AMENDMENT TO
PROJECT SCHEDULE AND AGREEMENT

This Amendment to Project Schedule and Agreement (this "Amendment") is entered into between GenOn Potomac River, LLC ("GenOn") and the City of Alexandria, Virginia (the "City"), acting through its duly elected officials or designated employees, and establishes a process and mutual obligations that the parties agree to undertake with respect to the retirement of GenOn's Potomac River Generating Station (the "Facility). This Amendment shall be effective on the date that both GenOn and the City have executed and delivered this Amendment (the "Effective Date").

WHEREAS, GenOn and the City entered into that certain Project Schedule and Agreement (as amended from time to time, the "Agreement") dated July 17, 2008;

WHEREAS, pursuant to the Agreement GenOn deposited thirty-four million dollars ($34,000,000.00) in an interest bearing escrow account ("Escrow Account") pursuant to the terms of an escrow agreement (the "Escrow Agreement") between GenOn and Deutsche Bank Trust Company Americas (the "Escrow Agent") for the purpose of implementing air pollution control technology to reduce stack and fugitive particulate matter emissions from the Facility (the "Project");

WHEREAS, the City desires that GenOn cease operation of and retire the Facility;

WHEREAS, GenOn represents that, as of the Effective Date of this Agreement, it has not had any discussions or contemplated transferring the Facility to any entity for the purpose of coal-fired generation once the Facility has been retired by GenOn;

WHEREAS, the City agrees that upon retirement of the Facility, all remaining funds in the Escrow Account will be disposed of in accordance with this Amendment;

WHEREAS, the parties desire to amend the Agreement to reflect that GenOn and the City will no longer pursue the Project and GenOn will pursue retirement of the Facility in exchange for return of the remaining funds in the Escrow Account.

NOW THEREFORE, the parties agree as follows:

1. The foregoing recitals are incorporated into and made a part of this Amendment as though they are fully set forth in this Section 1 and constitute the representations, findings and understandings of GenOn and the City.

2. Capitalized terms used herein and not defined shall have the meaning given them in the Agreement.

3. For the purposes of this Amendment, the Facility shall be "Retired" and "Retirement" of the Facility shall have occurred when the Facility is permanently removed from service, as evidenced by a written notification from GenOn to PJM Interconnection, LLC ("PJM") that the Facility is permanently retired.

4. GenOn agrees to Retire the Facility on October 1, 2012 subject to PJM finding that the Facility is no longer needed for reliability as of the date of Retirement and obtaining other required approvals and consents (collectively, the "Consents").

5. Within 30 days after the Effective Date, GenOn shall seek all Consents.

6. If the Consents have been received by July 3, 2012, GenOn will retire the Facility on October 1, 2012. If the Consents have not been received by July 3, 2012, GenOn will retire the Facility within 90 days after receipt of all Consents. The parties acknowledge that the date on which the Facility is Retired could be delayed by issuance of an order by a federal or state agency requiring the Facility to remain available for a longer period of time than intended by the parties (a "Government Order"). In the event that a Government Order is issued, GenOn shall not be required to Retire the Facility until the Government Order is terminated or expired.

7. The City and GenOn shall cooperate and coordinate with each other to obtain the Consents.

8. Upon Retirement of the Facility, all funds in the Escrow Account shall be distributed to GenOn, provided, in the event that the Facility is Retired after January 1, 2014, $750,000 shall be paid to the City, and the remaining funds in the Escrow Account shall be paid to GenOn.

9. All payments for goods and services properly procured under the Agreement prior to the Effective Date shall be paid from the Escrow Account. No other funds shall be disbursed from the Escrow Account other than (a) in accordance with this Amendment and (b) as required to compensate the Escrow Agent pursuant to the Escrow Agreement.

10. The City and GenOn acknowledge that as of the Effective Date, each party has complied in all respects with its obligations under the Agreement. All rights and obligations of GenOn and the City under the Agreement to expend funds for any purpose are terminated on the Effective Date. The City shall terminate the engagement of the Engineer on the Effective Date.

11. Sections 2-21 and 23-25 of the Agreement are hereby terminated, including, without limitation, all obligations to implement the Project.

12. Section 22 of the Agreement is hereby amended to state in its entirety:

    "The City recognizes that this Agreement and the Retirement of the Facility is intended to satisfy pending disputes regarding previous operations at, and emissions and impacts from, the Facility and that GenOn's adherence to this Agreement shall resolve these disputes. The City agrees not to take any action to hinder the Retirement of the Facility and acknowledges that it does not have any right to direct any aspect of the Retirement process. The City does not release or waive any claims relating to the future compliance by GenOn or the Facility with federal, state or local laws, but agrees that the Retirement of the Facility will not alter the Facility's non-complying use status. While reserving the right to monitor the Facility's operations and to enforce the terms of this Agreement, the City will not initiate any judicial, administrative or other actions against GenOn for its activities in furtherance of and

compliance with this Agreement."

13. Section 26 of the Agreement is hereby amended to state in its entirety:

    "This Agreement shall terminate upon the Retirement of the Facility, except with respect to Sections 7, 9, 14, 17, 18 and 19 of this Amendment, and Section 22, 26-30 of the Agreement, which shall survive termination of this Agreement."

14. Section 27 of the Agreement is hereby amended by deleting telecopy as a valid manner of service notice, and by changing the address for notice to GenOn to the following:

    If to GenOn:
    GenOn Potomac River, LLC
    Attn: General Counsel
    1000 Main Street
    Houston, Texas 77002

    With a copy to:
    GenOn Potomac River, LLC
    Attn: Vice President Asset Management, Eastern PJM
    601 13th Street, N.W.
    Suite 850 North
    Washington D.C. 20005

15. For a period of five years beginning on the date of Retirement, the City will collectively value the land, buildings, machinery, and equipment at the Facility site for taxation purposes only as unimproved land for so long as the plant is non-operational and the land is not the subject of any redevelopment application filed with the City, and such five year period may be renewed upon agreement of the City and GenOn. During this time, the buildings, machines and equipment will have a zero valuation for tax assessment purposes.

16. The City and GenOn shall, prior to issuance, consult with one another and provide each other a reasonable opportunity to review and make reasonable comment upon any press release and public statement with respect to this Amendment or the Retirement of the Facility and, except as may be required by applicable law or any listing agreement with the New York Stock Exchange, will not issue any such press release or public statement prior to such consultation.

17. This Amendment amends the Agreement only to the extent and in the manner herein set forth. All references in the Agreement to the Agreement shall mean the Agreement as amended by this Amendment. In all other respects, the terms and conditions of the Agreement shall remain in full force and effect.

18. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

19. This Amendment shall be governed by the laws of the Commonwealth of Virginia, without regard to its principles of conflict of laws.

20. This Amendment will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in one or more counterpart signature pages as of the Effective Date.

CITY OF ALEXANDRIA, VIRGINIA

Date: 8-29-11

By: _____
Title: Acting City Manager

Approved as to form:

_____
Deputy City Attorney

APPROVED ~~AS TO~~ FORM:

_____
DEPUTY CITY ATTORNEY

GENON POTOMAC RIVER, LLC

Date: 8-29-11

By: _____
Title: President