

in the amount set out in and for the TIF facilities described in Exhibit "C," if any, in accordance with PUCT Rules.

Section 8.2. Section 8.2 of Exhibit A is amended by replacing the phrase "Section 4.1.B" with "Sections 2.2 and 4.1.B."

Section 8.3. Section 8.3 of Exhibit A is amended and restated as follows:

Financial Security Arrangements. To secure the Generator's obligation to pay the termination costs described in Section 2.2 if this Agreement is terminated pursuant to Section 2.1, the TSP may require the Generator to pay a reasonable deposit or provide another means of security, to cover the costs of planning, licensing, procuring equipment and materials, and constructing the TIF. The required security arrangements are specified in Exhibit "E." The Generator shall deliver the financial security called for in Exhibit "E" (the "Security") to the TSP by the date specified in Exhibit "B." Within ten business days after the TSP receives notice of the Commercial Operation Date from the Generator, the TSP shall return the Security to the Generator. However, the TSP may retain an amount of the Security to cover the incremental difference between the TSP's actual out of pocket costs associated with the choice of Section 4.1.B over Section 4.1.A, pending a final PUCT Order as contemplated in Section 4.1.B(iii). If the Commercial Operation Date for the Plant does not occur within one year after the scheduled Commercial Operation Date identified in Exhibit "B" or if this Agreement is terminated in accordance with Section 2.1 and the TIF are not required, the TSP may, in accordance with the provisions of Section 2.2, retain as much of the Security as is required to cover the costs it incurred in planning, licensing, procuring equipment and materials, and constructing the TIF. If a cash deposit is provided as the Security pursuant to Exhibit "E," any repayment of such cash deposit shall include interest at a rate applicable to customer deposits as established from time to time by the PUCT or other Governmental Authority. If ERCOT requires the TSP to update the Facilities Study or conduct a new facilities study for the TIF, whether due to a delay in the Commercial Operation Date or otherwise, the TSP may increase the Security amount required from the Generator to cover any increase in the estimated cost of the TIF identified in such updated or new facilities study.

ARTICLE 9 AMENDMENT PROVISIONS

Section 9.1. Subsections B, D, E and I of Section 9.1 of Exhibit A are amended and restated as follows:

B. Commercial General Liability Insurance including for premises and operations, providing personal injury coverage; broad form property damage coverage; broad form blanket contractual liability coverage (including coverage for the contractual indemnification); products and completed operations coverage; coverage for explosion, collapse and underground hazards; independent contractors coverage; coverage for pollution to the extent normally available; coverage for punitive damages to the extent normally available; and cross liability coverage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

D. Excess Public Liability Insurance over and above the Employer's Liability, Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$5,000,000) per occurrence/Twenty Million Dollars (\$5,000,000) aggregate.

E. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance policies shall cover the other Party, its parent, associated and affiliated companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group, and each Party shall provide thirty (30) days advance written notice to Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

I. Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer, or a letter of self-insurance executed by the Party's authorized representative.

ARTICLE 10 AMENDMENT PROVISIONS

Section 10.5. Section 10.5 of Exhibit A is amended and restated as follows:

Force Majeure.

A. The term "Force Majeure" as used herein shall mean any cause beyond the reasonable control of the Party claiming Force Majeure, and without the fault or negligence of such Party, which materially prevents or impairs the performance of such Party's obligations hereunder, including but not limited to, storm, flood, lightning, earthquake, fire, explosion, failure or imminent threat of failure of facilities, manufacturer or vendor delays in the delivery of procured interconnection facilities or equipment, civil disturbance, strike or other labor disturbance, sabotage, war, national emergency, or restraint by any Governmental Authority. The term "Force Majeure" also includes any outage scheduling delays and scheduled outage cancellations (collectively, "Outage Delays") caused by ERCOT or other third party that prevent or delay TSP's TIF construction activities and any TIF construction delays caused by TSP's compliance with PURA § 35.005(d).

B. Neither Party shall be considered to be in Default (as hereinafter defined) with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to provide the Security or pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to provide the Security or pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section shall be

confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance. The In-Service Date will be extended by one day for each day TIF construction is delayed due to Force Majeure.

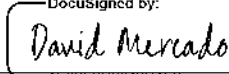
Section 10.6. Subsection A of Section 10.6 of Exhibit A is amended and restated as follows:

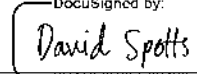
A. The term "Default" shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation (other than an obligation to provide the Security or to pay money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 10.6.B, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 30 days, the defaulting Party shall commence such cure within 30 days after receipt of the Default notice and continuously and diligently complete such cure within 90 days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

This Agreement and the Amendment Provisions herein are effective as of the effective date of the SGIA.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

SMT Houston IV LLC

By: 
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By: 
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Name: David Mercado

Name: David Spotts

Title: VP High Voltage and System Operations

Title: Managing Partner