of New Jersey or any political subdivision or agency or commission of either thereof of any statute, order, decree, rule or regulation having applicability to JC, ME or PE, or the revocation, modification or termination of any of the foregoing, which could or would, directly or indirectly, reduce the revenues and/or the cash flow of JC, ME or PE, and notwithstanding any other provision hereof, the obligations of the Banks to make Advances to: (i) GPU and to such of the other Borrowers as are located in the state in which such action is taken shall be suspended upon receipt by the Agent of requests from Banks: (A) located in Pennsylvania and having not less than $66 \frac{2}{3}\%$ of the Total Commitments of all the Banks located in Pennsylvania; (B) located in New Jersey and having not less than $66 \frac{2}{3}\%$ of the Total Commitments of all the Banks located in New Jersey; or (C) having $66 \frac{2}{3}\%$ of the Final Aggregate Total Commitment; and (ii) all the Borrowers shall be suspended upon receipt by the Agent of requests from Banks having $66 \frac{2}{3}\%$ of the Final Aggregate Total Commitment. Such suspension requests shall be in writing (including telex, cable and telegram) and shall be to the effect that an availability suspension is requested because of adverse regulatory action. Any such suspension shall be effective from the time of the Agent's receipt of the requisite requests; the Agent shall promptly notify the Borrowers and the Banks of any such suspension. Such a suspension shall not itself relieve the Banks of any obligation which they would otherwise have hereunder to accept Notes on a New Note Issue Date pursuant to Section 2.02. Such a suspension shall continue until the Agent shall have received requests for its revocation from the Super Majority Banks. Such revocation requests shall be in writing (including telex, cable and telegram) and a revocation resulting therefrom shall be effective in respect of the first Borrowing notified subsequent to the receipt by the Agent of the requisite requests.

SECTION 3.07. The Trustee Banks. Despite any provision contained herein or, in any other Loan Document: (a) obligations hereunder of a Borrower to its Trustee Bank shall not be, or be deemed to be, secured by such Borrower's Bond Pledge Agreement and shall not be, or be deemed to be, entitled to any benefit therefrom, whether in respect of any realization upon the Pledged Collateral (as defined therein) or otherwise; (b) the Indebtedness outstanding under the Note issued by a Borrower to its Trustee Bank shall not be reduced to less than the applicable Base Amount by virtue of any prepayment pursuant to Section 2.07 or otherwise if, at the time such prepayment would otherwise be made and giving effect thereto, there is any Indebtedness of such Borrower outstanding and secured by such Borrower's Bond Pledge Agreement, and any amount which would otherwise be applied to such a prepayment shall be applied to the ratable (in proportion to their respective Percentages) prepayment of such Borrower's Notes issued to the other Banks; and (c) a Trustee Bank shall not, by virtue of the operation of Section 2.10, obtain indirectly any benefit which it is prohibited from obtaining directly by clause (a) of this Section 3.07.

SECTION 3.08. Binding Effect; Governing Law. This Agreement is effective among the Borrowers, the Agent, the Co-Agent and the Banks which shall, on or prior to the Closing Date, have executed counterparts hereof and shall be binding upon and inure to the benefit of each Borrower, the Agent, the Co-Agent and each such Bank and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Banks; provided, however, that in no event shall any Bank which is not a Confirming Bank have any obligation to make any Advance hereunder or otherwise, as at and subsequent to the Closing Date, be deemed to be a party hereto; provided, further, however, that no Bank shall be obligated to make its initial Advance hereunder if the Final Aggregate Total Commitment is less than \$400,000,000. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.09. Execution in Counterparts. This Agreement shall be executed in counterparts each of which shall be executed by the Borrowers, the Agent and the Co-Agent and one or more Banks and each of which shall be

substantially identical except for the identities, Total Commitments and other information specifically relating to such Bank or Banks. All such counterparts, when so executed, shall be deemed to be an original and all such counterparts, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

GENERAL PUBLIC UTILITIES
CORPORATION

By VH Cendant
Title: VICE PRESIDENT

JERSEY CENTRAL POWER &
LIGHT COMPANY

By VH Cendant
Title: VICE PRESIDENT

METROPOLITAN EDISON COMPANY

By VH Cendant
Title: VICE PRESIDENT

PENNSYLVANIA ELECTRIC
COMPANY

By VH Cendant
Title: VICE PRESIDENT

Total
Commitment
\$65,000,000

CITIBANK, N.A., Individually
and as Agent

By [Signature]
Vice President

399 Park Avenue
New York, New York 10043
Attention: Energy-East
Department, National
Banking Group

\$50,000,000

CHEMICAL BANK, Individually
and as Co-Agent

By [Signature]
Vice President

277 Park Avenue
New York, New York 10017
Attention: Public Utili-
ties District

\$ _____

(Name of Bank)

By _____
Title:

Address:

Telex NO.: _____

SCHEDULE I

SENIOR DEBT

SENIOR DEBT DOCUMENT	AMOUNT CURRENTLY OUTSTANDING
----------------------	------------------------------

GPU

Loan Agreement dated as of November 15, 1976, as amended by amendment thereto, dated March 30, 1979

\$ 39,000,000

JC

First Mortgage Bonds

Indenture, dated as of March 1, 1946, to Citibank, N.A. (formerly Citibank Farmers Trust Company) as Trustee

\$690,560,000

Mortgage and Deed of Trust, dated as of March 1, 1944 from New Jersey Power & Light Company to Morgan Guaranty Trust Company of New York (formerly Guaranty Trust Company of New York) as Trustee

\$ 39,200,000

Debentures

Indenture, dated as of October 1, 1963, to Irving Trust Company, as Trustee

\$ 74,203,000

Indenture, dated as of July 1, 1964 from New Jersey Power & Light Company to The Chase Manhattan Bank, N.A., as Trustee

\$ 7,800,000

Term Loan Agreement, dated as of May 21, 1979, as amended and restated by amendment dated May 25, 1979

\$ 24,000,000

SENIOR DEBT DOCUMENT

AMOUNT CURRENTLY OUTSTANDING

Other Long Term Debt

Amendment No. 3, dated as of
May 20, 1977 to Agreement, dated
as of February 16, 1970 with
Brown Boveri Corporation

\$ 18,362,170

MEFirst Mortgage Bonds

Indenture, dated November 1,
1944 to Morgan Guaranty Trust
Company of New York (formerly
Guaranty Trust Company of New York)
as Trustee

\$463,098,377

Debentures

Indenture, dated as of June 1,
1965, to the Marine Midland Bank
(formerly The Marine Midland Trust
Company of New York) as Trustee

\$ 84,160,000

PEFirst Mortgage Bonds

Mortgage and Deed of Trust
dated as of January 1, 1942 to
Bankers Trust Company of New
York as Trustee

\$579,397,895

Indenture, dated as of January 1,
1945 of Northern Pennsylvania
Power Co.

\$ 500,000

Indenture dated as of November 1,
1919 of Erie County Electric Company

\$ 74,000

SENIOR DEBT DOCUMENT

AMOUNT CURRENTLY OUTSTANDING

Debentures

Indenture, dated as of June 1, 1961
to Chemical Bank (formerly Chemical
Bank New York Trust Company) as
Trustee

\$ 72,680,000

SCHEDULE II

Outstanding Indebtedness Under Lines As At May 31, 1979 (Amounts In Thousands)

Name of Bank	GPU	JCP&L	Met-Ed	Penelec	Total System
<u>New York</u>					
Citibank, N.A.	\$11,400	\$ 9,120	\$ 5,000	-	\$ 25,520
The Chase Manhattan Bank, N.A.	-	17,788	-	-	17,788
Chemical Bank	2,500	4,704	5,000	-	12,204
Marine Midland Bank - N.Y.	4,000	5,152	2,000	-	11,152
Barkers Trust Co.	-	1,416	1,000	-	2,416
Manufacturers Hanover Trust Co.	4,500	4,352	2,000	-	10,852
Morgan Guaranty Trust Co. of N.Y.	-	1,416	4,000	-	5,416
Irving Trust Co.	4,000	9,352	3,000	-	16,352
Freedom National Bank	-	-	-	-	-
Total New York	\$26,400	\$53,300	\$22,000	-	\$101,700
<u>New Jersey</u>					
Fidelity Union Trust Co.	-	\$ 3,000	-	-	\$ 3,000
Atlantic National Bank	-	3,000	-	-	3,000
New Jersey Bank, N.A.	-	3,000	-	-	3,000
National Community Bank	-	3,000	-	-	3,000
United Jersey Bank	-	4,000	-	-	4,000
The Central Jersey Bank & Trust	-	3,000	-	-	3,000
The First Jersey National Bank	-	1,500	-	-	1,500
Heritage Bank North, N.A.	-	2,500	-	-	2,500
The Nat. State Bank of Elizabeth	-	2,500	-	-	2,500
Colonial First National Bank	-	2,000	-	-	2,000
New Jersey National Bank	-	2,000	-	-	2,000
The Bank of New Jersey	-	1,000	-	-	1,000
United Counties Trust Co.	-	1,500	-	-	1,500
First Nat. State Bank of West Jersey	-	2,000	-	-	2,000
First Nat. State Bank of New Jersey	-	-	-	-	-
First Merchants National Bank	-	500	-	-	500
Franklin State Bank	-	2,000	-	-	2,000
Summit and Elizabeth Trust Co.	-	1,000	-	-	1,000
American National Bank & Trust	-	2,000	-	-	2,000
First National Bank of South Jersey	-	1,000	-	-	1,000
The Hunterdon County National Bank of Flemington	-	700	-	-	700
First National State Bank of Northwest Jersey	-	500	-	-	500
Ocean County National Bank of Atlantic Pleasant	-	400	-	-	400
Total New Jersey	\$ -	\$42,100	\$ -	\$ -	\$ 42,100

SCHEDULE II

Outstanding Indebtedness Under Lines
As At May 31, 1979
(Amounts in Thousands)

Name of Bank	GPU	JCP&L	Met-Ed	Penelec	Total System
<u>Pennsylvania</u>					
Mellon National Bank, N.A.	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ 4,000
Pittsburgh National Bank (Penna.)	-	-	-	4,000	4,000
First Pennsylvania Bank, N.A.	2,000	-	4,000	-	6,000
American Bank and Trust Co. of Pennsylvania	-	-	5,000	-	5,000
The Fidelity Bank	2,000	-	3,000	-	5,000
National Central Bank	-	-	2,500	-	2,500
Provident National Bank	-	-	2,000	-	2,000
Bank of Pennsylvania	-	-	1,000	-	1,000
Industrial Valley Bank & Trust Co.	-	-	2,000	-	2,000
EQUIBANK, N.A.	-	-	-	2,000	2,000
United States National (Penna.)	-	-	-	1,000	1,000
New York Bank and Trust Co.	-	-	1,000	-	1,000
First National of Pa. - Erie	-	-	-	2,000	2,000
First Valley Bank	-	-	-	-	-
Northeastern Bank of Pennsylvania	-	-	500	-	500
Mid-State Bank & Trust (Penna.)	-	-	-	-	-
Northwest Pa. Bank & Trust (Penna.)	-	-	-	-	-
Pennsylvania Bank & Trust (Penna.)	-	-	-	500	500
First Seneca Bank & Trust (Penna.)	-	-	-	-	-
Johnstown Bank & Trust Co. (Penna.)	-	-	-	1,000	1,000
The National Bank of Boyertown	-	-	-	-	-
Security - Peoples Trust Co. - Erie (Penna.)	-	-	-	1,000	1,000
The Wyoming National Bank of Wilkes Barre	-	-	-	-	-
CCB Bank, N.A.	-	-	250	-	250
Leparon Valley National Bank	-	-	250	-	250
Laurel National Bank	-	-	-	500	500
National Bank of the Commonwealth	-	-	-	400	400
Warren National Bank & Trust Co.	-	-	-	-	-
Central Counties Bank of Altoona	-	-	-	-	-
Clearfield Bank & Trust Co.	-	-	-	-	-
Bank & Trust (Penna.)	-	-	-	-	-
Hazleton National Bank & Trust Co.	-	-	-	-	-
Shenandoah Bank & Trust Co. of Hanover	-	-	-	-	-

SCHEDULE II

Outstanding Indebtedness Under Lines
As At May 31, 1979
(Amounts in Thousands)

Name of Bank	Short-Term Debt Outstanding @ 5/31/79				Total System
	GPU	JCP&L	Met-Ed	Penelec	
<u>Pennsylvania (cont'd)</u>					
Lafayette Trust Bank	\$ -	\$ -	\$ -	\$ -	\$ -
Commonwealth Bank & Trust Co.	-	-	-	-	-
Marsfield (Penna.)	-	-	-	-	-
The Moxham National Bank,	-	-	-	300	300
Johnstown (Penna.)	-	-	-	-	-
Warren National Bank (Penna.)	-	-	-	-	-
Lebanon County Trust Co.	-	-	-	-	-
Penn Central National Bank -	-	-	-	-	-
Huntingdon	-	-	-	-	-
The Merchants National Bank	-	-	200	-	200
of Bangor	-	-	-	-	-
Commonwealth National Bank	-	-	-	-	-
Keystone National Bank	-	-	-	-	-
Q National Bank	-	-	-	-	-
The Savings and Trust Co. -	-	-	-	-	-
Indiana (Penna.)	-	-	-	-	-
Union National Bank &	-	-	-	-	-
Trust Co. Huntingdon (Penna.)	-	-	-	-	-
The Valley Trust Co. of Palmyra	-	-	-	-	-
Unibank Bank & Trust Co.	-	-	-	-	-
Deposit National Bank	-	-	-	-	-
Hollidaysburg Trust Co.	-	-	-	-	-
Somerset Trust Co.	-	-	-	-	-
Union Banking & Trust Co.	-	-	-	-	-
Dubois (Penna.)	-	-	-	-	-
Home City State Bank	-	-	-	-	-
National Bank of Western	-	-	-	-	-
Pennsylvania - Berlin	-	-	-	-	-
Hartley National Bank -	-	-	-	-	-
Bedford	-	-	-	-	-
Total Pennsylvania	\$ 6,000	\$ -	\$ 21,700	\$ 14,700	\$ 42,400
<u>Other</u>					
Hartford Nation Bank	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000
& Trust Co.	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000
Total Other	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000
Total Short-Term Debt	\$ 6,000	\$ 1,000	\$ 21,700	\$ 14,700	\$ 42,400

EXHIBIT A-1
PROMISSORY NOTE

*Dated _____, 19__

FOR VALUE RECEIVED, GENERAL PUBLIC UTILITIES CORPORATION, a Pennsylvania corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of [NAME OF BANK] (the "Bank") the aggregate unpaid principal amount of all Advances made by the Bank to the Borrower pursuant to the Credit Agreement (as hereinafter defined), on** _____, 19__, together with interest on the principal amount from time to time outstanding hereunder from the date hereof until payment in full, payable monthly on the first day of each calendar month during the term hereof and on the date of payment in full, at a fluctuating rate per annum equal at all times to (a) 105% of the Alternate Base Rate on that portion of such principal amount which is not in excess of the Bank's Percentage (as defined in the Credit Agreement) of \$30,000,000, (b) 108% of the Alternate Base Rate on that portion of such principal amount which is greater than the Bank's Percentage of \$30,000,000 but not in excess of the Bank's Percentage of \$60,000,000 and (c) 111% of the Alternate Base Rate on that portion of such principal amount which is greater than the Bank's Percentage of \$60,000,000. The "Alternate Base Rate" means the higher of:

(a) The base rate of Citibank, N.A. on 90-day loans to responsible and substantial commercial borrowers in effect from time to time, or

(b) $1/2$ of one percent above the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average being determined weekly by the Agent (as hereinafter defined) on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by the Agent from three New York certificate of deposit dealers of recognized standing, in either case adjusted to the nearest $1/4$ of one percent or, if there is no nearest $1/4$ of one percent, to the next higher $1/4$ of one percent.

* The date of the initial borrowing or the appropriate New Note Issue Date.

** October 1, 1979, April 1, 1980, October 1, 1980, April 1, 1981, or October 1, 1981, as appropriate.

but in no event higher than the maximum rate permitted by law.

Both principal and interest are payable in lawful money of the United States of America to Citibank, N.A., as Agent, at 399 Park Avenue, New York, New York 10043, in immediately available funds.

This Promissory Note is one of the Notes referred to in and is entitled to the benefits of, the Revolving Credit Agreement, dated as of June 15, 1979 (the "Credit Agreement"), among the Borrower, the other borrowers, the Bank, certain other banks parties thereto, Citibank, N.A., as Agent for the Bank and such other banks, and Chemical Bank, as co-agent for the Bank and such other banks, and the Loan Documents referred to therein. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

GENERAL PUBLIC UTILITIES
CORPORATION

By _____
Title:

EXHIBIT A-2
PROMISSORY NOTE

*Dated _____, 19__

FOR VALUE RECEIVED, JERSEY CENTRAL POWER & LIGHT COMPANY, a New Jersey corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of [NAME OF BANK] (the "Bank") the aggregate unpaid principal amount of all Advances made by the Bank to the Borrower pursuant to the Credit Agreement (as hereinafter defined), on** _____, 19__, together with interest on the principal amount from time to time outstanding hereunder from the date hereof until payment in full, payable monthly on the first day of each calendar month during the term hereof and on the date of payment in full, at a fluctuating rate per annum equal at all times to (a) 105% of the Alternate Base Rate on that portion of such principal amount which is not in excess of the Bank's Percentage (as defined in the Credit Agreement) of \$35,000,000, (b) 108% of the Alternate Base Rate on that portion of such principal amount which is greater than the Bank's Percentage of \$35,000,000 but not in excess of the Bank's Percentage of \$70,000,000 and (c) 111% of the Alternate Base Rate on that portion of such principal amount which is greater than the Bank's Percentage of \$70,000,000. The "Alternate Base Rate" means the higher of:

(a) The base rate of Citibank, N.A. on 90-day loans to responsible and substantial commercial borrowers in effect from time to time, or

(b) 1/2 of one percent above the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average being determined weekly by the Agent (as hereinafter defined) on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by the Agent from three New York certificate of deposit dealers of recognized standing, in either case adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent,

* The date of the initial Borrowing or the appropriate New Note Issue Date.

** October 1, 1979, April 1, 1980, October 1, 1980, April 1, 1981, or October 1, 1981, as appropriate.

but in no event higher than the maximum rate permitted by law.

Both principal and interest are payable in lawful money of the United States of America to Citibank, N.A., as Agent, at 399 Park Avenue, New York, New York 10043, in immediately available funds.

This Promissory Note is one of the Notes referred to in and is entitled to the benefits of, the Revolving Credit Agreement, dated as of June 15, 1979 (the "Credit Agreement"), among the Borrower, the other borrowers, the Bank, certain other banks parties thereto, Citibank, N.A., as Agent for the Bank and such other banks, and Chemical Bank, as co-agent for the Bank and such other banks, and the Loan Documents referred to therein. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

JERSEY CENTRAL POWER & LIGHT
COMPANY

By _____
Title:

EXHIBIT A-3
PROMISSORY NOTE

*Dated _____, 19__

FOR VALUE RECEIVED, METROPOLITAN EDISON COMPANY, a Pennsylvania corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of [NAME OF BANK] (the "Bank") the aggregate unpaid principal amount of all Advances made by the Bank to the Borrower pursuant to the Credit Agreement (as hereinafter defined), on** _____, 19__, together with interest on the principal amount from time to time outstanding hereunder from the date hereof until payment in full, payable monthly on the first day of each calendar month during the term hereof and on the date of payment in full, at a fluctuating rate per annum equal at all times to (a) 105% of the Alternate Base Rate on that portion of such principal amount which is not in excess of the Bank's Percentage (as defined in the Credit Agreement) of \$25,000,000, (b) 108% of the Alternate Base Rate on that portion of such principal amount which is greater than the Bank's Percentage of \$25,000,000 but not in excess of the Bank's Percentage of \$50,000,000 and (c) 111% of the Alternate Base Rate on that portion of such principal amount which is greater than the Bank's Percentage of \$50,000,000. The "Alternate Base Rate" means the higher of:

(a) The base rate of Citibank, N.A. on 90-day loans to responsible and substantial commercial borrowers in effect from time to time, or

(b) 1/2 of one percent above the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average being determined weekly by the Agent (as hereinafter defined) on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by the Agent from three New York certificate of deposit dealers of recognized standing, in either case adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent,

* The date of the initial Borrowing or the appropriate New Note Issue Date.

** October 1, 1979, April 1, 1980, October 1, 1980, April 1, 1981, or October 1, 1981, as appropriate.

but in no event higher than the maximum rate permitted by law.

Both principal and interest are payable in lawful money of the United States of America to Citibank, N.A., as Agent, at 399 Park Avenue, New York, New York 10043, in immediately available funds.

This Promissory Note is one of the Notes referred to in and is entitled to the benefits of, the Revolving Credit Agreement, dated as of June 15, 1979 (the "Credit Agreement"), among the Borrower, the other borrowers, the Bank, certain other banks parties thereto, Citibank, N.A., as Agent for the Bank and such other banks, and Chemical Bank, as co-agent for the Bank and such other banks, and the Loan Documents referred to therein. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

METROPOLITAN EDISON COMPANY

By _____
Title: _____

EXHIBIT A-4
PROMISSORY NOTE

*Dated _____, 19__

FOR VALUE RECEIVED, PENNSYLVANIA ELECTRIC COMPANY, a Pennsylvania corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of [NAME OF BANK] (the "Bank") the aggregate unpaid principal amount of all Advances made by the Bank to the Borrower pursuant to the Credit Agreement (as hereinafter defined), on** _____, 19__, together with interest on the principal amount from time to time outstanding hereunder from the date hereof until payment in full, payable monthly on the first day of each calendar month during the term hereof and on the date of payment in full, at a fluctuating rate per annum equal at all times to (a) 108 $\frac{1}{2}$ % of the Alternate Base Rate on that portion of such principal amount which is not in excess of the Bank's Percentage (as defined in the Credit Agreement) of \$10,000,000, (b) 108 $\frac{1}{2}$ % of the Alternate Base Rate on that portion of such principal amount which is greater than the Bank's Percentage of \$10,000,000 but not in excess of the Bank's Percentage of \$20,000,000 and (c) 111 $\frac{1}{2}$ % of the Alternate Base Rate on that portion of such principal amount which is greater than the Bank's Percentage of \$20,000,000. The "Alternate Base Rate" means the higher of:

(a) The base rate of Citibank, N.A. on 90-day loans to responsible and substantial commercial borrowers in effect from time to time, or

(b) 1/2 of one percent above the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average being determined weekly by the Agent (as hereinafter defined) on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by the Agent from three New York certificate of deposit dealers of recognized standing, in either case adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent,

* The date of the initial Borrowing or the appropriate New Note Issue Date.

** October 1, 1979, April 1, 1980, October 1, 1980, April 1, 1981, or October 1, 1981, as appropriate.

but in no event higher than the maximum rate permitted by law.

Both principal and interest are payable in lawful money of the United States of America to Citibank, N.A., as Agent, at 399 Park Avenue, New York, New York 10043, in immediately available funds.

This Promissory Note is one of the Notes referred to in and is entitled to the benefits of, the Revolving Credit Agreement, dated as of June 15, 1979 (the "Credit Agreement"), among the Borrower, the other borrowers, the Bank, certain other banks parties thereto, Citibank, N.A., as Agent for the Bank and such other banks, and Chemical Bank, as co-agent for the Bank and such other banks, and the Loan Documents referred to therein. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

PENNSYLVANIA ELECTRIC COMPANY

By _____
Title:

EXHIBIT B

GUARANTY

GUARANTY, dated as of June 20, 1979, made by GENERAL PUBLIC UTILITIES CORPORATION, a Pennsylvania corporation (the "Guarantor"), in favor of [the Banks (the "Banks") parties to the Credit Agreement (as defined below), CITIBANK, N.A., as agent (the "Agent") for the Banks and CHEMICAL BANK, as co-agent (the "Co-Agent") for the Banks] [Hartford National Bank and The Fidelity Bank (the "Banks").]

PRELIMINARY STATEMENT. [The Banks, the Agent and the Co-Agent have entered into a Revolving Credit Agreement, dated as of June 15, 1979 (said Agreement, as it may hereafter be amended or otherwise modified from time to time, being the "Credit Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined), with the Guarantor, JERSEY CENTRAL POWER & LIGHT COMPANY, a New Jersey corporation, METROPOLITAN EDISON COMPANY, a Pennsylvania corporation, and PENNSYLVANIA ELECTRIC COMPANY, a Pennsylvania corporation. It is a condition precedent to the obligation of the Banks to make Advances under the Credit Agreement that the Guarantor, as the beneficial owner of 100 percent of the outstanding shares of common stock of JC, ME and PE, shall have executed and delivered this Guaranty.] [Hartford National Bank and Citibank, N.A., have agreed, in anticipation of this Guaranty, to modify the terms of the indebtedness of GPU Service Corporation ("ServCo") to them pursuant to that certain letter of Intent, dated April 4, 1978, from ServCo to Hartford National Bank and Citibank, N.A., with respect to the acquisition and improvement of certain property in Parsippany, New Jersey (the "Parsippany Agreement"). Pursuant to that certain Loan Agreement, dated December 31, 1973, as amended by an Amendment, dated November 30, 1977, between ServCo and The Fidelity Bank with respect to the acquisition and improvement of certain property in Reading, Pennsylvania, ServCo is indebted to The Fidelity Bank (the "Reading Agreement"; together with the Parsippany Agreement, the "Credit Agreement", the promissory notes issued under the Credit Agreement being the "Notes").]

NOW, THEREFORE, in consideration of the premises (and in order to induce the Banks to make Advances under the Credit Agreement), the Guarantor hereby agrees as follows:

SECTION 1. Guaranty. The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all obligations of [JC] [ME] [PE] [GPU Service Corporation] (the "Obligor") now or hereafter existing under the Credit Agreement and the Notes, whether for principal, interest, fees, expenses or otherwise (such obligations being the "Obligations"), and any and all expenses incurred by (the Agent, the Co-Agent or) the Banks in enforcing any rights under this Guaranty[; provided, however, that the Guarantor shall make no payment with respect to the Obligations under this Guaranty, so long as the Guarantor shall have any obligations with respect to the JC Guaranty, the ME Guaranty or the PE Guaranty (as each such term is defined in that certain Revolving Credit Agreement, dated as of June 13, 1979, among the Guarantor, Jersey Central Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company, the banks parties thereto and Citibank, as Agent and Chemical Bank, as Co-Agent for such Banks) as the same may from time to time be amended, modified or supplemented].

SECTION 2. Guaranty Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Agreement and the Notes. The liability of the Guarantor under this Guaranty shall be absolute and unconditional irrespective of:

(i) any lack of validity or enforceability of the Credit Agreement, the Notes or any other agreement or instrument relating thereto;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Credit Agreement or the Notes;

(iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or

(iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of the Obligations or the Guarantor in respect of this Guaranty,

except to the extent that this Guaranty may finally be determined to be unenforceable as contrary to public policy. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by [the Agent, the Co-Agent or] any Bank upon the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

SECTION 3. Waiver. The Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guaranty and any requirement that [the Agent, the Co-Agent or] any Bank exhaust any right or take any action against the Obligor or any other Person or any collateral.

SECTION 4. Subrogation. The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all the Obligations shall have been paid in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of [the Agent, the Co-Agent and] the Banks and shall forthwith be paid to the [Agent] [Banks] to be credited and applied upon the Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement. If (i) the Guarantor shall make payment to [the Agent, the Co-Agent or] the Banks of all or any part of the Obligations and (ii) all the Obligations shall be paid in full, [the Agent, the Co-Agent and] the Banks will, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor.

SECTION 5. Amendments, Etc. No amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by [the Agent, the Co-Agent and] the Banks.

SECTION 6. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic communication) and, if to the Guarantor, mailed or telegraphed or delivered to it, addressed to it at 260 Cherry Hill Road, Parsippany, New Jersey 07054, Attention of Vice President and Chief Financial Officer, if to [the Agent, the Co-Agent or] any Bank, mailed or delivered to it [the Agent, the Co-Agent or] any Bank, as the case may be, specified in the Credit Agreement, or as to each party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed or telegraphed, respectively, be effective when deposited in the mails or delivered to the telegraph company, respectively, addressed as aforesaid.

SECTION 7. No Waiver; Remedies. No failure on the part of [the Agent, the Co-Agent or] any Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8. Right of Set-off. Upon [(i)] the occurrence and during the continuance of any Event of Default [and (ii) the making of the request or the granting of the consent specified by Section 6.01 of the Credit Agreement to authorize the Agent to declare the Notes due and payable pursuant to the provisions of said Section 6.01], each Bank is hereby authorized at any time and from time to time, without notice to the Guarantor (any such notice being expressly waived by the Guarantor), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing under this Guaranty, irrespective of whether or not such Bank shall have made any demand under this Guaranty and although such obligations may be contingent and unsecured. Each Bank agrees promptly to notify the Guarantor after any such set-off and application made by such Bank, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Bank may have.

SECTION 9. Continuing Guaranty; Transfer of Notes.

This Guaranty is a continuing guaranty and shall (i) remain in full force and effect until payment in full ((after the Termination Date)) of the Obligations and all other amounts payable under this Guaranty, (ii) be binding upon the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by the Banks[, the Agent, the Co-Agent] and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), any Bank may assign or otherwise transfer any Note held by it to any other Person, and such other Person shall thereupon become vested with all the rights in respect thereof granted to such Bank herein or otherwise[, subject, however, to the provisions of Article VII (concerning the Agent) of the Credit Agreement].

SECTION 10. Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

GENERAL PUBLIC UTILITIES
CORPORATION

By _____
Title:

EXHIBIT C

PLEDGE AGREEMENT dated as of June 20, 1979, made by GENERAL PUBLIC UTILITIES CORPORATION, a Pennsylvania corporation (the "Pledgor"), to CHEMICAL BANK as agent (the "Agent") for the banks parties to the Credit Agreement, the GPU Loan Agreement, the Parsippany Agreement and the Reading Agreement (each as hereinafter defined);

PRELIMINARY STATEMENTS:

(1) The Pledgor is the owner of the shares (the "Pledged Shares") of stock described in Schedule I hereto and issued by the corporations named therein.

(2) Certain banks, CITIBANK, N.A., as agent (the "Credit Agreement Agent") and CHEMICAL BANK, as co-agent, have entered into a Revolving Credit Agreement, dated as of June 18, 1979 (said Agreement, as it may hereafter be amended or otherwise modified from time to time, being the "Credit Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined), with the Pledgor, JERSEY CENTRAL POWER & LIGHT COMPANY, a New Jersey corporation, METROPOLITAN EDISON COMPANY, a Pennsylvania corporation, and PENNSYLVANIA ELECTRIC COMPANY, a Pennsylvania corporation; certain banks and Citibank, N.A., as agent, (the "GPU Loan Agreement Agent") are parties to the GPU Loan Agreement. Hartford National Bank is a party to that certain Letter of Intent, dated April 4, 1978, as amended, from GPU Service Corporation ("ServCo") with respect to the acquisition and improvement of certain property located in Parsippany, New Jersey (the "Parsippany Agreement"); and The Fidelity Bank is a party to that certain Loan Agreement, dated December 31, 1973, as amended by an Amendment, dated November 30, 1977, with ServCo with respect to the acquisition and improvement of certain property located in Reading, Pennsylvania (the "Reading Agreement") (the banks parties to one or more of the Credit Agreement, the GPU Loan Agreement, the Parsippany Agreement and the Reading Agreement being the "Banks"). It is a condition precedent to the obligations of the Banks to make Advances to the Borrowers under the Credit Agreement and to the effectiveness of the GPU Loan Agreement Restatement that the Pledgor shall have made the pledge contemplated by this Agreement. The Parsippany Agreement has been modified in anticipation of the pledge contemplated by this Agreement. Pursuant to the Reading Agreement, ServCo, wholly-owned subsidiary of the Pledgor, is indebted to the Fidelity Bank.

NOW, THEREFORE, in consideration of the premises, the Pledgor hereby agrees with the Agent for its benefit, the benefit of the Co-Agent and the ratable benefit of the Banks as follows:

SECTION 1. Pledge. The Pledgor hereby pledges to the Agent for its benefit, the benefit of the Credit Agreement Agent, the GPU Loan Agreement Agent and the ratable (in accordance with the indebtedness of the Borrowers to the Banks outstanding under the Credit Agreement, the GPU Loan Agreement the Participany Agreement and the Reading Agreement) benefit of the Banks, and grants to the Agent for its benefit, the benefit of the Credit Agreement Agent, the GPU Loan Agreement Agent and the ratable benefit of the Banks a security interest in, the following (the "Pledged Collateral"):

(i) the Pledged Shares and the certificates representing the Pledged Shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(ii) all additional shares of stock of any issuer of the Pledged Shares from time to time acquired by the Pledgor in any manner, and the certificates representing such additional shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares; and

(iii) any and all proceeds of the foregoing.

SECTION 2. Security for Obligations. This Agreement secures the payment of all obligations of the Borrowers now or hereafter existing under the Credit Agreement, the notes issued thereunder, the GPU Loan Agreement, the promissory notes issued thereunder, the Participany Agreement, the promissory note issued thereunder, the Reading Agreement and the promissory note issued thereunder (all such promissory notes being referred to herein, collectively, as the "Notes"), whether for principal, interest, fees, expenses or otherwise, and all obligations of the Pledgor now or hereafter existing under the Guaranties of this Agreement (all such obligations of the Borrowers and the Pledgor being the "Obligations").

SECTION 3. Delivery of Pledged Collateral. All certificates or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by or on behalf of the Agent pursuant hereto and shall be in suitable

form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Agent. The Agent shall have the right, at any time in its discretion and without notice to the Pledgor, to transfer to or to register in the name of the Agent or any of its nominees any or all of the Pledged Collateral, subject only to the receipt of the appropriate orders referred to in Section 4.02(c), below, and to the revocable rights specified in Section 6(a). In addition, the Agent shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations.

SECTION 4. Representations and Warranties. The Pledgor represents and warrants as follows:

(a) All of the outstanding common stock of JC, ME, PE, and GPU Service Corporation has been validly issued, is fully paid and non-assessable and is owned by the Pledgor free and clear of all mortgages, deeds of trust, pledges, liens, security interests and other charges or encumbrances, other than those created by this Agreement, and the Pledged Shares constitute 100% of the outstanding common stock of JC, ME, PE and GPU Service Corporation. GPU is the record and beneficial owner of all of the Pledged Shares, except for twelve shares of the common stock of ME which are nominally registered in the names of certain employees of ME for convenience in the conduct of meetings of shareholders, but which are beneficially owned by GPU.

(b) The pledge of the Pledged Shares pursuant to this Agreement creates a valid and perfected first priority security interest in the Pledged Shares, securing the payment of the Obligations.

(c) Except for any appropriate order of the SEC under the Utility Act, of the NCSPU as to the shares of JC constituting Pledged Shares and of the PaPUC as to the shares of ME and PE constituting Pledged Shares (all of which orders are in full force and effect), no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the pledge by the Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of the Agreement by the Pledgor.

SECTION 5. Further Assurances. The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Agent may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral.

SECTION 6. Voting Rights; Dividends; Etc. (a) So long as no Event of Default or event which, with the giving of notice or the lapse of time, or both, would become an Event of Default shall have occurred and be continuing:

(i) The Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement; provided, however, that the Pledgor shall not exercise or refrain from exercising any such right if, in the Agent's judgment, such action would have a material adverse effect on the value of the Pledged Collateral or any part thereof, and, provided, further, that the Pledgor shall give the Agent at least five days' written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right.

(ii) The Pledgor shall be entitled to receive and retain any and all dividends and interest paid in respect of the Pledged Collateral, provided, however, that any and all

(A) dividends and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(B) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus, and

(C) cash paid, payable or otherwise distributed in exchange for, any Pledged Collateral,

shall be, and shall forthwith delivered to the Agent to hold as, Pledged Collateral and shall, if received by the Pledgor, be received in trust for the benefit of the Agent, be segregated from the other property or funds of the Pledgor, and be forthwith delivered to the Agent as Pledged Collateral in the same form as so received (with any necessary indorsement).

(iii) The Agent shall execute and deliver (or cause to be executed and delivered) to the Pledgor all such proxies and other instruments as the Pledgor may reasonably request for the purpose of enabling the Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to paragraph (i) above and to receive the dividends or interest payments which it is authorized to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default or an event which, with the giving of notice or the lapse of time, or both, would become an Event of Default:

(i) Subject to any required approval or consent of the SEC under the Utility Act, of the NJBPU and of the PaPUC, all rights of the Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 6(a)(i) may, at the election of the Majority Banks, and all rights of the Pledgor to receive the dividends and payments which it would otherwise be authorized to receive and retain pursuant to Section 6(a)(ii) shall, cease, and all such rights shall thereupon become vested in the Agent who shall thereupon have the sole right to exercise such voting and other consensual rights and to receive and hold as Pledged Collateral such dividends and payments.

(ii) All dividends and payments which are received by the Pledgor contrary to the provisions of paragraph (i) of this Section 6(b) shall be received in trust for the benefit of the Agent, shall be segregated from other funds of the Pledgor and shall be forthwith paid over to the Agent as Pledged Collateral in the same form as so received (with any necessary indorsement).

SECTION 7. Transfers and Other Liens; Additional Covenants. (a) The Pledgor agrees that it will not sell or otherwise dispose of, or grant any option with respect to,

any of the Pledged Collateral, or (ii) create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Pledged Collateral, except for the security interest under this Agreement.

(b) The Pledgor agrees that it will (i) cause each issuer of the Pledged Shares not to issue any common stock in addition to, or issue any stock or other securities in substitution for, the Pledged Shares issued by such issuer, except to the Pledgor and (ii) pledge hereunder, immediately upon its acquisition (directly or indirectly) thereof, any and all additional shares of common stock and any and all such stock or other securities of each issuer of the Pledged Shares.

SECTION 8. Agent Appointed Attorney-in-Fact. The Pledgor hereby appoints the Agent the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Agent's discretion to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, indorse and collect all instruments made payable to the Pledgor representing any dividend, payment or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

SECTION 9. Agent May Perform. If the Pledgor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by the Pledgor under Section 13.

SECTION 10. Reasonable Care. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if the Pledged Collateral is accorded treatment substantially equal to that which Chemical Bank accords its own property, it being understood that neither the Agent, the Credit Agreement Agent, the GPU Loan Agreement Agent nor any Bank shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Collateral, whether or not the Agent, the Credit Agreement Agent, the GPU Loan Agreement Agent or any Bank has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral.

SECTION 11. Remedies upon Default. If any Event of Default shall have occurred and be continuing and subject to any required approval or consent of the SEC under the Utility Act, of the NJBPU and of the PaPUC:

(a) The Agent may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code (the "Code") in effect in the State of New York at that time, and the Agent may also, without notice except as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Agent may deem commercially reasonable. The Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by the Agent as Pledged Collateral and all cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Agent pursuant to Section 13) in whole or in part by the Agent first for the variable (in accordance with the indebtedness of the Borrowers to the Banks outstanding under the Credit Agreement and the GPU Loan Agreement) benefit of the Banks against all or any part of the Collateral existing in respect of the Credit Agreement and the GPU Loan Agreement until all such obligations shall have been paid in full and, thereafter, for the variable benefit of the Banks party to the Participation Agreement and the Funding Agreement against all or any part of the Collateral existing in

respect of the Participatory Agreement and the Reading Agreement until all such Obligations shall have been paid in full. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Obligations shall be paid over to the Pledgor or to whomever may be lawfully entitled to receive such surplus.

SECTION 12. Registration Rights. If the Agent shall determine to exercise its right to sell all or any of the Pledged Collateral pursuant to Section 11, the Pledgor agrees that, upon request of the Agent, the Pledgor will, at its own expense:

(a) execute and deliver, and cause each issuer of the Pledged Collateral contemplated to be sold and the directors and officers thereof to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts and things, as may be necessary or, in the opinion of the Agent, advisable to register such Pledged Collateral under the provisions of the Securities Act of 1933, as from time to time amended (the "Securities Act"), and to cause the registration statement relating thereto to become effective and to remain effective for such period as prospectuses are required by law to be furnished, and to make all amendments and supplements thereto and to the related prospectus which, in the opinion of the Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto;

(b) use its best efforts to qualify the Pledged Collateral under the state securities or "Blue Sky" laws and to obtain all necessary governmental approvals for the sale of the Pledged Collateral, as requested by the Agent;

(c) cause each such issuer to make available to its security holders, as soon as practicable, an earning statement which will satisfy the provisions of Section 11(a) of the Securities Act; and

(d) do or cause to be done all such other acts and things as may be necessary (including, without limitation, obtaining any necessary or desirable approval of the SEC under the Utility Act and of the

The Pledgor further acknowledges the impossibility of ascertaining the amount of damages which would be suffered by the Agent, the Credit Agreement Agent, the GPU Loan Agreement perform any of the covenants contained in this Section and, consequently, agrees that, if the Pledgor shall fail to perform any of such covenants, it shall pay, as liquidated damages and not as a penalty, an amount equal to the value of the Pledged Collateral on the date the Agent shall demand compliance with this Section.

SECTION 13. Expenses. The Pledgor will upon demand pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the pledged Collateral, (iii) the exercise or enforcement of any of the rights of the Agent, the Credit Agreement Agent, the GPU Loan Agreement Agent or the Banks hereunder or (iv) the failure by the Pledgor to perform or observe any of the provisions hereof.

SECTION 14. Security Interest Absolute. All rights of the Agent and security interests hereunder, and all obligations of the pledgor hereunder, shall be absolute and unconditional irrespective of:

(i) any lack of validity or enforceability of any Principal Agreement (meaning the Credit Agreement, the GPO Loan Agreement, the Security Agreement and the Reading Agreement), the Notes or any other agreement or instrument relating thereto;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendments or waivers of or any consent to any departure from any Principal Agreement or the Notes;

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

(iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Borrower in respect of the Obligations or the Pledgor in respect of this Agreement,

except to the extent that this Agreement may finally be determined to be unenforceable as contrary to public policy.

SECTION 15. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 16. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic communication) and, if to the Pledgor, mailed or telegraphed or delivered to it, addressed to it at 260 Cherry Hill Road, Parsippany, New Jersey 07054, Attention of Vice President and Chief Financial Officer, if to the Agent, mailed or delivered to it, addressed to it at the address of the Agent specified in the Credit Agreement, or as to each party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed or telegraphed, respectively, be effective when deposited in the mails or delivered to the telegraph company, respectively, addressed as aforesaid.

SECTION 17. Continuing Security Interest; Transfer of Notes. This Agreement shall create a continuing security interest in the pledged collateral and shall (i) remain in full force and effect until payment in full (in respect of the Credit Agreement, after the Termination Date) of the Obligations, (ii) be binding upon the Pledgor, its successors and assigns, and (iii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, the Credit Agreement Agent, the GCU Loan Agreement Agent, the Banks, and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), any Bank may assign or otherwise transfer any Note held by it to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to such Bank herein or otherwise, subject, however, to the provisions of Article VII

(concerning the Agent and the Co-Agent thereunder) of the Credit Agreement and of Article VI (concerning the Agent thereunder) of the GPU Loan Agreement with respect to the Notes issued thereunder. Upon the payment in full (in respect of the Credit Agreement, after the Termination Date) of the Obligations, the Pledgor shall be entitled to the return, upon its request and at its expense, of such of the Pledged Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

SECTION 18. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, except as required by mandatory provision of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Pledged Collateral are governed by the laws of a jurisdiction other than the State of New York. Unless otherwise defined herein or in the Credit Agreement, terms defined in Article 9 of the Uniform Commercial Code in the State of New York are used herein as therein defined.

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

GENERAL PUBLIC UTILITIES
CORPORATION

By _____
Title:

CHEMICAL BANK,
as Agent

By _____
Vice President

Attached to and forming a part of that certain Pledge Agreement dated as of June 20, 1979, by General Public Utilities Corporation, as pledgor, to Chemical Bank, as Agent

<u>Stock Issuer</u>	<u>Class of Stock</u>	<u>Stock Certificate No(s).</u>	<u>Par Value</u>	<u>Number of Shares</u>
Jersey Central Power & Light Company	Common	Nos. C-30	\$10	6,978,770
		C-31		8,392,500
Metropolitan Edison Company	Common	Nos. 291	none	859,488
		294		2
		297		2
		300		2
		301		2
		303		2
		304		2
Pennsylvania Electric Company	Common	Nos. A-30	\$20	5,290,591
		A-34		5
GPT Service Corporation	Common	No. 1	\$10	5,000

EXHIBIT D

PLEDGE AGREEMENT dated as of June 20, 1979, between [JERSEY CENTRAL POWER & LIGHT COMPANY] [METROPOLITAN EDISON COMPANY] a [New Jersey] [Pennsylvania] corporation (the "Pledgor"), and CHEMICAL BANK as agent (the "Agent") for the banks (the "Banks") parties to the Credit Agreement (as hereinafter defined);

PRELIMINARY STATEMENT:

The Banks, CITIBANK, N.A., as agent (the "Credit Agreement Agent") and CHEMICAL BANK, as co-agent, have entered into a Revolving Credit Agreement, dated as of June 15, 1979 (said Agreement, as it may hereafter be amended or otherwise modified from time to time, being the "Credit Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined), with GENERAL PUBLIC UTILITIES CORPORATION, the Pledgor, [JERSEY CENTRAL POWER & LIGHT COMPANY, a New Jersey corporation,] [METROPOLITAN EDISON COMPANY, a Pennsylvania corporation,] and PENNSYLVANIA ELECTRIC COMPANY, a Pennsylvania corporation. It is a condition precedent to the obligations of the Banks to make and maintain Advances to the Pledgor under the Credit Agreement that the Pledgor shall have made the pledge contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Banks to make Advances to the Pledgor under the Credit Agreement, the Pledgor hereby agrees with the Agent for its benefit, the benefit of the Credit Agreement Agent and the ratable benefit of the Banks as follows:

SECTION 1. Pledge. The Pledgor hereby pledges to the Agent for its benefit, the benefit of the Credit Agreement Agent and the ratable benefit of the Banks, and grants to the Agent for its benefit, the benefit of the Credit Agreement Agent and the ratable benefit of the Banks a security interest in, the following (the "Pledged Collateral"):

(1) the Bonds (the "Pledged Bonds") described in Schedule I hereto and the certificates representing the Pledged Bonds, and all interest, cash, instruments and other proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Bonds;

(ii) all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Bonds; and

(iii) any and all proceeds of the foregoing.

SECTION 2. Security for Obligations. This Agreement secures the payment of all obligations of the Pledgor now or hereafter existing under the Credit Agreement and the Notes, whether for principal, interest, fees, expenses or otherwise (except such obligations of the Pledgor to [Citibank] [Morgan Guaranty Trust Company of New York]), and all obligations of the Pledgor now or hereafter existing under this Agreement (all such obligations of the Pledgor being the "Obligations").

SECTION 3. Delivery of Pledged Collateral. All certificates or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by or on behalf of the Agent pursuant hereto and shall be, in the case of the Pledged Bonds, registered in the name of the Agent or in the name of such nominee as the Agent shall select and, in the case of Pledged Collateral other than the Pledged Bonds, shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Agent. The Agent shall have the right, at any time in its discretion and without notice to the Pledgor, to transfer to or to register in the name of the Agent or any of its nominees any or all of the Pledged Collateral, subject only to the revocable rights specified in Section 6(a) and to the requirements of the [JC] [ME] Indenture. In addition, the Agent shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations.

SECTION 4. Representations and Warranties. The Pledgor represents and warrants as follows:

(a) The pledge of the Pledged Bonds pursuant to this Agreement creates a valid and perfected first priority security interest in the Pledged Bonds, securing the payment of the Obligations.

(b) Except for any appropriate order of the SEC under the Utility Act and of the [NJBPU] [PaPUC]

(all of which orders are in full force and effect), no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the pledge by the Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Pledgor.

SECTION 5. Further Assurances. The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Agent may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral.

SECTION 6. Voting Rights; Etc. (a) So long as no Event of Default (meaning, for purposes of this Agreement, an Event of Default as to the Pledgor under Section 6.01 of the Credit Agreement) or event which, with the giving of notice or the lapse of time, or both, would become an Event of Default shall have occurred and be continuing:

(i) The Pledgor shall be entitled to exercise any and all voting and other consensual rights which it may have, if any, pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement; provided, however, that the Pledgor shall not exercise or refrain from exercising any such right if, in the Agent's judgment, such action would have a material adverse effect on the value of the Pledged Collateral or any part thereof, and, provided, further, that the Pledgor shall give the Agent at least five days' written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right.

(ii) The Pledgor shall be entitled to receive and retain any and all dividends and interest paid in respect of the Pledged Collateral, provided, however, that any and all

(A) dividends and interest paid or payable other than in cash in respect of, and instruments

and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(B) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(C) cash paid, payable or otherwise distributed in exchange for, any Pledge Collateral,

shall be, and shall forthwith be delivered to the Agent to hold as, Pledged Collateral and shall, if received by the Pledgor, be received in trust for the benefit of the Agent, be segregated from the other property or funds of the Pledgor, and be forthwith delivered to the Agent as Pledged Collateral in the same form as so received (with any necessary indorsement).

(iii) The Agent shall execute and deliver (or cause to be executed and delivered) to the Pledgor all such proxies and other instruments as the Pledgor may reasonably request for the purpose of enabling the Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to paragraph (i) above and to receive the dividends or interest payments which it is authorized to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default or an event which, with the giving of notice or the lapse of time, or both, would become an Event of Default:

(i) Subject to any required approval or consent of the SEC under the Utility Act, of the NJBPU and of the PaPUC, all rights of the Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 6(a)(i) may, at the election of the Majority Banks, and all rights of the Pledgor to receive the dividends and payments which it would otherwise be authorized to receive and retain pursuant to Section 6(a)(ii) shall cease, and all such rights shall thereupon become

vested in the Agent who shall thereupon have the sole right to exercise such voting and other consensual rights and to receive and hold as Pledged Collateral such dividends and payments.

(ii) All dividends and payments which are received by the Pledgor contrary to the provisions of paragraph (i) of this Section 6(b) shall be received in trust for the benefit of the Agent, shall be segregated from other funds of the Pledgor and shall be forthwith paid over to the Agent as Pledged Collateral in the same form as so received (with any necessary indorsement).

SECTION 7. Transfers and Other Liens; Additional Shares. The Pledgor agrees that it will not (i) sell or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral, or (ii) create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Pledged Collateral, except for the security interest under this Agreement.

SECTION 8. Agent Appointed Attorney-in-Fact. The Pledgor hereby appoints the Agent the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Agent's discretion to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, indorse and collect all instruments made payable to the Pledgor representing any dividend, payment or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

SECTION 9. Agent May Perform. If the Pledgor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by the Pledgor under Section 13.

SECTION 10. Reasonable Care. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if the Pledged Collateral is accorded treatment substantially equal to that which Chemical Bank accords its own property, it being understood that neither the Agent, the Credit Agreement Agent nor any Bank shall have responsibility for ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Collateral, whether or not the Agent,

the Credit Agreement Agent or any Bank has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral.

SECTION 11. Remedies upon Default. If any Event of Default shall have occurred and be continuing and subject to any required approval or consent of the SEC under the Utility Act or of the [NJBPUC] [PaPUC]:

(a) The Agent may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code (the "Code") in effect in the State of New York at that time, and the Agent may also, without notice except as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Agent may deem commercially reasonable. The Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by the Agent as Pledged Collateral and all cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Agent pursuant to Section 13) in whole or in part by the Agent for the ratable benefit of obligees of the Obligations against all or any part of the Obligations in such order as the Agent shall elect.

Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Obligations shall be paid over to the Pledgor or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 12. Registration Rights. If the Agent shall determine to exercise its right to sell all or any of the Pledged Collateral pursuant to Section 11, the Pledgor agrees that, upon request of the Agent, the Pledgor will, at its own expense:

(a) execute and deliver, and cause each issuer of the Pledged Collateral contemplated to be sold and the directors and officers thereof to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts and things, as may be necessary or, in the opinion of the Agent, advisable to register such Pledged Collateral under the provisions of the Securities Act of 1933, as from time to time amended (the "Securities Act"), and to cause the registration statement relating thereto to become effective and to remain effective for such period as prospectuses are required by law to be furnished, and to make all amendments and supplements thereto and to the related prospectus which, in the opinion of the Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto;

(b) use its best efforts to qualify the Pledged Collateral under the state securities or "Blue Sky" laws and to obtain all necessary governmental approvals for the sale of the Pledged Collateral, as requested by the Agent;

(c) cause each such issuer to make available to its security holders, as soon as practicable, an earning statement which will satisfy the provisions of Section 11(a) of the Securities Act; and

(d) do or cause to be done all such other acts and things as may be necessary (including, without limitation, obtaining any necessary or desirable approval of the SEC under the Utility Act or of the [NJSPU] [PaPUC]) to make such sale of the Pledged Collateral or any part thereof valid and binding and in compliance with applicable law.

The Pledgor further acknowledges the impossibility of ascertaining the amount of damages which would be suffered by the Agent, the Credit Agreement Agent or the Banks by reason of the failure by the Pledgor to perform any of the covenants contained in this Section and, consequently, agrees that, if the Pledgor shall fail to perform any of such covenants, it shall pay, as liquidated damages and not as a penalty, an amount equal to the value of the Pledged Collateral on the date the Agent shall demand compliance with this Section.

SECTION 13. Expenses. The Pledgor will upon demand pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of any of the rights of the Agent, the Credit Agreement Agent or the Banks hereunder or (iv) the failure by the Pledgor to perform or observe any of the provisions hereof.

SECTION 14. Security Interest Absolute. All rights of the Agent and security interests hereunder, and all obligations of the Pledgor hereunder, shall be absolute and unconditional irrespective of:

(i) any lack of validity or enforceability of the Credit Agreement, the Notes or any other agreement or instrument relating thereto;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement or the Notes;

(iii) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations; or

(iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Borrower in respect of the Obligations or the Pledgor in respect of this Agreement,

except to the extent that this Agreement may finally be determined to be unenforceable as contrary to public policy.

SECTION 15. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 16. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic communication) and, if to the Pledgor, mailed or telegraphed or delivered to it, addressed to it at its address specified in the Credit Agreement, if to the Agent, mailed or delivered to it, addressed to it at the address of the Agent specified in the Credit Agreement, or as to each party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed or telegraphed, respectively, be effective when deposited in the mails or delivered to the telegraph company, respectively, addressed as aforesaid.

SECTION 17. Continuing Security Interest; Transfer of Notes. This Agreement shall create a continuing security interest in the pledged Collateral and shall (i) remain in full force and effect until payment in full (after the Termination Date) of the Obligations, (ii) be binding upon the Pledgor, its successors and assigns, and (iii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, the Credit Agreement Agent, the Banks, and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), any Bank may assign or otherwise transfer any Note held by it to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to such Bank herein or otherwise, subject, however, to the provisions of Article VII (concerning the Credit Agreement Agent) of the Credit Agreement. Upon the payment in full (after the Termination Date) of the Obligations, the Pledgor shall be entitled to the return, upon its request and at its expense, of such of the pledged Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

SECTION 18. Payment of Obligations. So long as the Pledgor shall make due and punctual payment of all of the Obligations, the Agent or any holder of, or any other

Person who has acquired any interest in, the Pledged Bonds shall have no right to and shall not demand, collect or receive any principal of or interest on any of the Pledged Bonds.

SECTION 19. Release of Pledged Bonds. In the event that the Pledgor shall sell any of its First Mortgage Bonds to Persons other than the Banks, the Agent will release a like principal amount of the Pledged Bonds from the pledge and security interest granted hereby against receipt by it from the purchaser of the purchase price of such First Mortgage Bonds.

SECTION 20. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, except as required by mandatory provision of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Pledged Collateral are governed by the laws of a jurisdiction other than the State of New York. Unless otherwise defined herein or in the Credit Agreement, terms defined in Article 9 of the Uniform Commercial Code in the State of New York are used herein as therein defined.

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

[JERSEY CENTRAL POWER & LIGHT
COMPANY]

[METROPOLITAN EDISON COMPANY]

By _____
Title:

CHEMICAL BANK, as Agent

By _____
Vice President

SCHEDULE 1

Attached to and forming a part of that certain Pledge Agreement dated as of June 20, 1979, by [Jersey Central Power & Light Company] [Metropolitan Edison], as Pledgor, to Chemical Bank, as Agent

Bonds

Principal Amount

Certificate No(s)

EXHIBIT E

AMENDMENT

Dated as of June 20, 1979

GENERAL PUBLIC UTILITIES CORPORATION, a Pennsylvania corporation (the "Borrower"), and certain Banks are parties to the Loan Agreement, dated as of November 15, 1976, as amended by an Agreement made as of March 20, 1979 (the "GPU Loan Agreement"), pursuant to which such Banks lent an aggregate of \$50,000,000 principal amount to the Borrower, of which \$39,000,000 principal amount remains outstanding. It is proposed that the GPU Loan Agreement be amended and restated to modify the repayment schedule thereunder, to change the applicable interest rate and to effect certain other changes.

Accordingly, it is hereby agreed that the GPU Loan Agreement is, subject to the satisfaction of the conditions specified in Section 3.01 and Section 3.02 of the Revolving Credit Agreement, dated as of June 15, 1979, among the Borrower, Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, certain Banks and Citibank, N.A., as Agent, and Chemical Bank, as Co-Agent, hereby amended and restated to read in its entirety as set forth in Exhibit A hereto; such amendment and restatement shall be effective as of the date of the satisfaction of such conditions.

This Amendment shall be governed by and construed in accordance with the laws of the State of New York and shall be effective when a counterpart hereof has been executed and delivered by each of the parties hereto.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first above written.

GENERAL PUBLIC UTILITIES
CORPORATION

By _____

CITIBANK, N.A.,
Individually and
as Agent

CHEMICAL BANK

By _____
Title:

By _____
Title:

IRVING TRUST COMPANY

MARINE MIDLAND BANK

By _____
Title:

By _____
Title:

MANUFACTURERS HANOVER
TRUST COMPANY

By _____
Title: