

Senate Finance Committee

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EXHIBIT 20OPERATION AND MAINTENANCE AGREEMENT

This Operation and Maintenance Agreement (the "Agreement") dated as of November 13, 1992, is between Puerto Quetzal Power Corp., Guatemala Branch, a Delaware corporation with its principal place of business at 6 a. Avenida 20-25 Zona 10, Edificio Plaza Maritima, Guatemala City, Guatemala C.A. ("Owner"), and Electricidad Enron de Guatemala, S.A., a company organized under the laws of Guatemala with its principal place of business at 6 a. Avenida 20-25 Zona 10, Edificio Plaza Maritima, Guatemala City, Guatemala C.A. ("Operator").

PRELIMINARY STATEMENT

WHEREAS, Owner is developing a 110 MW, fuel oil fired, dispatchable, barge-mounted power plant for the generation and sale of electricity to be located outside San Jose, Guatemala in the Puerto Quetzal port facilities (the "Project"); and

WHEREAS, Owner desires to utilize the services of Operator in the mobilization, start-up activities, performance testing and operation and maintenance of the Project; and

WHEREAS, Owner and Operator now desire to set forth the terms pursuant to which Operator shall provide such services for the Project;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the meanings set forth below. All references herein to national or regional laws shall include such laws as amended and in effect from time to time, including successor legislation thereof, and references to agreements and other contractual instruments shall be deemed to include all exhibits and appendices attached thereto and all amendments and other modifications to such agreements and instruments.

1.1 Affiliate: With respect to any party hereto, any entity which is a direct or indirect parent or subsidiary of such party or which directly or indirectly (i) owns or controls such party, (ii) is owned or controlled by such party, or (iii) is under common ownership or control with such party; for purposes of this definition, "control" shall mean the power to direct the management or policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

1.2 Annual Budget. The budget prepared by Operator, subject to approval by Owner, setting forth all anticipated expenses for the operation and maintenance of the Project for any Year and setting forth, to the extent practicable, a breakdown of such costs on a monthly basis.

1.3 Annual Operating Plan: The annual operating plan prepared by Operator, subject to approval by Owner, setting forth, among other things, anticipated maintenance and overhaul schedules, staffing plans, equipment acquisitions and spare parts, schedules of services to be provided by subcontractors, plant performance data regarding required environmental performance, projected fuel usage and the target average annual Heat Rate and target Capacity Factor for the Project.

1.4 Bankruptcy: With respect to a party (a) a failure by such party within sixty (60) days to lift or otherwise satisfy any execution, garnishment or attachment lawfully imposed on it; (b) an adjudication of bankruptcy or insolvency, or the entry of an order for relief under any applicable bankruptcy or insolvency statute ("Bankruptcy Law"); (c) the making by such party of an assignment for the benefit of its creditors; (d) the filing by such party of a petition in bankruptcy or for relief under any Bankruptcy Law or an answer or a pleading admitting or failing to contest the material allegations of any such petition (unless such proceeding is dismissed within ninety (90) days after the commencement thereof); (e) the filing against such party of any such petition (unless such petition is dismissed within ninety (90) days from the date of filing thereof); or (f) the appointment of a trustee, conservator or receiver for such party or for all or substantially all of its properties (unless such appointment is vacated or stayed within ninety (90) days of such appointment).

1.5 Capacity Factor: The fraction, expressed as a percent (not exceeding 100%), calculated in

accordance with the following formula for each month:

$$\frac{\text{Electric Energy}}{\text{Contract Electric Capacity} \times (\text{H} - \text{Downtime} - \text{FMH})}$$

where:

Electric Energy represents the actual net kilowatt hours produced by the Project and sold to Power Purchaser;

Contract Electric Capacity represents the aggregate capacity contracted for under the Power Purchase Agreement.

H represents the total hours in any month, calculated by multiplying 24 hours times the number of days in such month.

Downtime represents the number of hours during which the Project is not selling power or is in reduced operation due to scheduled inspection, maintenance, repair or overhaul or is in reduced operation due to a failure of the Power Purchaser to perform its obligations under the Power Purchase Agreement plus the number of hours the project is available to sell power but is not dispatched.

FMH (Force Majeure Hours) represents the number of hours in the month during the duration of any Force Majeure event that prevents or reduces operation of the Project.

If any month is a partial month, the amount of hours (H) set forth in the denominator of the above formula will be reduced to the number of hours in such month.

1.6 Commercial Operation: The date of Commercial Operation under the Power Purchase Agreement.

1.7 Construction Contract: The turnkey contract for design, engineering, procurement and construction services for the Project between Contractor and an Affiliate of Owner.

1.8 Contractor: Wartsila Diesel, Inc., a Louisiana corporation, in its capacity as contractor under the Construction Contract.

1.9 Credit Agreement: The agreement between Owner and Lender pursuant to which long-term financing for the Project will be made.

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1.10 Economic Dispatch Incentive Fee: The incentive fee which Owner shall pay to Operator as provided in Section 4.2(b).

1.11 Fixed Fee: The annual fee which Owner shall pay to Operator as provided in Section 4.2(a),

1.12 Force Majeure: The meaning provided in Section 5.1.

1.13 Fuel Agreements: The fuel supply and transportation agreements for the Project's fuel oil requirements, entered into (i) on October 16, 1992, between Enron Products Marketing Company and Enron Power Corp. and (ii) on October 15, 1992, between Texaco International Traders, Inc. and Enron Power Corp., both agreements to be assigned by Enron Power Corp. to Owner, as further amended, modified and supplemented from time to time.

1.14 Gross Revenues: All revenues received by Owner for the sale of capacity and energy from the Project.

1.15 Heat Rate: The measure of plant thermal efficiency expressed in British Thermal Units (BTU) per net kilowatt hour. The Heat Rate shall be based upon the higher heating value (HHV) of the fuel.

1.16 Labor Costs: All direct labor costs of Operator incurred in the performance of the Work hereunder, including wages; salaries; overtime charges; reasonable and customary bonuses; payroll insurance and taxes; and holidays, vacations, group medical and life insurance and other employee benefits.

1.17 Lender: The entity providing financing for the Project or, in the event that there shall be multiple entities providing such financing, the agent thereof.

1.18 Mobilization Loan: The loan made to Operator by Owner as provided in Section 4.6.

1.19 Operator's Invoice: A written document provided by Operator to Owner on a monthly basis requesting the amount due to Operator for Reimbursable Expenses, Fixed Fees and Economic Dispatch Incentive Fees for the preceding month, accompanied by any substantiating documentation required herein.

1.20 Owner's Representative: A representative

of Owner who will be available (or whose delegate will be available) for consultation from time to time with Operator and who is authorized to act on behalf of Owner with respect to this Agreement.

1.21 Phase I (Mobilization, Start-up and Performance Testing Period): The period from the date of this Agreement and ending on the date of Commercial Operation.

1.22 Phase II (Operating Period): The period from the date of Commercial Operation through the remaining term of this Agreement.

1.23 Plant Manager: Operator's representative at the Project Site, appointed with the approval of Owner, who shall have the requisite level of skill to supervise the performance of Operator's services hereunder and is authorized to direct the performance of the Work by Operator during Phase II.

1.24 Power Purchase Agreement: The agreement for the purchase and sale of electric energy from the Project, dated January 13, 1992, by and between Texas-Ohio Power, Inc. and Empresa Electrica de Guatemala, S.A., a private utility company organized under the laws of Guatemala ("EEGSA"), which was assigned to an Affiliate of Owner pursuant to an agreement dated March 12, 1992, and which was further assigned to Owner pursuant to an agreement dated November 13, 1992, as further amended, modified and supplemented from time to time.

1.25 Power Purchaser: EEGSA, its successors or permitted assigns.

1.26 Prime Rate: The interest rate per annum announced from time to time by Citibank, N.A. at its principal office in New York City as its prime or base lending rate for United States commercial loans.

1.27 Project Manager: Operator's representative, appointed with the approval of Owner, who shall have the requisite level of skill to supervise the performance of Operator's services hereunder and is authorized to direct the performance of the Work by Operator during Phase I.

1.28 Project Site: The real property and the berth located outside San Jose, Guatemala in the Puerto Quetzal port facility at which the on shore facilities of

the Project and the barge-mounted power generation facility will be located.

1.29 Reimbursable Expense: Subject to Section 4.1, any reasonable expense or expenditure incurred by Operator in the performance of the Work, including, without limitation, (i) purchases of spare parts, tools, equipment, consumables, materials and supplies (other than fuel), (ii) Labor Costs; (iii) the direct cost of subcontract labor or services needed to perform services otherwise covered by this agreement, (iv) insurance premiums and (v) any other item covered in an approved Annual Budget.

1.30 Work: During Phase I, the tasks set forth in Section 2.2 and during Phase II, the tasks set forth in Section 2.3.

1.31 Year: The period from January 1 to December 31 inclusive.

ARTICLE II

WORK SCOPE

2.1 Generally. Operator shall provide all day-to-day operation and maintenance services for the Project as set forth in Sections 2.2 and 2.3, except for the responsibilities of Owner as set forth in Article III. Operator shall perform its services hereunder in accordance with prudent electric utility practices and approved Annual Budgets and in accordance with the Power Purchase Agreement, the Fuel Agreements, the Credit Agreement, all other material Project agreements the terms of which Operator is informed of by Owner, all Project permits, all applicable national and regional laws, rules and regulations and insurance policies pertaining to the Project.

2.2 Phase I (Mobilization Start-up and Performance Testing). During Phase I, Operator shall assist Owner in an orderly transition from construction through start-up, testing and acceptance of the Project, and shall perform, as a Reimbursable Expense, the following tasks:

(a) Designate, subject to Owner's approval, a Project Manager for Phase I.

(b) Obtain all governmental permits, licenses and approvals required to be held by Operator

and its employees in order to perform its Work hereunder.

(c) Prepare, and submit to Owner for its approval, an operation and maintenance manual describing the policies and procedures for operating and maintaining the Project (the "O&M Manual").

(d) Prepare, and submit to Owner for its approval, the initial Annual Operating Plan.

(e) Prepare, and submit to Owner for its approval, a proposed Annual Budget for the first year of operation consistent with the Annual Operating Plan.

(f) Prepare, and submit to Owner for its approval, a list of initial spare parts, supplies and tools.

(g) Establish or procure, to the extent not provided under the Construction Contract, adequate operation, maintenance and storage facilities; tools, equipment, supplies and spare parts inventories; security and safety systems and plans; any necessary or desirable special clothing or safety gear for personnel; and such other facilities and systems as may be necessary or desirable for operating and maintaining the Project or to fulfill Operator's ongoing responsibilities under this Agreement.

(h) Establish a system for maintaining an inventory of spare parts, tools, equipment, consumables and supplies.

(i) Provide sufficient numbers of qualified (and, if required, licensed) personnel that meet minimum criteria established by Contractor to perform the Work and train, in conjunction with training sessions provided by Owner and/or Contractor, such personnel in the proper operation and maintenance of the Project.

(j) Provide trained personnel to conduct, under the supervision and direct control of Contractor, start-up and performance testing of the Project.

(k) Assist Owner in monitoring performance testing and advise Owner as to the progress of the performance testing and as to whether or not the Project has successfully passed the Performance Tests as defined under the Construction Contract.

(l Assist Owner in preparing a

construction deficiency list (the "punchlist") and advise Owner as to whether or not such deficiencies have been corrected by Contractor.

(m) Obtain, prior to the performance of any on-site activities, the policies of Operator insurance required pursuant to Article IX.

(n) Designate, subject to Owner's approvals, a Plant Manager for Phase II.

(o) Provide and maintain insurance in accordance with Sections 9.2 and 9.3(b).

Operator acknowledges that during Phase I, the Contractor shall be in control of the Project under the terms of the Construction Contract.

2.3 Phase II (Operating Period). During Phase II, Operator shall be responsible for the operation and maintenance of all components of the Project and shall perform, as a Reimbursable Expense, all necessary services to meet these requirements, including, but not limited to, the following tasks:

(a) Provide all operations and maintenance services necessary to efficiently operate and maintain the Project, including all associated and appurtenant mechanical, electrical, auxiliary fuel handling, pollution control and water treatment equipment and facilities and utility connections in good operating condition with the objective of minimizing costs, minimizing Heat Rate and maximizing Capacity Factor.

(b) Coordinate Project outages and power deliveries with the Power Purchaser, subject to the policy directives of the Owner.

(c) Coordinate all Project contracts, subject to the policy directives of the Owner.

(d) Prepare, and submit to Owner for its approval, the Annual Operating Plan at least sixty (30) days prior to the beginning of each Year following the first year of operation.

(e) Prepare, and submit to Owner for its approval, the Annual Budget at least sixty (30) days prior to the beginning of each Year following the first year of operation.

(f) Provide, train and supervise

sufficient numbers of qualified (and, if required, licensed) personnel to perform the Work.

(g) Prepare and maintain operating logs records and monthly reports regarding the finances, operation and maintenance of the Project, which monthly reports shall detail, among other things, financial status, fuel use, power output, other operating data, inventories of spare parts and supplies, repairs performed and status of equipment.

(h) Prepare such technical evaluations of the Project as may be reasonably requested by Owner.

(i) Perform or contract for and oversee the performance of periodic overhauls or unscheduled maintenance required for the Project.

(j) Regularly update and implement an equipment repair and preventive maintenance program that meets equipment manufacturers' specifications and recommendations of the Contractor.

(k) Provide technical engineering support for solving operation and maintenance problems.

(l) Monitor the inventory of and purchase, as agent of Owner, all materials necessary for the operation and maintenance of the Project, required spare parts, tools, equipment, consumables and supplies (other than fuel).

(m) Maintain all roads, yards, walkways and utilities on the Project Site which service the Project.

(n) Maintain Project tool room equipment and instruments.

(o) Maintain Project fire protection and safety equipment.

(p) Recommend Project modifications, capital repairs, replacements and improvements and, at Owner's request, implement the same.

(q) Maintain accounting records regarding the Work in accordance with Guatemalan generally acceptable accounting principles.

(r) Cooperate in the provision of information to authorized representatives of Owner

including, without limitation, Owner's Representative, the Lender and its representatives, accountants, attorneys and fuel suppliers.

(s) Read meters and furnish to Owner all information required to bill Power Purchaser.

(t) Provide adequate security for the Project and respond to emergency situations.

(u) Assist Owner in the enforcement of Contractor, subcontractor and vendor warranties and guaranties.

(v) Nominate fuel requirements and schedule deliveries of fuel and water pursuant to the Fuel Agreements and water supply agreements arranged by Owner for the Project; monitor the sufficiency of such fuel in terms of quantity and quality and provide forecasts of fuel requirements, all subject to the policy directives of the Owner.

(w) Assist Owner in the preparation of periodic reporting to governmental authorities and cooperate with Owner in obtaining, maintaining and renewing governmental permits, licenses and approvals (other than such permits, licenses and approvals referred to in clause (x)).

(x) Obtain and maintain all governmental permits, licenses and approvals required to be held by Operator in order to perform its Work hereunder.

(y) Pay all income, payroll, unemployment and gross receipt taxes incurred or resulting from its performance hereunder.

(z) Schedule, hire and supervise subcontractors and vendors as may be necessary for the performance of the services hereunder.

(aa) Update the O&M manual as appropriate, subject to Owner's approval.

(ab) Provide and maintain insurance in accordance with Sections 9.2 and 9.3(b).

2.4 Liens. Operator shall not permit any laborers', materialmen's, mechanic's or other similar lien to be filed or otherwise imposed on any part of the Project or the Project Site. If any such lien is filed and if Operator does not within ninety (90) days of a

request by Owner cause such lien to be released and discharged, or file a bond satisfactory to Owner and Lender in lieu thereof, Owner shall have the right to pay all sums necessary to obtain such release and discharge and deduct all amounts so paid (plus reasonable attorneys' fees) from any amount then or thereafter due Operator.

2.5 Right to Perform upon Operator's Default. If at any time Operator fails to perform any material obligation hereunder and such failure is likely to cause injury to any person or damage to the Project, Owner may, but shall have no obligation to, perform any such obligation not performed by Operator. Such performance by Owner shall reduce any compensation payable to Operator hereunder in any Year by an amount equal to the cost to Owner of effecting such performance.

ARTICLE III

RESPONSIBILITIES AND RIGHTS OF OWNER

3.1 Owner Responsibilities. Owner shall be responsible for the following activities, each to be at Owner's expense unless otherwise expressly provided herein.

(a) Make payments to Operator in accordance with Article IV of this Agreement.

(b) Provide Operator with policy directives with respect to Sections 2.3(b), (c) and (v) hereof.

(c) Arrange for the sale of power generated by the Project and for the billing and collection of revenues therefrom.

(d) Contract for all fuel supplies, water, wastewater services and other utilities required for the Project.

(e) Provide reasonable access to the Project Site and furnish suitable offices, storage and maintenance facilities and other accommodations Operator may reasonably require.

(f) Provide drawings, specifications, diagrams and other information regarding the Project that are required for the operation and maintenance of the Project and that are furnished to Owner by Contractor

pursuant to the Construction Contract.

(g) Obtain and maintain in effect all government licenses, permits and approvals necessary to operate and maintain the Project other than permits required to be held by Operator to permit it to perform its obligations hereunder.

(h) Make available, in coordination with Contractor, training sessions for Operator's personnel in the operation and maintenance of Project systems and sub-systems.

(i) Pay all taxes and lease expenses related to the Project, including, without limitation, national and regional, sales, use, excise, stamp, fuel and value added taxes, as well as import and customs duties, if any, and port lease expenses, except for any taxes imposed on Operator's income.

(j) Maintain communications and relations with the community and public agencies..

(k) Designate Owner's Representative.

(l) Arrange for electrical interconnection with the Power Purchaser.

(m) Make available start-up and back-up power when required for the Project.

(n) Review in a timely fashion and not unreasonably withhold its approval of all items submitted by Operator to Owner for its approval.

(o) Provide and maintain insurance in accordance with Sections 9.1 and 9.3(a).

3.2 Owner Right to Approve Project and Plant Managers. Owner shall have the right to approve the Project Manager designated by Operator for Phase I and the Plant Manager designated by Operator for Phase II. Owner shall have the right to require Operator to replace the Project Manager or Plant Manager, upon reasonable notice and for justifiable cause.

3.3 Operators for Start-Up and Testing. If, during training sessions conducted pursuant to Section 3.1(g) hereof, the Contractor, in the exercise of its reasonable judgment, determines that any of Operator's operation and maintenance trainees are not capable of mastering the skills necessary to safely and effectively

operate the Facility and so notifies Owner, Owner shall have the right to direct Operator to remove such person from the training program. If, upon completion of such training sessions, Contractor, in the exercise of its reasonable judgment, determines that any of Operator's operation and maintenance personnel are not ready to effectively participate in start-up and testing operations of the Project and so notifies Owner, Owner shall have the right to direct Operator to replace such person(s) with adequately trained person(s). In the event that Operator is unable to supply such replacement person(s) and Contractor furnishes such replacement operations and maintenance personnel, Owner shall be liable for the cost thereof.

ARTICLE IV

PAYMENTS

4.1 Reimbursement. Operator shall submit to Owner an Operator's Invoice by the fifteenth (15th) day of each month for all Reimbursable Expenses incurred during the prior month and Owner shall reimburse Operator for all such Reimbursable Expenses on or before the last day of such month; provided, however, that expenditures that exceed the approved Annual Budget for such Year by the greater of five hundred thousand dollars (\$500,000) (in the aggregate) or ten percent (10%) of any line item of the approved Annual Budget for such Year must receive the prior approval of Owner in order to qualify for reimbursement, unless such expenditure is required in Operator's reasonable judgment to respond to an emergency. If Owner disputes any portion of Operator's Invoice, Owner shall pay the undisputed portion within the time stated above, and concurrently advise Operator in writing of the particulars of such dispute. In the event that any portion of the disputed amounts are determined to be due and owing to Operator, Owner shall pay to Operator, in addition to such disputed amounts, interest at the Prime Rate plus two percent (2%) per annum from the date such disputed amounts were due until paid in full.

4.2 Compensation. In addition to the reimbursement payments provided for in Section 4.1, as compensation for services performed by Operator during Phase II, Operator shall be entitled to receive:

(a) beginning on the twenty-fifth (25th) day of the first full month following Commercial Operation, and on or before the twenty-fifth (25th) of each month thereafter, a monthly base fee (the "Fixed

Fee") in an amount equal to 3.75% of the Project's Gross Revenues for the preceding month. The Fixed Fee for the preceding month shall be included in the Operator's Invoice and Owner shall pay such Fixed Fee on or before the twenty-fifth (25th) of such month. As soon as practicable after the end of each Year (including any partial Year), or upon termination of this Agreement, as appropriate, Owner shall determine the difference, if any, between the Fixed Fee actually paid in such Year or partial Year and the amount actually due to Operator during such Year or partial Year. If the actual payment exceeds the amount due, Operator shall promptly remit the difference to Owner. If the amount due exceeds the amount actually paid, Owner shall promptly remit the difference to Operator; and

(b) beginning on the twenty-fifth (25th) day of the first full month following Commercial Operation, an Economic Dispatch Incentive Fee in an amount equal to the sum of (i) eighteen percent (18%) of the Project's Gross Revenues for the preceding month which are derived from the sale of electricity produced and sold between a fifty percent (50%) and a ninety percent (90%) Capacity Factor and (ii) thirty percent (30%) of the Project's Gross Revenues for the preceding month which are derived from the sale of electricity produced and sold above a ninety percent (90%) Capacity Factor. The Economic Dispatch Incentive Fee is not paid unless the Project is dispatched by the Power Purchaser above a fifty percent (50%) Capacity Factor, even if its availability is higher. The Economic Dispatch Incentive Fee, if any, shall be included on the Operator's Invoice and shall be paid by Owner to Operator on or before the twenty-fifth (25th) of such month. As soon as practicable after the end of each Year (including any partial Year), or upon termination of this Agreement, as appropriate, Owner shall determine the difference, if any, between the Economic Dispatch Incentive Fee actually paid in such Year or partial Year and the amount actually due to Operator during such Year or partial Year. If the actual payment exceeds the amount due, Operator shall promptly remit the difference to Owner. If the amount due exceeds the amount actually paid, Owner shall promptly remit the difference to Operator.

4.3 Bonus and Penalty Payments. In addition to the reimbursement and compensation payments provided for in Sections 4.1 and 4.2, respectively, Operator shall be eligible or liable, as the case may be, for the bonuses and penalties set forth in Sections 4.4 and 4.5. Bonuses, if any, will be assessed as soon as practicable at the end of each Year by Operator (subject to verification by

Owner) and shall be paid by Owner to Operator within seventy (90) days after the end of each Year. Penalties, if any, will be assessed as soon as practicable at the end of each Year by Operator (subject to verification by Owner) and will be deducted from the monthly installments of the Fixed Fee due to Operator during the next Year until paid in full. Subject to Section 6.4, any penalties or bonuses not paid in full at the time of termination of this Agreement shall be due on the date of termination.

4.4 Heat Rate. To determine the Heat Rate bonus/penalty, if any, the actual annual average Heat Rate of the Project during the Year just ended (the "Actual Rate") will be compared to the target annual average Heat Rate as set forth in the Annual Operating Plan for such Year (the "Target Rate"). Operator shall be subject to and liable for a penalty equal to five percent (5%) of such Year's Fixed Fee for each one percent (1%) that the Actual Rate exceeds one hundred two percent (102%) of the Target Rate. Operator shall be entitled to and Owner shall be obligated to pay to Operator a bonus equal to five percent (5%) of such Year's Fixed Fee for each one percent (1%) that the Actual Rate is less than ninety-eight percent (98%) of the Target Rate.

4.5 Availability. Operator shall (i) be subject to and liable for a penalty in an amount equal to one-half of any capacity payment otherwise payable pursuant to the Power Purchase Agreement which was not paid due to the Project's non-availability between a fifty percent (50%) Capacity Factor and a seventy-five percent (75%) Capacity Factor at any given time and (ii) be subject to and liable for a penalty in an amount equal to any monetary penalty incurred by the Project pursuant to the Power Purchase Agreement and due to the Project's performance at less than a fifty percent (50%) Capacity Factor at any given time.

4.6 Mobilization Loan. On or before the date which is five (5) days after the execution of this Agreement, Owner shall make (or cause to be made) to Operator (or for the benefit of Operator) an interest-free loan in an amount equal to five hundred thousand dollars (\$500,000) for the purpose of funding activities necessary or desirable for the Operator to begin performance (or cause performance to begin) under this Agreement. Operator shall repay the Mobilization Loan to the Owner as follows: (1) one hundred thousand dollars (\$100,000) on each of July 1, 1993, August 1, 1993 and September 1, 1993; and (2) two hundred thousand dollars (\$200,000) on December 1, 1994. Operator agrees that in the event such payments have not been made in full on or

before the dates specified above, then Owner shall be entitled to deduct from the next payment (or payments, as necessary) due to Operator under this Agreement an amount equal to (i) the unpaid amount then due and owing (the "Unpaid Principal Amount"), plus (ii) a late fee equal to five percent (5%) of the Unpaid Principal Amount. In the event this Agreement is terminated for any reason, all outstanding principal amounts shall immediately become due and owing.

4.7 All amounts in any Operator's Invoice shall be stated in U.S. dollars. Although stated in U.S. dollars, payment of amounts due hereunder may be made in either U.S. dollars or the equivalent in Quetzales at the rate of exchange prevailing in the market on the day the pertinent invoice is paid, according to the rule or system of currency exchange agreed upon by the parties hereto, provided, however, that all commissions, fees or other charges associated with converting Quetzales to U.S. Dollars shall be for the account of the Owner.

ARTICLE V

FORCE MAJEURE

5.1 Force Majeure Defined. With the exception of the payment of amounts due and payable under Article IV, neither party shall be considered to be in default in the performance of any of its obligations under this Agreement, when and to the extent failure of performance shall be due to Force Majeure. The term Force Majeure shall be understood as any cause beyond the reasonable control of the party failing to perform, including, but not limited to, causes such as flood, earthquake, storm, dust storm, lightning, fire, epidemic, war, explosion, riot, pestilence, holocaust, act of public enemy, act of civil or military authority, civil disturbance or disobedience, labor or material shortage, sabotage, restraint by court order or order of public authority, action or non-action by or inability to obtain the necessary authorizations or approvals from any governmental agency or authority, failure or breakdown of facilities and/or equipment from any other cause not listed above; provided, however, that in addition to the above, and not in limitation thereof, Owner's inability or failure to supply the Project with fuel of sufficient quality and quantity shall operate as Force Majeure with respect to the Operator; and further provided, however, that no event or condition directly caused by or resulting from Operator's failure to operate and maintain the Project in accordance with prudent electric utility

practices shall be deemed to be an event of Force Majeure.

5.2 Obligation to Diligently Cure Force Majeure. If either party shall rely on the occurrence of an event of Force Majeure as a basis for being excused from performance of its obligations under this Agreement, then the party relying on the event or condition shall:

(a) provide prompt notice to the other party of the occurrence of the event or condition giving an estimation of its expected duration and the probable impact on the performance of its obligations hereunder,

(b) exercise all reasonable efforts to continue to perform its obligations hereunder,

(c) expeditiously take action to correct or cure the event or condition excusing performance,

(d) exercise all reasonable efforts to mitigate or limit damages to the other party to the extent such action will not adversely affect its own interests, and

(e) provide prompt notice to the other party of the cessation of the event or condition giving rise to its excusal from performance.

5.3 Effect of Continued Event of Force Majeure. Notwithstanding anything herein to the contrary:

(a) If an event of Force Majeure continues for a period of more than thirty (30) days, Operator shall take all reasonable measures to mitigate or limit the amount of Reimbursable Expenses (including reducing its work force within permitted statutory time periods) for the duration of the Force Majeure event. Operator shall consult with Owner with respect to its plans to mitigate or limit such Reimbursable Expenses and shall take such actions as are reasonably directed by Owner. Owner shall continue to pay Operator the Fixed Fee and such reduced Reimbursable Expenses as provided herein.

(b) If an event of Force Majeure continues for a period of more than one hundred eighty (180) days, Owner may terminate this Agreement by providing thirty (30) days written notice of such termination to Operator; provided that such thirty (30) day notice period may run concurrently with such one hundred eighty (180) day period.

ARTICLE VI

TERM AND TERMINATION

6.1 Term. This Agreement will be effective on the date first written above and shall remain in effect for fifteen (15) Years from the date of Commercial Operation and shall be renewed automatically thereafter for successive one (1) Year terms unless and until a party hereto gives the other party written notice of its decision not to renew this Agreement at least one hundred eighty (180) days prior to the expiration of the then effective term or unless earlier terminated pursuant to the provisions hereof.

6.2 Termination by Owner. Owner may terminate this Agreement:

- (a) upon the Bankruptcy, insolvency or dissolution of Operator;
- (b) upon thirty (30) days written notice to Operator if there is a material failure by Operator to perform its obligations hereunder due to its incompetence or willful misconduct (including, without limitation, operating the Project in material violation of Project permit requirements), unless Operator has cured such breach during the notice period or has initiated and is diligently pursuing the cure of such breach and thereafter continues to diligently pursue such cure; provided that such cure is effected within ninety (90) days from the receipt of such notice by Operator (or such shorter period of time as may be necessary to avoid the imposition of penalties or loss of a permit);
- (c) upon thirty (30) days written notice if the Capacity Factor falls below seventy-five percent (75%) for a period of twelve (12) consecutive months;
- (d) upon thirty (30) days written notice, if an event of Force Majeure continues for more than one hundred eighty (180) days; provided that such thirty (30) day notice period may run concurrently with such one hundred eighty (180) day period;
- (e) for Owner's convenience, upon ninety (90) days written notice to Operator, provided that Owner shall pay to Operator on the effective date of termination, an amount equal to one-half (1/2) of the annual Fixed Fee so long as Operator has continued to perform the Work without material deterioration in the

levels of performance of the Project during the ninety (90) day notice period.

6.3 Termination by Operator. Operator may terminate this Agreement:

(a) upon the Bankruptcy, insolvency or dissolution of Owner;

(b) upon the failure by Owner to pay within ninety (90) days of when due all amounts owed to Operator and not disputed in good faith by Owner; or

(c) upon sixty (60) days notice to Owner if there is a material failure by Owner to perform its obligations hereunder, unless Owner has cured such breach during the notice period or has initiated and is diligently pursuing the cure of such breach and thereafter continues to diligently pursue such cure; provided that such cure is effected within one hundred eighty (180) days from the receipt of such notice by Owner.

6.4 Payments Upon Termination. In the event of termination, Operator shall be entitled to (i) payment for all Reimbursable Expenses properly incurred prior to the date of termination, which amounts shall be paid within fifteen (15) days of receipt of a final Operator's Invoice, (ii) payment of a pro rata portion of the Fixed Fee up to the date of termination, which amount shall be paid to Operator within thirty (30) days of the date of termination, and (iii), if termination is pursuant to Section 6.2(e), the sum provided for in that Section. In the event of termination by Owner under Section 6.2(a), (b) or (c), Operator shall be liable for any penalties for which Operator would be liable if the date of termination were treated as the date on which the calculation of penalties were to be made; however, Operator shall not be entitled to any bonus for such Year in which termination occurs. In the event of termination by Owner under Section 6.2(d), no penalties or bonuses shall be payable for the Year in which termination occurs. In the event of termination by Owner under Section 6.2(e) or by Operator under Section 6.3, Operator shall be entitled to payment of any bonuses to which Operator would be entitled if the date of termination were treated as the date on which the calculation of bonuses were to be made; however, Operator shall not be liable for any penalties for such Year in which termination occurs. The payment obligations set forth in this Section 6.4 shall survive termination of this Agreement.

6.5 Duties by Operator Upon Termination. If requested by Owner, Operator shall continue to perform the Work or any portion thereof directed by Owner for ninety (90) days following termination to provide for the transition to a replacement operator and shall receive for its services payment of Reimbursable Expenses and a pro rata portion of the Fixed Fee. Operator shall cooperate fully with Owner in training, at Owner's expense, a replacement operator, and Operator shall assign to Owner at Owner's request all contracts it has entered into with third parties in connection with the Work. The obligations set forth in this Section 6.5 shall survive termination of this Agreement.

ARTICLE VII

INDEMNIFICATION

7.1 Indemnification by Operator. Subject to the provisions of Article VIII, Operator hereby agrees to indemnify, defend and hold harmless Owner and the Lender, and the agents, servants, partners, officers, directors and employees of each, from and against any and all losses, claims, damages or liabilities to third parties (including reasonable attorney's fees and including, without limitation, penalties or fines imposed by governmental authorities) arising from the negligence or willful misconduct of Operator or its servants, agents or employees in connection with the performance of the Work including, without limitation, claims for injury to or death of persons, including Operator's employees, or for loss or claims for loss of or damage to property.

7.2 Indemnification by Owner. Owner shall indemnify, defend and hold harmless Operator, its agents, servants, officers, directors and employees from and against any and all losses, claims, damages or liabilities to third parties (including reasonable attorney's fees) arising from the negligence or willful misconduct of Owner, its servants, agents (except Operator and its subcontractors, vendors or agents) or employees including, without limitation, claims for injury to or death of persons, including Operator's employees, or for loss or claims for loss of or damage to property.

ARTICLE VIII

LIMITATIONS OF LIABILITY

8.1 Limitation of Liability. Operator's total liability to Owner on all claims of any kind whatsoever whether based on contract, indemnity, warranty, tort, strict liability or otherwise, for all losses or damages (other than losses or damages covered by insurance proceeds) arising out of, connected with, or resulting from this Agreement or from the performance or breach thereof, or from any services covered by or furnished during the term of this Agreement, shall in no case exceed the total actual Fixed Fee paid by Owner to Operator in the twelve (12) months immediately prior to the month in which such liability first arose. This limitation of liability shall not apply to penalties or fines imposed by governmental authorities due to Operator's negligence or willful misconduct.

8.2 Disclaimers of Warranties. All of the warranties and guarantees made in this Agreement by Operator are in lieu of all other warranties and guarantees, whether written or oral or implied in fact or in law, and whether or not based on statute.

8.3 Consequential Damages. Other than to the extent expressly provided in Article VII hereof, in no event shall Operator or Owner be liable for any consequential, incidental or special damages or any other liabilities not expressly set forth herein, regardless of legal theory or negligence.

ARTICLE IX

INSURANCE

9.1 Owner's Coverage.

(a) Owner shall provide or obtain and maintain in force throughout the term of this Agreement the following insurance coverage:

(i) All Risk Property Policy.

All Risk Property insurance providing coverage for the Facility in an amount not less than replacement value per incident and which shall cover, among other things, earthquake and flood damage;

(ii) Boiler and Machinery Insurance. Boiler and Machinery Insurance covering breakdown of all air conditioning equipment, pressure vessels, systems and machinery;

(iii) Business Interruption.

Business Interruption insurance, including, if economically available, contingent business interruption, with a deductible of not more than sixty (60) days and in an amount equal to at least one (1) year of debt service as provided in the Credit Agreement; and

(iv) Protection and Indemnity.

Protection and indemnity (vessel liability) insurance, including liability for members of crew, excluding liability for cargo and pollution, in an amount equal to two million dollars (\$2,000,000).

(b) Operator shall be listed as an additional insured on all policies listed in (a) above. Owner shall provide Operator with certificates of insurance. Additionally, the policy provisions shall provide that Operator be given sixty (60) days written notice from the insurance company of policy cancellation(s). Owner shall not modify or terminate any insurance coverage listed in this Section 9.1 without giving sixty (60) days' prior written notice to Operator.

9.2 Operator's Coverage.

(a) Operator shall provide or obtain and maintain in force throughout the term of this Agreement, as a Reimbursable Expense, the following insurance coverage:

(i) Workmen's Compensation.

Workmen's Compensation insurance, disability benefit and other similar employee benefit acts in amounts required by applicable law. All subcontractors of Operator shall be required by Operator to maintain the above described insurance coverage and to comply with qualification requirements of all applicable Workmen's Compensation, disability benefit and other similar employee benefit acts.

(ii) Employer's Liability.

Employer's Liability insurance with a minimum limit of \$1,000,000 per incident and a limit of \$1,000,000 in the aggregate.

(iii) Business Automobile

Liability. Automobile Liability insurance in an amount not less than a combined bodily injury and property damage limit of \$2,000,000 per

accident, in comprehensive form and covering hired, owned and non-owned vehicles.

(iv) Commercial General Liability. Commercial General Liability on a broad form, including operations, premises, completed operations, contractual liability, independent contractors and the hazards of x, c, u coverage on an occurrence basis with a combined single limit of \$1,000,000 for bodily injury and property damage and a limit of \$2,000,000 in the aggregate.

(v) Excess Liability. Excess liability above the policies in (ii), (iii) and (iv) above with a combined single limit of \$100,000,000 for each occurrence for bodily injury and property damage, and with no "sunset limitation" in respect of Employer's Liability.

(b) The obligation to carry the insurance required by this Section 9.2 shall not limit or modify in any way other obligations assumed by Operator under this Agreement. Owner shall not be under any duty to examine policies, certificates or other evidence of Operator's insurance, or to advise Operator in the event that Operator's insurance is not in compliance with this Agreement.

(c) Owner and Power Purchaser shall be listed as an additional insured on all policies listed in (a)(ii), (iii), (iv) and (v) above. Operator shall provide Owner with certificates of insurance. Additionally, the policy provisions shall provide that Owner be given sixty (60) days written notice from the insurance company of policy cancellation(s). Operator shall not materially modify or terminate any insurance coverage listed in this Section 9.2 without giving sixty (60) days prior written notice to Owner.

(d) At the time of a loss, Operator shall provide Owner with a written report of the loss.

(e) If the coverages and limits in (a)(iv) and (v) above cease to be available on commercially reasonable terms, Operator shall advise Owner and Operator and Owner shall mutually agree on the available alternative terms and limits.

9.3 Independent Contractor's Coverage.

(a) Owner shall require all of Owner's

independent contractors and subcontractors (other than Operator) to obtain, maintain and keep in force during the time in which they are engaged in performing services in connection with the Project reasonable adequate coverage in accordance with Owner's normal practice and reasonably acceptable to Operator and to furnish Operator with acceptable evidence of such insurance upon its request. Operator shall have no responsibility for the payment of premiums and claims for such insurance.

(b) Operator shall require all of Operator's independent contractors and subcontractors to obtain, maintain and keep in force during the time in which they are engaged in performing services in connection with the Project reasonable adequate coverage in accordance with Operator's normal practice and reasonably acceptable to Owner and furnish Owner with acceptable evidence of such insurance upon its request. Owner shall have no responsibility for payment of premiums and claims with respect to such insurance.

9.4 Waiver of Subrogation. Owner and Operator each shall obtain waivers of any right of subrogation against Owner, Operator and the Lender that their insurers may have under any insurance provided for herein.

9.5 Rights to Insure. Should Operator or Owner fail to provide or maintain any of the insurance coverage referred to in this Article IX, Operator or Owner, as the case may be, shall have the right, but not the obligation, to provide or maintain such coverage.

ARTICLE X

ASSIGNMENT

10.1 Assignment by Operator. This Agreement may not be assigned by Operator without the prior written consent of Owner.

10.2 Assignment by Owner. This Agreement may not be assigned by Owner without the prior written consent of Operator, which consent shall not be unreasonably withheld; provided, however, that Owner may collaterally assign its rights under this Agreement to Lender without Operator's consent. Operator agrees to execute a consent to such assignment and such other documents as may reasonably be requested by Owner and Lender in connection with such assignment.

ARTICLE XI

REPRESENTATIONS AND WARRANTIES
AND FURTHER COVENANTS OF OPERATOR

11.1 Representations. Operator represents and warrants to Owner as follows:

(a) Organization. Operator is a corporation in good standing under the laws of the Republic of Guatemala, and the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action and will not violate any provisions of any applicable laws, its by-laws or charter, or any indenture, agreement or instrument to which it is party or by which it or its property may be bound or affected.

(b) No Violation of Law. Operator is not in violation of any applicable law or judgment entered by any governmental authority, which violations, individually or in the aggregate, would affect Operator's performance of its obligations under this Agreement.

(c) Litigation. Operator is not a party to any legal, administrative, arbitral, investigatorial or other proceeding or controversy pending, or, to the best of Operator's knowledge, threatened, that would adversely affect Operator's ability to perform under this Agreement.

(d) Qualifications. Operator has: (i) examined this Agreement thoroughly and become familiar with its terms; (ii) full experience and proper qualifications to perform the services hereunder; (iii) reviewed and examined all applicable laws, codes and standards (including all safety, environmental and security requirements of the Project); and (iv) carefully reviewed all documents, plans, drawings and other information that it deems necessary regarding the Project and its performance of the services hereunder that are available as of the date hereof.

11.2 Further Covenants. Operator warrants that prior to the performance of any services hereunder it shall be authorized to do business in Guatemala and shall obtain all national and regional and other governmental consents, licenses, permits and other authorizations required to conduct its business and all such consents, licenses, permits and other authorizations required for the performance of Operator's obligations hereunder.

11.3 Survival. The provisions of Section 11.1 shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated herein.

ARTICLE XII

MISCELLANEOUS

12.1 Arbitration. All claims, disputes and other matters in question relating to this Agreement shall be decided by arbitration in accordance with the Arbitration Rules of the American Arbitration Association unless the parties mutually agree otherwise. Said arbitration shall be before a panel of three (3) arbitrators and shall be held in Houston, Texas. This agreement to arbitrate shall be specifically enforceable under applicable law in any court of competent jurisdiction. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. The award rendered by the arbitrators shall be final, and judgment may be entered in any court having jurisdiction thereof. Attorneys' fees and expenses may be payable to the prevailing party in such arbitration in the discretion of the arbitrators. The parties shall be obligated to continue performance under this Agreement during the pendency of any claim, dispute or other matter in question relating to this Agreement and any resulting arbitration proceeding.

12.2 Independent Contractor. Operator shall at all times be deemed an independent contractor and none of its employees or the employees of its subcontractors shall be considered employees of Owner.

12.3 Severability. The invalidity, in whole or in part, of any of the foregoing sections or paragraphs of this Agreement will not affect the validity of the remainder of such sections or paragraphs.

12.4 Entire Agreement. This Agreement, including any Schedules and Exhibits and all amendments thereto contain the complete agreement between Owner and Operator with respect to the matters contained herein and supersedes all other agreements, whether written or oral, with respect to the matters contained herein.

12.5 Amendment. No modification, amendment, or

other change will be binding on any party unless consented to in writing by both parties.

12.6 GOVERNING LAW. THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED ACCORDING TO THE LAWS OF DELAWARE, EXCLUSIVE OF ITS CONFLICT OF LAWS PRINCIPLES.

12.7 Audit Rights. Owner may, at reasonable times and upon reasonable notice (but no more frequently than one (1) time per calendar quarter), inspect, copy and audit any of Operator's books, records, accounts, ledgers, time cards or other documents related to Operator's performance of the Work hereunder. Operator shall retain all such records for a minimum of five (5) years.

12.8 Notices. All notices required or provided for in this Agreement shall be in writing and shall be delivered by hand or sent by registered or certified mail, return receipt requested, or facsimile transmission as follows:

If to Owner:

Puerto Quetzal Power Corp.,
Guatemala Branch
6 a. Avenida 20-25 Zona 10
Edificio Plaza Maritima
Guatemala City, Guatemala C.A.

Attn: Project Manager
Facsimile number: (502) 237 0162

If to Operator

Electricidad Enron de Guatemala, S.A
6 a. Avenida 20-25 Zona 10
Edificio Plaza Maritima
Guatemala City, Guatemala C.A.

Attn: Plant Manager
Facsimile number: (502) 237 0162

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12.9 Additional Documents and Actions. Each party agrees to execute and deliver to the other such additional documents, and take such additional actions, as may be reasonably required by the other to effect the interest of this Agreement.

12.10 Waiver. Failure by either party to exercise any of its rights under this Agreement shall not constitute a waiver of such rights. Neither party shall

be deemed to have waived any right resulting from any failure to perform by the other unless it has made such waiver specifically in writing.

12.11 Captions. The captions contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained herein.

12.12 Limited Recourse. Any claim against Owner that may arise under this Agreement shall be made only against, and shall be limited to the assets of, Owner, and no judgment, order or execution entered in any suit, action or proceeding thereon shall be obtained or enforced against any partner of Owner or to assets of such partner of any incorporator, shareholder, officer or director thereof (or, in the case of such partners that are partnerships, of any partner thereof) or against any direct or indirect parent corporation or any incorporator, shareholder, officer or director of any thereof for the purpose of obtaining satisfaction and payment of any amount owing under this Agreement. Nothing contained in this Section 12.12 shall be construed so as to prevent Operator from commencing any action, suit or proceeding with respect to, or causing legal papers to be served upon, any such partner for the purpose of obtaining jurisdiction over Owner or otherwise to limit the exercise of enforcement, in accordance with the terms of this Agreement, of Operator's rights and remedies against Owner or against the assets thereof.

12.13 Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

12.14 Confidentiality of Information

(a) Each party agrees, for itself and its Affiliates and their directors, officers, employees and representatives, to keep confidential and not make any unauthorized use of any confidential or proprietary information of the other party disclosed to such party in and during the performance of this Agreement, including documents, specifications, formulae, evaluations, methods, processes, technical descriptions, reports and other data, records and information (hereinafter the "Confidential Information").

(b) Confidential Information shall be identified in writing by the disclosing party, or if it is orally disclosed, the confidentiality thereof shall be

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confirmed in writing by the disclosing party promptly after such oral disclosure. In any event, no disclosure shall be deemed to be Confidential Information if such information:

(i) was known by the recipient prior to the disclosure thereof by the disclosing party;

(ii) is, or shall become, other than by an act of the recipient, generally available to the public;

(iii) if lawfully made available to the recipient by a third party in good faith; or

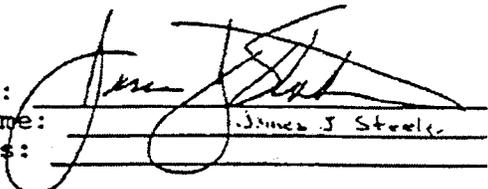
(iv) was developed by the recipient without reference to or reliance upon Confidential Information received from the disclosing party.

(c) Each party agrees that it will make available the other party's Confidential Information only on a "need to know" basis and that all persons to whom such Confidential Information is made available will be made aware of the strictly confidential nature of such Confidential Information.

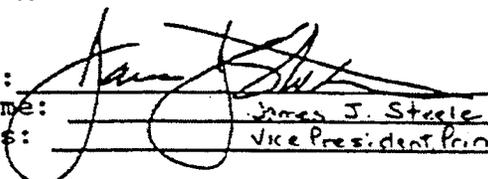
(d) Notwithstanding the foregoing, Confidential Information may be disclosed to any Lender or potential Lender in connection with financing, refinancing, proposed financing or proposed refinancing for the Project as long as such Lender or potential Lender executes a confidentiality agreement similar in form and substance to Section 12.14 prior to such disclosure.

IN WITNESS WHEREOF the parties have executed
this Agreement as of this 13th day of November, 1992.

PUERTO QUETZAL POWER CORP.
GUATEMALA BRANCH

By: 
Name: James J. Steele
Its: _____

ELECTRICIDAD ENRON DE GUATEMALA,
S.A.

By: 
Name: James J. Steele
Its: Vice President Principal

March 31, 1993

Puerto Quetzal Power Corp.
Guatemala Branch
6 a. Avenida 20-25 Zona 10
Edificio Plaza Maritima
Guatemala City, Guatemala C.A.
Attention: Project Manager

Re: Waiver Regarding Operation and Maintenance Agreement

Dear Sir:

Puerto Quetzal Power Corp., Guatemala Branch, a Delaware corporation ("PQPC") and Electricidad Enron de Guatemala, S.A., a company organized under the laws of Guatemala ("Operator") entered into an Operation and Maintenance Agreement, dated as of November 13, 1992 (the "Operation and Maintenance Agreement"). Pursuant to Section 4.6 of the Operation and Maintenance Agreement, PQPC made certain undertakings to Operator regarding the provision of a \$500,000 loan. By this letter, Operator agrees to waive irrevocably compliance with those undertakings set forth in Section 4.6 of the Operation and Maintenance Agreement. Operator is not hereby waiving compliance with any provisions of the Operation and Maintenance Agreement other than Section 4.6.

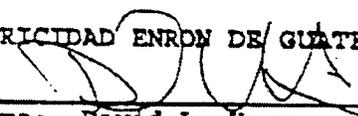
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Puerto Quetzal Power Corp.

March 31, 1993
Page 2

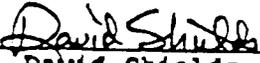
Your countersignature below shall evidence your receipt and acknowledgement of this waiver letter.

ELECTRICIDAD ENRON DE GUATEMALA, S.A.

By: 
Name: David L. Haug
Title: Chairman

AGREED TO AND ACCEPTED BY:

PUERTO QUETZAL POWER CORP.

By: 
Name: David Shields
Title: Vice President and Chief
Financial Officer

AMENDMENT NO. 1
TO
OPERATION AND MAINTENANCE AGREEMENT

This AMENDMENT NO. 1 TO OPERATION AND MAINTENANCE AGREEMENT ("Amendment") dated as of March 31, 1993, is between PUERTO QUETZAL POWER CORP., Guatemala Branch, a Delaware corporation, with its principal place of business at 6a. Avenida 20-25 Zona 10, Edificio Plaza Maritima, Guatemala City, Guatemala C.A. ("Owner") and ELECTRICIDAD ENRON DE GUATEMALA, S.A., a company organized under the laws of Guatemala with its principal place of business at 6a. Avenida 20-25 Zona 10, Edificio Plaza Maritima, Guatemala City, Guatemala C.A. ("Operator").

PRELIMINARY STATEMENT

WHEREAS, Owner and Operator are parties to that certain Operation and Maintenance Agreement dated as of November 13, 1992 (the "O&M Agreement"); and

WHEREAS, Owner and Operator desire to modify the O&M Agreement as further set forth in this Amendment;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. As used in this Amendment, each capitalized term not defined herein shall have the meaning set forth in the O&M Agreement.

Section 2. Amendments.

(a) Section 1.13 of the O&M Agreement is hereby deleted in its entirety and the following provision substituted therefor:

1.13 Fuel Agreements: The fuel supply and transportation agreements for the Project's fuel oil requirements, entered into (i) on October 16, 1992, between Enron Products Marketing Company ("EPMC") and Enron Power Corp. ("EPC"), as modified by that certain Modification of Agreement dated March 30, 1993 between EPC and EPMC and as assigned by EPC to Enron Power Oil Supply Corp. ("EPOS") pursuant to that Assignment and Assumption Agreement dated as of March 31, 1993 and (ii) on October 27, 1992, between Texaco International Traders, Inc. ("Texaco") and EPC, as modified by that certain Modification of Agreement dated March 30, 1993 between EPC and Texaco as assigned by EPC to EPOS pursuant to that Assignment and Assumption Agreement dated as of March 31, 1993 and EPC, as either fuel supply agreement may be further amended, modified and supplemented from time to time.

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(b) Section 1.29 of the O&M Agreement is hereby deleted in its entirety and the following provision substituted therefor:

1.29 Reimbursable Expense: Subject to Section 4.1, any reasonable expense or expenditure incurred by Operator in the performance of the Work, including, without limitation, (i) purchases of spare parts, tools, equipment, consumable, materials and supplies, including fuel oil which Operator supplies or causes to be supplied to Owner hereunder, (ii) Labor Costs, (iii) the direct cost of subcontract labor or services needed to perform services otherwise covered by this agreement, (iv) insurance premiums and (v) any other item covered in an approved Annual Budget.

(c) Section 2.3(1) is hereby deleted in its entirety and the following provision substituted therefor:

(1) Monitor the inventory and purchase, as agent of Owner, of all materials necessary for the operation and maintenance of the Project, required spare parts, tools, equipment, consumables and supplies, including, without limitation, fuel.

(d) Section 2.3(v) of the O&M Agreement is hereby deleted in its entirety and the following provision substituted therefor:

(v) During the term of the Fuel Agreements nominate and provide or cause to be provided, to the extent fuel is made available pursuant to the Fuel Agreements, Owner's fuel requirements and schedule and effect or cause to be effected, deliveries of fuel to the Project in such quantity and of such quality as Owner may specify and at market prices for such quantity and quality of fuel; to the extent fuel is not made available pursuant to the Fuel Agreements, use reasonable business efforts to replace such fuel supplies on the best terms which are commercially available; monitor the sufficiency of such fuel in terms of quantity and quality and provide forecasts of fuel requirements, all subject to the policy objectives of Owner; and schedule deliveries of water pursuant to the water supply agreements arranged by Owner for the Project.

(e) A new Section 2.3(ac) is hereby added to the O&M Agreement as follows:

(ac) At the request of Owner, (i) assign to Owner the Fuel Supply and Management Agreement between Operator and EPOS (the "Supply and Management Agreement"), dated March 31, 1993, and/or (ii) pursuant to Section 6 of the Supply and Management Agreement, cause EPOS to assign to Owner the Fuel Agreements or any fuel oil supply agreements entered into by Enron or Operator in replacement thereof.

(f) Section 3.1(d) of the O&M Agreement is hereby deleted in its entirety and the following provision substituted therefor:

(d) Contract for all water services, wastewater services and other utilities required for the Project; assist Operator with the procurement of fuel supplies.

(g) Section 5.1(d) of the O&M Agreement is hereby amended by deleting the phrase beginning with "provided, however," and ending with "the Operator;" and substituting in its place "provided, however, that in addition to the above, and not in limitation thereof, Operator's inability or failure to supply the Project with fuel of sufficient quality and quantity shall not operate as Force Majeure with respect to Owner."

Section 3. Reference To And Effect On the Documents.

(a) Upon the effectiveness of this Amendment, each reference in the O&M Agreement to "this Agreement", "hereunder" "hereof", or "herein" shall mean and be a reference to the O&M Agreement as amended by this Amendment.

(b) Except as the O&M Agreement is specifically amended by this Amendment, the O&M Agreement shall remain in full force and effect and is hereby ratified and confirmed.

Section 4. Execution In Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

Section 5. Successors and Assigns. The O&M Agreement as amended by this Amendment shall be binding upon each of Owner and Operator and on their permitted successors and assigns, and shall inure to the benefit of such parties and their respective permitted successors and assigns.

Section 6. Headings Descriptive. The headings of the several sections of this Amendment are inserted for convenience only and shall not in any way affect the meaning or construction of any provisions of this Amendment.

Section 7. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW).

IN WITNESS WHEREOF the parties have executed this
Amendment No. 1 to Operation and Maintenance Agreement as of the
date first above written.

PUERTO QUETZAL POWER CORP.,
GUATEMALA BRANCH

By: David Shields
Name: David Shields
Its: Vice President and Chief
Financial Officer

ELECTRICIDAD ENRON DE
GUATEMALA, S.A.

By: David L. Haug
Name: David L. Haug
Its: Chairman

EC2 000034563

**Lot
Compliance
Files**

AMENDMENT NO. 1

En *Selección* 2 p. 2 Hojas

Hoja No. *Revisión y unido*

TO

C.B.W.

OPERATION AND MAINTENANCE AGREEMENT

JUN 27 1995

This AMENDMENT NO. 1 TO OPERATION AND MAINTENANCE AGREEMENT ("Amendment") dated as of March 31, 1993, is between PUERTO QUETZAL POWER CORP., Guatemala Branch, a Delaware corporation, with its principal place of business at 6a. Avenida 20-25 Zona 10, Edificio Plaza Maritima, Guatemala City, Guatemala C.A. ("Owner") and ELECTRICIDAD ENRON DE GUATEMALA, S.A., a company organized under the laws of Guatemala with its principal place of business at 6a. Avenida 20-25 Zona 10, Edificio Plaza Maritima, Guatemala City, Guatemala C.A. ("Operator").

PRELIMINARY STATEMENT

WHEREAS, Owner and Operator are parties to that certain Operation and Maintenance Agreement dated as of November 13, 1992 (the "O&M Agreement"); and

WHEREAS, Owner and Operator desire to modify the O&M Agreement as further set forth in this Amendment;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. As used in this Amendment, each capitalized term not defined herein shall have the meaning set forth in the O&M Agreement.

Section 2. Amendments.

(a) Section 1.13 of the O&M Agreement is hereby deleted in its entirety and the following provision substituted therefor:

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[Handwritten signature]



that certain Modification of Agreement dated March 30, 1993 between EPC and Texaco as assigned by EPC to EPOS pursuant to that Assignment and Assumption Agreement dated as of March 31, 1993 and EPC, as either fuel supply agreement may be further amended, modified and supplemented from time to time.

(b) Section 1.29 of the O&M Agreement is hereby deleted in its entirety and the following provision substituted therefor:

1.29 Reimbursable Expense: Subject to Section 4.1, any reasonable expense or expenditure incurred by Operator in the performance of the Work, including, without limitation, (i) purchases of spare parts, tools, equipment, consumable, materials and supplies, including fuel oil which Operator supplies or causes to be supplied to Owner hereunder, (ii) Labor Costs, (iii) the direct cost of subcontract labor or services needed to perform services otherwise covered by this agreement, (iv) insurance premiums and (v) any other item covered in an approved Annual Budget.

(c) Section 2.3(1) is hereby deleted in its entirety and the following provision substituted therefor:

(1) Monitor the inventory and purchase, as agent of Owner, of all materials necessary for the operation and maintenance of the Project, required spare parts, tools, equipment, consumables and supplies, including, without limitation, fuel.

(d) Section 2.3(v) of the O&M Agreement is hereby deleted in its entirety and the following provision substituted therefor:

(v) During the term of the Fuel Agreements nominate and provide or cause to be provided, to the extent fuel is made available pursuant to the Fuel Agreements, Owner's fuel requirements and schedule and effect or cause to be effected, deliveries of fuel to the Project in such quantity and of such quality as Owner may specify and at market prices for such quantity and quality of fuel; to the extent fuel is not made available pursuant to the Fuel Agreements, use reasonable business efforts to replace such fuel supplies on the best terms which are commercially available; monitor the sufficiency of such fuel in terms of quantity and quality and provide forecasts of fuel requirements, all subject to the policy objectives of Owner; and schedule deliveries of water pursuant to the water supply agreements arranged by Owner for the Project.

(e) A new Section 2.3(ac) is hereby added to the O&M Agreement as follows:

(ac) At the request of Owner, (i) assign to Owner the Fuel Supply and Management Agreement between Operator and EPOS (the "Supply and Management Agreement"), dated March 31, 1993, and/or (ii) pursuant to Section 6 of the Supply and Management Agreement, cause EPOS to assign to Owner the Fuel Agreements or any fuel oil

[Handwritten Signature]
JOSE ARCEBIO MARTINEZ
Abogado
Y
Notario



En *21* *hojas*
Hoja *1* *Admistrativa*

supply agreements entered into by Enron or Operator in replacement thereof.

(f) Section 3.1(d) of the O&M Agreement is hereby deleted in its entirety and the following Provision substituted therefor:

(d) Contract for all water services, waste water services and other utilities required for the Project; assist Operator with the procurement of fuel supplies.

(g) Section 5.1(d) of the O&M Agreement is hereby amended by deleting the phrase beginning with "provided, however," and ending with "the Operator;" and substituting in its place "provided, however, that in addition to the above, and not in limitation thereof, Operator's inability or failure to supply the Project with fuel of sufficient quality and quantity shall not operate as Force Majeure with respect to Owner."

SECRET

Section 3. Reference To And Effect On the Documents.

(a) Upon the effectiveness of this Amendment, each reference in the O&M Agreement to "this Agreement", "hereunder", "hereof", or "herein" shall mean and be a reference to the O&M Agreement as amended by this Amendment.

(b) Except as the O&M Agreement is specifically amended by this Amendment, the O&M Agreement shall remain in full force and effect and is hereby ratified and confirmed.

Section 4. Execution In Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

Section 5. Successors and Assigns. The O&M Agreement as amended by this Amendment shall be binding upon each of Owner and Operator and on their permitted successors and assigns, and shall inure to the benefit of such parties and their respective permitted successors and assigns.



Section 6. Headings Descriptive. The headings of the several sections of this Amendment are inserted for convenience only and shall not in any way affect the meaning or construction of any provisions of this Amendment.

Section 7. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW).



[Handwritten signature]



ELECTRICIDAD ENRON

T :502-2-682686

MAY '95 15:38 NUM007 P.05

En Sete veinte y ocho Hojas

Hoja No. veinte y cuatro

IN WITNESS WHEREOF the parties have executed this Amendment No. 1 to Operation and Maintenance Agreement as of the date first above written.

PUERTO QUETZAL POWER CORP.
GUATEMALA BRANCH

(Handwritten mark)

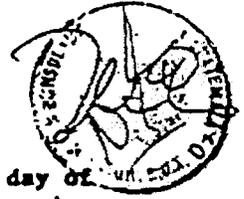
By: [Signature]
Name: Jorge Ascensio Aguirre
Its: LEGAL REPRESENTATIVE

ELECTRICIDAD ENRON DE GUATEMALA,
S.A.

[Signature]

By: _____
Name: Guillermo A. Paz Fernández
Its: General Manager

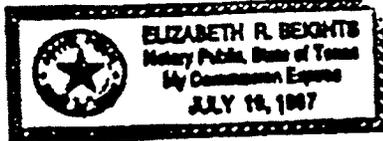
State of Texas §
County of Harris §



This instrument was acknowledged before me on the 13 th day of April, 1994 by Mr. Jorge Ascensio Aguirre and Mr. Guillermo A. Paz Fernández.

Notary Public in and for the State of Texas

Elizabeth R. Beightz
Notary Public in and for
The State of Texas



[Signature]
Jorge Ascensio Aguirre
Abogado
- Y -
Notario

EC2 000034567

AMENDMENT NO. 2
TO
OPERATION AND MAINTENANCE AGREEMENT

This Amendment No. 2 to Operation and Maintenance Agreement ("*Amendment*"), dated August 22, 1995, is by and between PUERTO QUETZAL POWER CORP., Guatemalan Branch, a Delaware corporation, with its principal place of business at 6a. Avenida 20-25 Zona 10, Edificio Plaza Marítima, Guatemala City, Guatemala, C.A. ("*Owner*"), and ELECTRICIDAD ENRON DE GUATEMALA, S.A., a company organized under the laws of Guatemala, with its principal place of business at 6a. Avenida 20-25 Zona 10, Edificio Plaza Marítima, Guatemala City, Guatemala, C.A. ("*Operator*").

PRELIMINARY STATEMENT

WHEREAS, Owner and Operator are parties to that certain Operation and Maintenance Agreement dated as of November 13, 1992, as amended (the "*O&M Agreement*"); and

WHEREAS, Owner and Operator desire to modify the O&M Agreement as further set forth in this Amendment;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendments.

- (a) Section 4.02(a) is hereby amended by reducing the amount of the monthly Fixed Fee described in such Section from 3.75% of the Project's Gross Revenues (as defined in the O&M Agreement) to 1.8% of the amount derived at by deducting total fuel costs from the Project's Gross Revenues
- (b) Section 4.02(b) is hereby deleted in its entirety.

Section 2. Effectiveness. The amendments described in Section 1 above shall be effective as of August 1, 1995.

Section 3. Reference To And Effect On the Documents.

- (a) Upon the effectiveness of this Amendment, each reference in the O&M Agreement to "this Agreement", "hereunder", "hereof", or "herein" shall mean and be a reference to the O&M Agreement as amended by this Amendment.

EC2 000034568

(b) Except as the O&M Agreement is specifically amended by this Amendment, the O&M Agreement shall remain in full force and effect and is hereby ratified and confirmed.

Section 4. Execution In Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

Section 5. Successors and Assigns. The O&M Agreement as amended by this Amendment shall be binding upon each of Owner and Operator and on their permitted successors and assigns, and shall inure to the benefit of such parties and their respective permitted successors and assigns.

Section 6. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW).

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Operation and Maintenance Agreement as of the date first written above.

PUERTO QUETZAL POWER CORP.,
GUATEMALA BRANCH

By: [Signature]
Name: Roberto Figueroa
Title: General Manager

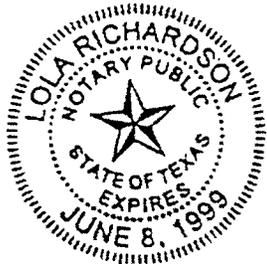
ELECTRICIDAD ENRON DE GUATEMALA, S.A.

By: [Signature]
Name: DAVID CHAUG
Title: Chairman

State of Texas §
 §
County of Harris §

Before me, Lola Richardson, a notary public, on this day personally appeared DAVID L. HAUG, Chairman of Electricidad Enron de Guatemala, S.A., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 22nd day of August, 1995.



Lola Richardson
Lola Richardson
Notary Public in and for
the State of Texas
My commission expires: June 8, 1999

AMENDMENT NO. 3
TO
OPERATION AND MAINTENANCE AGREEMENT

This Amendment No. 3 to Operation and Maintenance Agreement ("*Amendment*"), dated December 31, 1995, is by and between PUERTO QUETZAL POWER CORP., Guatemalan Branch, a Delaware corporation, with its principal place of business at 6a. Avenida 20-25 Zona 10, Edificio Plaza Maritima, Guatemala City, Guatemala, C.A. ("*Owner*"), and ELECTRICIDAD ENRON DE GUATEMALA, S.A., a company organized under the laws of Guatemala, with its principal place of business at 6a. Avenida 20-25 Zona 10, Edificio Plaza Maritima, Guatemala City, Guatemala, C.A. ("*Operator*").

PRELIMINARY STATEMENT

WHEREAS, Owner and Operator are parties to that certain Operation and Maintenance Agreement dated as of November 13, 1992, as amended (the "*O&M Agreement*"); and

WHEREAS, Owner and Operator desire to modify the O&M Agreement as further set forth in this Amendment;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1 Amendments. The O&M Agreement is hereby amended as follows:

- (a) Section 1.10 is amended by deleting all text after the numeral "1.10" and substituting the following language therefor: "This section intentionally left blank."
- (b) Section 1.13 is deleted in its entirety and the following language is substituted therefor:

1.13 Fuel Agreement: The fuel agreement for the Project's fuel oil requirements, entered into on December 31, 1995 between Enron Power Oil Supply Corp. and Puerto Quetzal Power Corp. as amended and modified from time to time.
- (c) Section 1.19 is hereby amended to (i) delete the phrase "Reimbursable Expenses," in lines 3 and 4, and (ii) delete the phrase "and Economic Dispatch Incentive Fees" in line 4.

- (d) A new Section 19(a) is added as follows:
- 1.19(a) Operator's Reimbursement Statement: A written document provided by Operator to Owner on a monthly basis requesting the amount due to Operator for Reimbursable Expenses, accompanied by any substantiating documentation required herein.
- (e) A new Section 1.32 is added as follows
- 1.32 Administrative and Commercial Support Agreement: the Administrative and Commercial Support Agreement between Enron Global de Guatemala, S.A. and Puerto Quetzal Power Corp. effective December 31, 1995.
- (f) Section 2.1 is amended by deleting the phrase "the Fuel Agreements," in line 8.
- (g) Section 2.3 is amended by deleting the word "During" at the beginning of the first sentence and substituting the following therefor: "Except for the services provided under the Administrative and Commercial Support Agreement and the service provided under the Fuel Agreement, during"
- (h) Section 2.3(d) is amended by changing the bracketed numeral "(30)" to "(60)" to correctly reflect the sixty day time period referenced in the section.
- (i) Section 2.3(e) is amended by changing the bracketed numeral "(30)" to "(60)" to correctly reflect the sixty day time period referenced in the section.
- (j) Section 2.3(v) is amended by deleting the term "Fuel Agreements" in line 3 and substituting therefor the term "Fuel Agreement".
- (k) Section 4.1, lines 2 and 14-15 are amended by deleting the term "Operator's Invoice" and substituting therefor the term "Operator's Reimbursement Statement". The following sentence is added to the end of Section 4.1: "Each Operator's Reimbursement Statement shall comply with Section 1.8 of the Agreement Regarding O&M Agreement dated as of March 31, 1993 among King Ranch Power Corp., Enron Development Corp., and Electricidad De Guatemala, S.A."
- (l) Section 4.3, line 9 is amended by changing the word "seventy" to "ninety" to correctly reflect the ninety day time period referenced in the section.
- (m) Section 4.7 is amended (i) by adding the phrase "or Operator's Reimbursement Statement" after the term "Operator's Invoice" in line 1 and

(ii) by adding the phrase "or statement is reimbursed" after the phrase "pertinent invoice is paid" in line 6.

Section 6.4, lines 5-6 are amended by deleting the term "Operator's Invoice" and substituting therefor the term "Operator's Reimbursement Statement".

Section 2. Effectiveness. The amendments described in Section above shall be effective as of January 1, 1996.

Section 3 Reference To and Effect On the Documents.

Upon the effectiveness of this Amendment, each reference in the O&M Agreement to "this Agreement", "hereunder", "hereof", or "herein" shall mean and be a reference to the O&M Agreement as amended by this Amendment.

Except as the O&M Agreement is specifically amended by this Amendment, the O&M Agreement shall remain in full force and effect and is hereby ratified and confirmed.

Section 4. Execution in Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

Section 5. Successors and Assigns. The O&M Agreement as amended by this Amendment shall be binding upon each of Owner and Operator and on their permitted successors and assigns, and shall inure to the benefit of such parties and their respective permitted successors and assigns.

Section 6. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW).

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 to the Operation and Maintenance Agreement as of the date first above written.

PUERTO QUETZAL POWER CORP.,
GUATEMALA BRANCH

By: William C. Horwitz
Name: William C. Horwitz
Title: Chairman of the Board *DEC*

ELECTRICIDAD ENRON DE
GUATEMALA, S.A.

By: William C. Horwitz
Name: William C. Horwitz
Title: Vice President, Vocal *DEC*

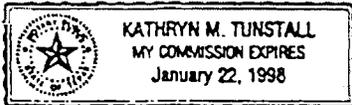
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EC2 000034574

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Before me, Kathryn M. Tunstall, a notary public, on this day personally appeared William C. Boudry, Vice President Vasec of Electricidad Enron de Guatemala, S.A., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 31st day of December, 1995



Kathryn M. Tunstall
Notary Public in and for the State of
Texas
My Commission expires: 1-22-98