

AMENDMENT TO THE WATER SUPPLY STORAGE AGREEMENT
BETWEEN THE UNITED STATES OF AMERICA AND
LSP ENERGY LIMITED PARTNERSHIP
FOR WATER STORAGE SPACE IN ENID LAKE

WITNESSETH THAT:

WHEREAS, LSP Energy Limited Partnership (hereinafter called the "User") entered into Agreement No. ELLSP-1-1 with the United States of America (hereinafter called the "Government") on June 8, 1998, for water supply space in Enid Lake (hereinafter called "the Agreement"); and,

WHEREAS, the United States of America is acting through the District Engineer of the Vicksburg District of the United States Army Corps of Engineers; and,

WHEREAS, water withdrawn from Enid Lake by the User pursuant to the Agreement will be used in the User's electric generating facility located in Batesville, Mississippi (hereinafter called the "Facility"); and,

WHEREAS, the User, certain lenders (hereinafter called the "Lenders") and Credit Suisse First Boston, as agent acting on behalf of the Lenders (the "Agent") have entered into certain financing and security agreements and documents related thereto pursuant to which the Lenders have provided to the User construction and permanent financing of the Facility; and

WHEREAS, as a condition to the Lenders' advance of funds under the financing documents, the Lenders request a modification to the Agreement.

NOW, THEREFORE, in consideration for the foregoing, the Government and the User do hereby agree to amend Article 10 of the Agreement as follows:

1. The existing Article 10 is hereby amended by adding the character "(a)" in front of the first sentence of Article 10.
2. Article 10 is hereby amended by adding the following clauses:
 - (b) Water withdrawn from Enid Lake by the User pursuant to the Agreement will be used in the User's electric generating facility located in Batesville, Mississippi (hereinafter called the "Facility"). The User, certain lenders (hereinafter called the "Lenders") and Credit Suisse First Boston, as agent acting on behalf of the Lenders (the "Agent") have entered into certain financing and security agreements and documents related thereto pursuant to which the Lenders have provided to the User construction and permanent financing of the Facility. The Government will not, without prior written notice to the Agent cancel or terminate this Agreement, on account of any default or breach of the User thereunder. The Agent will be provided (i) thirty (30) days from the date notice of default or breach is delivered

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to the Agent to cure such default if such default is the failure to pay amounts to the Government which are due and payable by the User under this Agreement or (ii) a reasonable opportunity, but not fewer than thirty (30) days, to cure such breach or default if the breach or default cannot be cured by the payment of money to the Government so long as the Agent or its designee shall have commenced to cure the breach or default within such period and thereafter diligently pursues such cure to completion and continues to perform any monetary obligations under this Agreement and all other obligations under this Agreement are performed by the User or the Agent; provided, that such period shall not exceed ninety (90) days.

- (c) Should the Lenders foreclose on any agreements between the Lenders and the User, or otherwise succeed to the rights, title and interest of the User in and to the Facility, then within a reasonable time period after such foreclosure or other succession to the rights, title and interest of the User in and to the Facility, the Agent or its successors or assigns shall so request, the Government will negotiate with the Agent a new Agreement, which Agreement shall be on substantially the same terms and conditions as this Agreement.
 - (d) Except as expressly provided in this Article, nothing contained herein shall be construed as modifying the obligations of the User to the Government under this Agreement or a waiver of any rights of the Government against the User pursuant to this Agreement.
 - (e) The Government and the User hereby agree that the Lenders and the Agent are intended third party beneficiaries of this Agreement and this Article.
3. This amendment may be executed by one or more parties to this amendment on any number of separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.
 4. Except as provided in this amendment, all of the terms and provisions of the Agreement are and shall remain in full force and effect.
 5. Any references to the "Agreement" shall include the Agreement as amended by this amendment.
 6. Nothing contained herein affects or diminishes the Government's statutory and/or sovereign powers with respect to the operation and/or maintenance of Enid Lake.

This Amendment shall become effective upon the execution of said agreement by the Secretary of the Army or his duly authorized representative.

DATED: _____

LSP ENERGY LIMITED PARTNERSHIP

By: LSP Energy, Inc., its managing general partner

By: _____

Name: Mikhail Segal

Title: President

DATED: _____

SECRETARY OF THE ARMY OR HIS DULY AUTHORIZED REPRESENTATIVE

By: _____

Name

Title

ACCEPTED AND ACKNOWLEDGED BY:

CREDIT SUISSE FIRST BOSTON, as agent for the Lenders

By: _____

Name *Jens Brantlett*
Title *Director*

By: _____

Name **LOUIS D. IACONETTI**
Title **VICE PRESIDENT**

This Amendment shall become effective upon the execution of said agreement by the Secretary of the Army or his duly authorized representative.

DATED: 1/29/99

LSP ENERGY LIMITED PARTNERSHIP

By: LSP Energy, Inc., its managing general partner

By: Mikhail Segal
Name: Mikhail Segal
Title: President

DATED: 1-29-99

SECRETARY OF THE ARMY OR HIS DULY AUTHORIZED REPRESENTATIVE

By: Joseph W. Westpahl
Name Joseph W. Westpahl
Title Assistant Secretary of the Army (CW)

ACCEPTED AND ACKNOWLEDGED BY:

CREDIT SUISSE FIRST BOSTON, as agent for the Lenders

By: _____
Name
Title

By: _____
Name
Title