
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) August 10, 2006 (August 4, 2006)

NRG Energy, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-15891

(Commission File Number)

41-1724239

(IRS Employer Identification No.)

211 Carnegie Center

(Address of Principal Executive Offices)

Princeton, NJ 08540

(Zip Code)

609-524-4500

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01 Entry into a Material Definitive Agreement.

On August 4, 2006, NRG Energy, Inc., or the Company, announced that two wholly owned subsidiaries, NRG Common Stock Finance I, LLC, or CSF I, and NRG Common Stock Finance II, LLC, or CSF II, will use up to \$500,000,000 to purchase shares of the Company's common stock in the open market or in privately negotiated transactions from time to time during a period of time commencing on that date. That period, which the company refers to as the reference period, is expected to be complete when these subsidiaries have paid an aggregate of \$500,000,000 in connection with such purchases.

CSF I and CSF II will make purchases of the Company's common stock during the reference period using, on a pro rata basis according to the maximum contributions set forth below, an equity contribution from the Company, which contribution is expected to be approximately \$166 million in the aggregate, together with up to \$84 million funded through the issuance of preferred equity and up to \$250 million funded through the issuance of debt, in each case from units of Credit Suisse. Neither the debt of nor the preferred equity interests in these subsidiaries will be recourse to the Company or any of its restricted subsidiaries, and the debt will be secured by any shares of the Company's common stock purchased during the reference period.

Each subsidiary's obligations to Credit Suisse pursuant to the debt and preferred equity are contained in a Note Purchase Agreement and Preferred Interest Purchase Agreement, respectively. The agreements specify that purchases shall be made under the program at the sole discretion of the Company, subject to the subsidiaries' ability to meet the required payment obligations. These agreements impose certain restrictions on the subsidiaries' activities and mandate the relative debt and equity contributions of Credit Suisse and the Company.

The transactions entered into by CSF I will have a term of approximately two years and the transactions entered into by CSF II will have a term of approximately three years. At maturity, each relevant subsidiary will be obligated to repay all amounts due under the notes and preferred units. In addition, at maturity the relevant affiliate of Credit Suisse will have the right to exchange the preferred units and notes they purchased for an additional payment equal to the excess, if any, of the market value of the Company's common stock owned by such subsidiary over a threshold amount. A portion of the transactions entered into by each of CSF I and CSF II will be secured by all of the assets of that NRG subsidiary, consisting primarily in each case of the shares of the Company's common stock purchased by that subsidiary during the reference period.

Upon an event of default or certain specified termination events, the fair value of the transactions will become due and payable by the subsidiaries to the relevant affiliate of Credit Suisse. In addition, each of CSF I and CSF II will have the right to unwind any purchases during the reference period at their fair value at any time.

It is anticipated that NRG will purchase the common stock held by CSF I and CSF II at maturity for a price sufficient to pay all amounts owing at maturity and to enable CSF I and CSF II to return all equity contributions received from NRG.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

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Exhibit

<u>Number</u>	<u>Document</u>
10.1	Limited Liability Company Agreement of NRG Common Stock Finance I LLC.
10.2	Limited Liability Company Agreement of NRG Common Stock Finance II LLC.
10.3	Note Purchase Agreement, dated August 4, 2006, between NRG Common Stock Finance I LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC.
10.4	Note Purchase Agreement, dated August 4, 2006, between NRG Common Stock Finance II LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.
10.5	Preferred Interest Purchase Agreement, dated August 4, 2006, between NRG Common Stock Finance I LLC, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.
10.6	Preferred Interest Purchase Agreement, dated August 4, 2006, between NRG Common Stock Finance II LLC, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.
10.7	Certificate of Designations relating to the Series 1 Exchangeable Limited Liability Company Preferred Interests of NRG Common Stock Finance I LLC.
10.8	Certificate of Designations relating to the Series 1 Exchangeable Limited Liability Company Preferred Interests of NRG Common Stock Finance II LLC.
10.9	Common Interest Purchase Agreement, dated August 4, 2006, between NRG Energy, Inc. and NRG Common Stock Finance I LLC.
10.10	Common Interest Purchase Agreement, dated August 4, 2006, between NRG Energy, Inc. and NRG Common Stock Finance II LLC.
10.11	Underwriting Agreement, dated as of August 4, 2006, by and among NRG Energy, Inc., Credit Suisse International, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NRG Energy, Inc.
(Registrant)

By: /s/ TIMOTHY W. J. O'BRIEN
Timothy W. J. O'Brien
Vice President and
General Counsel

Dated: August 10, 2006

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LIMITED LIABILITY COMPANY AGREEMENT
OF
NRG COMMON STOCK FINANCE I LLC

This Limited Liability Company Agreement (together with the schedules attached hereto, this “Agreement”) of NRG COMMON STOCK FINANCE I LLC (the “Company”), is entered into by NRG Energy Inc., as the sole equity member (the “Member”), and Lisa A. DeDonato (the “Springing Member”). Capitalized terms used and not otherwise defined herein have the meanings set forth on Schedule A hereto.

The Member, by execution of this Agreement, hereby forms the Company as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. §18-101 et seq.), as amended from time to time (the “Act”), and this Agreement, and the Member and the Springing Member hereby agree as follows:

Section 1. Name.

The name of the limited liability company formed hereby is NRG COMMON STOCK FINANCE I LLC.

Section 2. Principal Business Office.

The principal business office of the Company shall be located at 211 Carnegie Center, Princeton, NJ 08540 or such other location as may hereafter be determined by the Member.

Section 3. Registered Office.

The address of the registered office of the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, DE 19801.

Section 4. Registered Agent.

The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company.

Section 5. Members.

(a) The mailing address of the Member is set forth on Schedule B attached hereto. The Member was admitted to the Company as a member of the Company upon its execution of a counterpart signature page to this Agreement.

(b) Subject to Section 9(j), the Member may act by written consent.

(c) Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 21 and 23, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 22 and 23) (a “Member Cessation Event”), the Springing Member shall, without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution.

No Special Member may resign from the Company or transfer its rights as Special Member unless a successor Special Member has been admitted to the Company as Special Member by executing a counterpart to this Agreement. The Special Member shall automatically cease to be a member of the Company upon the admission to the Company of a substitute Member. The Special Member shall be a member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets. Pursuant to Section 18-301 of the Act, a Special Member shall not be required to make any capital contributions to the Company and shall not receive a limited liability company interest in the Company. A Special Member, in its capacity as Special Member, may not bind the Company. Except as required by any mandatory provision of the Act, a Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including, without limitation, the merger, consolidation or conversion of the Company. In order to implement the admission to the Company of the Special Member, the Springing Member shall execute a counterpart to this Agreement. Prior to its admission to the Company as Special Member, the person acting as the Springing Member shall not be a member of the Company.

(d) The Company shall at all times have a Springing Member. No resignation or removal of the Springing Member, and no appointment of a successor Springing Member, shall be effective unless and until such successor shall have executed a counterpart to this Agreement and accepted its appointment as Independent Director pursuant to Section 10. In the event of a vacancy in the position of the Springing Member, the Member shall, as soon as practicable, appoint a successor Springing Member to fill such vacancy. By signing this Agreement, the Springing Member agrees that, should such Springing Member become a Special Member, such Springing Member will be subject to and bound by the provisions of this Agreement applicable to a Special Member.

Section 6. Certificates.

Tim O'Brien, is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, his powers as an "authorized person" ceased, and the Member thereupon became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Act. The Member or an Officer shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in New Jersey and in any other jurisdiction in which the Company may wish to conduct business.

The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes.

(a) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, the sole purpose to be conducted or promoted by the Company is to engage in the following activities:

- (i) to acquire, own, and hold the collateral described in the Note Purchase Agreement (the “Collateral”);
- (ii) to issue promissory notes secured by the Collateral to the extent permitted under the Transaction Documents;
- (iii) to enter into and perform its obligations under the Transaction Documents including any amendments thereto;
- (iv) to sell, transfer, service, convey, dispose of, pledge, assign, borrow money against, finance, refinance or otherwise deal with the Collateral to the extent permitted under the Transaction Documents; and
- (v) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purposes.

(b) The Company, and the Member, or any Director or Officer on behalf of the Company, may enter into and perform their obligations under the Basic Documents and all documents, agreements, certificates, or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any Member, Director, Officer or other Person notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation.

Section 8. Powers.

Subject to Section 9(j), the Company, and the Board of Directors and the Officers of the Company on behalf of the Company, shall have and exercise all powers and rights conferred upon limited liability companies formed pursuant to the Act and necessary, convenient or incidental to accomplish its purposes as set forth in Section 7.

Section 9. Management.

(a) Board of Directors. Subject to Section 9(j), the business and affairs of the Company shall be managed by or under the direction of a Board of one or more Directors designated by the Member. Subject to Section 10, the Member may determine at any time in its sole and absolute discretion the number of Directors to constitute the Board.

The authorized number of Directors may be increased or decreased by the Member at any time in its sole and absolute discretion, upon notice to all Directors, and subject in all cases to Section 10. The initial number of Directors shall be three, one of which shall be the Independent Director pursuant to Section 10. Each Director elected, designated or appointed by the Member shall hold office until a successor is elected and qualified or until such Director's earlier death, resignation, expulsion or removal. Each Director shall execute and deliver the Management Agreement. Directors need not be a Member. The initial Directors designated by the Member are listed on Schedule D hereto.

(b) Powers. Subject to Section 9(j), the Board of Directors shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. Subject to Section 7, the Board of Directors has the authority to bind the Company.

(c) Meeting of the Board of Directors. The Board of Directors of the Company may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the President on not less than one day's notice to each Director by telephone, facsimile, mail, telegram or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Directors.

(d) Quorum: Acts of the Board. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee, as the case may be.

(e) Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in meetings of the Board, or any committee, by means of telephone conference or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in Person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

(f) Committees of Directors.

- (i) The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Directors of the Company. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

- (ii) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.
- (iii) Any such committee, to the extent provided in the resolution of the Board, and subject to, in all cases, Sections 9(j) and 10, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(g) Compensation of Directors; Expenses. The Board shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at meetings of the Board, which may be a fixed sum for attendance at each meeting of the Board or a stated salary as Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

(h) Removal of Directors. Unless otherwise restricted by law, any Director or the entire Board of Directors may be removed or expelled, with or without cause, at any time by the Member, and, subject to Section 10, any vacancy caused by any such removal or expulsion may be filled by action of the Member.

(i) Directors as Agents. To the extent of their powers set forth in this Agreement and subject to Section 9(j), the Directors are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers set forth in this Agreement shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Act, except as provided in this Agreement or in a resolution of the Directors, a Director may not bind the Company.

(j) Limitations on the Company's Activities.

- (i) This Section 9(j) is being adopted to comply with certain provisions necessary to qualify the Company as a "special purpose" entity.
- (ii) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, for so long as any Obligation is outstanding, neither the Member nor the Company shall amend, alter, change any of Sections 1, 5(b), 5(c), 5(d), 6, 7, 8, 9, 10, 14, 16, 20(b), 20(f), 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32 or 36 or Schedule A of this Agreement (to the extent that the terms defined in Schedule A are used in any of the foregoing sections) (the "Special Purpose Provisions"), or any other provision of this or any other document governing the formation, management or operation of the Company in a manner that is inconsistent with any of the Special Purpose Provisions, unless the Purchaser consents in writing.

Subject to this Section 9(j), the Member reserves the right to amend, alter, change or repeal any provisions contained in this Agreement in accordance with Section 32. In the event of any conflict between any of the Special Purpose Provisions and any other provision of this or any other document governing the formation, management or operation of the Company, the Special Purpose Provisions shall control.

- (iii) Notwithstanding any other provision of this Agreement or any other document governing the formation, management or operation of the Company, and notwithstanding any provision of law that otherwise so empowers the Company, the Member, the Board, any Officer or any other Person, in addition to any other limitations set forth in this Agreement, neither the Member nor the Board nor any Officer nor any other Person shall be authorized or empowered, nor shall they permit the Company to, and the Company shall not, without the prior unanimous written consent of the Member and the Board (including the Independent Director), take any Material Action, provided, however, that the Board may not vote on, or authorize the taking of, any Material Action, unless there is at least one Independent Director then serving in such capacity.
- (iv) The Board and the Member shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, the Board also shall cause the Company to and the Company shall:
 - (A) comply with the covenants of the Company contained in the Transaction Documents as of the Closing Date (as defined in the Transaction Documents);
 - (B) have its own Board of Directors;
 - (C) cause its Board of Directors to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities; and

(D) cause the Directors, Officers, agents and other representatives of the Company to act at all times with respect to the Company consistently and in furtherance of the foregoing and in the best interests of the Company.

Failure of the Company, or the Member or Board on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member or the Directors.

- (v) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, the Board shall not cause or permit the Company to and the Company shall not:
- (A) adopt or propose any change in its constitutive documents (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
 - (B) merge or consolidate with any other Person or acquire a material portion of any other Person's assets;
 - (C) dissolve, liquidate, wind up, form or acquire any subsidiaries;
 - (D) sell, lend, pledge, rehypothecate, assign or otherwise dispose of, or grant any option with respect to, any of its assets or declare, set aside or pay any dividend or other distribution with respect to any of its securities or repurchase, redeem or otherwise acquire any of its securities (including without limitation the membership interest of the Member), in each case other than as expressly permitted pursuant to the Transaction Documents; provided that the Company shall be permitted to make in kind distributions to the Company of NRG Common Stock if there is a previous or simultaneous capital contribution from the Company to the Company of an Equivalent Number of shares of Qualifying Preferred Stock that meet the criteria for Eligible Collateral and that is substituted as Collateral for the NRG Common Stock released in connection with such distribution without thereby causing a violation of any representations or warranties made or deemed repeated in connection with such substitution;
 - (E) directly or indirectly, incur, create, or assume any indebtedness or liabilities other than Permitted Liabilities;

- (F) directly or indirectly, purchase or invest in any property other than Permitted Investments;
- (G) adopt any amendment to the Independent Director Agreement or any Transaction Document (except any amendment required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
- (H) remove any Independent Director of the Company without first duly electing and entering into an agreement in substantially the form of the Independent Director Agreement with a successor Independent Director;
- (I) guarantee, take assignment of, become liable for or hold itself out as liable for, debts of others or hold out its credit or assets as being available to satisfy the obligations of any other Person;
- (J) commingle or otherwise fail to separate its own funds and assets from that of other Persons or fail to pay its portion of any shared expenses and costs;
- (K) conduct its business in any manner that will mislead others as to the identity of the Company, and the Company will act only in its own name, maintaining a separate office, stationary, telephone, keep separate books and records, cause financial statements to be prepared in a manner that indicates the separateness of the Company and will observe all corporate formalities and will hold meetings to authorize corporate actions;
- (L) enter into any transaction with an Affiliate of the Company except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction other than as contemplated by the Transaction Documents;
- (M) engage, directly or indirectly, in any business other than as required or permitted to be performed under the Transaction Documents;
or
- (N) be entitled to any direct or indirect credit support from the Member.

Section 10. Independent Director.

As long as any Obligation is outstanding, and for 91 days after all Obligations have been paid in full, the Member shall cause the Company at all times to have at least one Independent Director who will be appointed by the Member.

To the fullest extent permitted by law, including Section 18-1101(c) of the Act, the Independent Director shall consider only the interests of the Company and its creditors in acting or otherwise voting on the matters referred to in Section 9(j)(iii). No resignation or removal of the Independent Director, and no appointment of a successor Independent Director, shall be effective until such successor (i) shall have accepted his or her appointment as an Independent Director by a written instrument, which may be a counterpart signature page to the Management Agreement, and (ii) shall have executed a counterpart to this Agreement as required by Section 5(d). In the event of a vacancy in the position of Independent Director, the Member shall, as soon as practicable, appoint a successor Independent Director. All right, power and authority of the Independent Director shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. Except as provided in the second sentence of this Section 10, in exercising their rights and performing their duties under this Agreement, the Independent Director shall have a fiduciary duty of loyalty and care similar to that of a director of a business corporation organized under the General Corporation Law of the State of Delaware. No Independent Director shall at any time serve as trustee in bankruptcy for any Affiliate of the Company.

Section 11. Officers.

(a) Officers. The initial Officers of the Company shall be designated by the Member. The additional or successor Officers of the Company shall be chosen by the Board and shall consist of at least a President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person. The Board shall choose a President, a Secretary and a Treasurer. The Board may appoint such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The salaries of all Officers and agents of the Company shall be fixed by or in the manner prescribed by the Board. The Officers of the Company shall hold office until their successors are chosen and qualified. Any Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board. Any vacancy occurring in any office of the Company shall be filled by the Board. The initial Officers of the Company designated by the Member are listed on Schedule E hereto.

(b) President. The President shall be the chief executive officer of the Company, shall preside at all meetings of the Board, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Board are carried into effect. The President or any other Officer authorized by the President or the Board shall execute all bonds, mortgages and other contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 7(b); (ii) where signing and execution thereof shall be expressly delegated by the Board to some other Officer or agent of the Company, and (iii) as otherwise permitted in Section 11(c).

(c) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Directors, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

The Vice Presidents, if any, shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(d) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Board and record all the proceedings of the meetings of the Company and of the Board in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board (or if there be no such determination, then in order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(e) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and to the Board, at its regular meetings or when the Board so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(f) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Board not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 9(j), the actions of the Officers taken in accordance with such powers shall bind the Company.

(g) Duties of Board and Officers. Except to the extent otherwise provided herein, each Director and Officer shall have a fiduciary duty of loyalty and care similar to that of directors and officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 12. Limited Liability.

Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and neither the Member nor the Special Member nor any Director or Officer shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, Special Member or Director of the Company.

Section 13. Capital Contributions.

The Member has contributed to the Company and may contribute from time to time the collateral listed on Schedule B attached hereto. The Member is not obligated to make any future capital contributions. In accordance with Section 5(c), the Special Member shall not be required to make any capital contributions to the Company.

Section 14. Additional Contributions.

The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time upon the written consent of such Member. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule B of this Agreement. The Member and the Special Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 15. Allocation of Profits and Losses.

The Company's profits and losses shall be allocated to the Member.

Section 16. Distributions.

Subject to 9(j)(v)(D), distributions of capital shall be made to the Member at the times and in the aggregate amounts determined by the Board. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution of capital to the Member on account of its interest in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law or any Basic Document or would constitute a default under the Transaction Documents.

Section 17. Books and Records.

The Board shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Board. The Member and its duly authorized representatives shall have the right to examine the Company books, records and documents during normal business hours. The Company, and the Board on behalf of the Company, shall not have the right to keep confidential from the Member any information that the Board would otherwise be permitted to keep confidential from the Member pursuant to Section 18-305(c) of the Act. The Company's books of account shall be kept using the method of accounting determined by the Member. The Company's independent auditor, if any, shall be an independent public accounting firm selected by the Member.

Section 18. Reports.

(a) Within 60 days after the end of each fiscal quarter, the Board shall cause to be prepared an unaudited report setting forth as of the end of such fiscal quarter:

- (i) unless such quarter is the last fiscal quarter, a balance sheet of the Company; and
- (ii) unless such quarter is the last fiscal quarter, an income statement of the Company for such fiscal quarter.

(b) The Board shall use diligent efforts to cause to be prepared and mailed to the Member, within 90 days after the end of each fiscal year, an audited or unaudited report setting forth as of the end of such fiscal year:

- (i) a balance sheet of the Company;
- (ii) an income statement of the Company for such fiscal year; and
- (iii) a statement of the Member's capital account.

(c) The Board shall, after the end of each fiscal year, use reasonable efforts to cause the Company's independent accountants, if any, to prepare and transmit to the Member as promptly as possible any such tax information as may be reasonably necessary to enable the Member to prepare its federal, state and local income tax returns relating to such fiscal year.

Section 19. Other Business.

The Member, the Special Member and any Affiliate of the Member or the Special Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others notwithstanding any provision to the contrary at law or at equity. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

Section 20. Exculpation and Indemnification.

(a) Neither the Member nor the Special Member nor any Officer, Director, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member or the Special Member (collectively, the "Covered Persons") shall, to the fullest extent permitted by law, be liable to the Company or any other Person that is a party to or is otherwise bound by this Agreement, for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

(b) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(c) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement or any approval or authorization granted by the Company or any other Covered Person. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member, the Springing Members and the Special Member to replace such other duties and liabilities of such Covered Person.

(d) Notwithstanding the foregoing provisions, any indemnification set forth herein shall be fully subordinate to the and, to the fullest extent permitted by law, shall not constitute a claim against the Company in the event that the Company's cash flow is insufficient to pay all its obligations to creditors.

(e) The foregoing provisions of this Section 20 shall survive any termination of this Agreement.

Section 21. Assignments.

Subject to Section 23 and any transfer restrictions contained in the Transaction Documents, the Member may assign its limited liability company interest in the Company to any direct or indirect wholly-owned subsidiary of the Member. Subject to Section 23, if the Member transfers all of its limited liability company interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company. Any successor to a Member by merger or consolidation in compliance with the Basic Documents shall, without further act, be the Member hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Company shall continue without dissolution.

Section 22. Resignation.

So long as any Obligation is outstanding, the Member may not resign, except as permitted under the Basic Documents and if the Purchaser consents in writing and if an additional member is admitted to the Company pursuant to Section 23.

If the Member is permitted to resign pursuant to this Section 22, an additional member of the Company shall be admitted to the Company, subject to Section 23, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Member shall cease to be a member of the Company.

Section 23. Admission of Additional Members and Transfers of Indirect Interests.

One or more additional members of the Company may be admitted to the Company with the written consent of the Member; provided, however, that, notwithstanding the foregoing, no additional Member may be admitted to the Company pursuant to Sections 21, 22 or 23, other than pursuant to Section 24(a) or Section 5(c), and no transfer of any direct or indirect interest in the Company may be made that results in a Change in Control of the Company, except as may be expressly provided otherwise in the Transaction Documents, unless the Purchaser consents in writing.

Section 24. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner required under Section 5(c) or this Section 24(a) or permitted by this Agreement or the Act, (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act or (iii) the election of holders of Preferred Interests to dissolve the Company pursuant to the terms of the Preferred Interests. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 21 and 23, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 22 and 23), to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member or a Special Member or any additional member shall not cause the Member or Special Member or additional member, respectively, to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) Notwithstanding any other provision of this Agreement, each of the Member, the Special Member and any additional member waive any right it might have to agree in writing to dissolve the Company upon the Bankruptcy of the Member, Special Member or additional member, or the occurrence of an event that causes the Member, Special Member or additional member to cease to be a member of the Company.

(d) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(e) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company shall have been distributed to the Member in the manner provided for in this Agreement (but not less than 91 days after irrevocable payment in full of all Obligations) and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(f) Notwithstanding anything to the contrary in this Agreement, upon any voluntary or involuntary liquidation, dissolution or winding up of the Company or reduction or decrease in the capital stock of the Company resulting in a distribution of assets to any Member, in no event shall any such Member be entitled to acquire, receive or exercise rights of a Member in respect of any asset of the Company consisting of shares of any class of voting securities of an issuer to the extent that, upon such acquisition, receipt or exercise, the "beneficial ownership" (within the meaning of Section 13 of the Exchange Act of 1934, as amended, and the rules promulgated thereunder) of such Member or any entity that directly or indirectly controls such Member (collectively, such Member's "Member Group") would equal or exceed 4.5% of the outstanding shares of such class or any member of the Member Group would be deemed to directly or indirectly own 4.5% or more of the outstanding equity of the issuer of such stock or have the right to vote securities conferring 4.5% or more of the total vote on general corporate matters with respect to such issuer. The inability of any Member to acquire, receive or exercise rights with respect to any asset of the Company provided by this Agreement at any time as a result of this provision shall not preclude such Member from taking such action at a later time when permitted by this provision. If any delivery owed to any Member hereunder is not made, in whole or in part, as a result of this Section 24, the Company's obligation to make such delivery shall not be extinguished, and the Company shall make such delivery as promptly as practicable following notice from such Member that such delivery would be permitted by this Section 24.

Section 25. Waiver of Partition; Nature of Interest.

To the fullest extent permitted by law, each of the Member, the Special Member, the Springing Members, and any additional member admitted to the Company hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. The Member shall not have any interest in any specific assets of the Company, and the Member shall not have the status of a creditor with respect to any distribution pursuant to Section 16 hereof. The interest of the Member in the Company is personal property.

Section 26. Tax Status.

It is intended that the Company shall be treated as a “partnership” for income tax purposes.

Section 27. Benefits of Agreement; No Third-Party Rights.

Except for the Purchaser, its successors and assigns as holders of the Notes with respect to the Special Purpose Provisions, (1) none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Member or a Special Member, and (2) nothing in this Agreement shall be deemed to create any right in any Person (other than Covered Persons) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person, except as provided in Section 30. The Purchaser, its successors and assigns are intended third-party beneficiaries of this Agreement and may enforce the Special Purpose Provisions.

Section 28. Severability of Provisions.

Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 29. Entire Agreement.

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 30. Binding Agreement.

The Member agrees that this Agreement, including, without limitation, the Special Purpose Provisions, constitutes a legal, valid and binding agreement of the Member, and is enforceable against the Member by the Independent Directors, in accordance with its terms. In addition, the Independent Directors shall be intended beneficiaries of this Agreement.

Section 31. Governing Law.

This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 32. Amendments.

Subject to Section 9(j), this Agreement may be modified, altered, supplemented or amended pursuant to a written agreement executed and delivered by the Member.

Notwithstanding anything to the contrary in this Agreement, until the 91st day after all Obligations have been paid in full, this Agreement may not be modified, altered, supplemented or amended unless the Purchaser consents in writing.

Section 33. Counterparts.

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

Section 34. Notices.

Any notices required to be delivered hereunder shall be in writing and personally delivered, mailed or sent by telecopy, electronic mail or other similar form of rapid transmission, and shall be deemed to have been duly given upon receipt (a) in the case of the Company, to the Company at its address in Section 2, (b) in the case of the Member, to the Member at its address as listed on Schedule B attached hereto and (c) in the case of either of the foregoing, at such other address as may be designated by written notice to the other party.

Section 35. Effectiveness.

Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State on July 31, 2006.

Section 36. Series 1 Exchangeable Limited Liability Company Preferred Interests.

Pursuant to authority conferred upon the Board of Directors by this Agreement and Section 18-215 of the Act, the Board of Directors hereby authorize the creation and issuance of the Company's Series 1 Exchangeable Limited Liability Company Preferred Interests with the designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions as set forth in the Certificate of Designations attached hereto as Exhibit A.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Limited Liability Company Agreement as of the 3th day of August, 2006.

MEMBER:

NRG Energy, Inc.

By: /s/ Tim O'Brien

Name: Tim O'Brien

Title: Vice President and General
Counsel

SPRINGING MEMBER:

/s/ Lisa A. DeDonato

Name: Lisa A. DeDonato

Springing Member

S-1

SCHEDULE A

Definitions

A. Definitions

When used in this Agreement, the following terms not otherwise defined herein have the following meanings:

“Act” has the meaning set forth in the preamble to this Agreement.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person or any Person who has a direct familial relationship, by blood, marriage or otherwise with the Company or any Affiliate of the Company.

“Agreement” means this Limited Liability Company Agreement of the Company, together with the schedules attached hereto, as amended, restated or supplemented or otherwise modified from time to time.

“Bankruptcy” means, with respect to any Person, if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (vii) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person’s consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of “Bankruptcy” is intended to replace and shall supersede and replace the definition of “Bankruptcy” set forth in Sections 18-101(1) and 18-304 of the Act.

“Basic Documents” means this Agreement, the Management Agreement, the Transaction Documents, and all documents and certificates contemplated thereby or delivered in connection therewith.

“Board” or “Board of Directors” means the Board of Directors of the Company.

“Certificate of Formation” means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on July 31, 2006, as amended or amended and restated from time to time.

“Change in Control of the Company” means (a) a transfer resulting in a Person that owned less than 49% of the direct or indirect equity interests in the Company upon the closing of the Notes owning 49% or more of such equity interests after the transfer, (b) a transfer or transfers after the closing of the Notes that aggregate of 49% or more of the direct or indirect equity interests in the Company or (c) a change in the equity owners that Control the Company.

“Collateral” shall have the meaning given thereto in Section 7(a) of this Agreement.

“Company” means NRG COMMON STOCK FINANCE I LLC, a Delaware limited liability company.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise. “Controlling” and “Controlled” shall have correlative meanings. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, 49% or more of the ownership interests.

“Covered Persons” has the meaning set forth in Section 20(a).

“Daily Share Percentage” has the meaning specified in the Note Purchase Agreement.

“Daily Notional Number” has the meaning specified in the Note Purchase Agreement.

“Directors” means the Persons elected to the Board of Directors from time to time by the Member, including the Independent Director, in their capacity as managers of the Company. A Director is hereby designated as a “manager” of the Company within the meaning of Section 18-101(10) of the Act.

“Eligible Collateral” has the meaning specified in Section 19 of the Note Purchase Agreement.

“Exchange” means, at any time, the principal securities exchange or automated quotation system on which NRG Common Stock is listed or traded at such time.

“Equivalent Number” has the meaning specified in Section 1 of the Note Purchase Agreement.

“Event of Default” has the meaning specified in Section 11 of the Note Purchase Agreement.

“Independent Director” means a natural person who is not at the time of initial appointment as a director or at any time while serving as a director or manager of the Company and has not been at any time during the five (5) years preceding such initial appointment:

- (a) a stockholder, director (with the exception of serving as an Independent Director of the Company), officer, trustee, employee, partner, member, attorney or counsel of Company, the Member (with exception of serving as a Special Member), or any Affiliate of either of them;
- (b) a creditor, customer, supplier, or other person who derives any of its purchases or revenues from its activities with the Member, the Company or any Affiliate of either of them;
- (c) a Person Controlling, Controlled by or under common Control with any Person excluded from serving as Independent Director under (a) or (b); or
- (d) a member of the immediate family by blood or marriage of any Person excluded from serving as Independent Director under (a) or (b).

A natural person who satisfies the foregoing definition other than subparagraph (b) shall not be disqualified from serving as an Independent Director of the Company if such individual is an Independent Director provided by a nationally-recognized company that provides professional independent directors (a “Professional Independent Director”) and other corporate services in the ordinary course of its business. A natural person who otherwise satisfies the foregoing definition other than subparagraph (a) by reason of being the independent director of a “special purpose entity” affiliated with the Company shall not be disqualified from serving as an Independent Director of the Company if such individual is either (i) a Professional Independent Director or (ii) the fees that such individual earns from serving as independent director of affiliates of the Company in any given year constitute in the aggregate less than five percent (5%) of such individual’s annual income for that year. Notwithstanding the immediately preceding sentence, an Independent Director may not simultaneously serve as Independent Director of the Company and independent director of a special purpose entity that owns a direct or indirect equity interest in the Company or a direct or indirect interest in any co-borrower with the Company.

For purposes of this paragraph, a “special purpose entity” is an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity’s separateness that are substantially similar to the Special Purpose Provisions of this Agreement.

“Lien” has the meaning specified in the Note Purchase Agreement.

“Management Agreement” means the agreement of the Directors in the form attached hereto as Schedule C. The Management Agreement shall be deemed incorporated into, and a part of, this Agreement.

“Material Action” means (i) to dissolve, liquidate or wind-up the Company, (ii) to consolidate or merge the Company with or into any other Person, or convey all or substantially all of its assets to any other Person, (iii) to file any insolvency or reorganization case or proceeding, to institute proceedings to have the Company be adjudicated bankrupt or insolvent, to institute proceedings under any applicable insolvency law, to seek any relief under any law relating to relief from debts or the protection of debtors, to consent to the filing or institution of bankruptcy, reorganization or insolvency proceedings against the Company, to file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy, reorganization or insolvency, to seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official of or for the Company or a substantial part of its property, to make any assignment for the benefit of creditors of the Company, to admit in writing the Company’s inability to pay its debts generally as they become due, or (iv) to take action in furtherance of any of the foregoing.

“Member” means NRG Energy, Inc., as the initial member of the Company, and includes any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company; provided, however, the term “Member” shall not include the Special Member or the Springing Member.

“NRG Common Stock” means common stock, par value \$0.01 per share, of NRG Energy, Inc.

“Note Purchase Agreement” means that certain Note Purchase Agreement dated August 4, 2006, by and between the Company and Purchaser.

“Notes” has the meaning specified in the Note Purchase Agreement.

“Obligations” shall mean the indebtedness, liabilities and obligations of the Company under or in connection with the Transaction Documents.

“Officer” means an officer of the Company described in Section 11.

“Officer’s Certificate” means a certificate signed by any Officer of the Company who is authorized to act for the Company in matters relating to the Company.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority.

“Preferred Stock” has the meaning specified in the Note Purchase Agreement.

“Purchaser” means Credit Suisse International, in its capacity as purchaser under the Note Purchase Agreement, together with its successors and assigns.

“Reference Period” has the meaning specified in the Note Purchase Agreement.

“Scheduled Trading Day” means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“Special Member” means, upon such person’s admission to the Company as a member of the Company pursuant to Section 5(c), a person acting as the Springing Member, in such person’s capacity as a member of the Company. A Special Member shall only have the rights and duties expressly set forth in this Agreement.

“Special Purpose Entity” means an entity, whose organizational documents contain restrictions on its purpose and activities and impose requirements intended to preserve the its separateness that are substantially similar to the Special Purpose Provisions of this Agreement.

“Springing Member” means a Person who is not a member of the Company but who has signed this Agreement in order that, upon the conditions described in Section 5(c), such Person can become the Special Member without any delay in order that at all times the Company shall have at least one member.

“Transaction Documents” means (i) Note Purchase Agreement between NRG Common Stock Finance I LLC and Purchaser; (ii) Note Purchase Agreement between NRG Common Stock Finance II LLC and Purchaser (together, with NRG I Note Agreement, the “NRG Note Agreements”); (iii) the Notes issued under the NRG Note Agreements; (iv) Preferred Interests Purchase Agreement between NRG Common Stock Finance I LLC and Credit Suisse Capital LLC; (v) Preferred Interests Purchase Agreement between NRG Common Stock Finance II LLC and Credit Suisse Capital LLC; (vi) Common Equity Interest Purchase Agreement between NRG Common Stock Finance I LLC and NRG; (vii) Common Equity Interest Purchase Agreement between NRG Common Stock Finance II LLC and NRG; (viii) Underwriting Agreement among NRG, Credit Suisse Securities (USA) LLC, and Purchaser; (ix) Fee Letter between NRG and Credit Suisse Securities (USA) LLC; (x) the Certificate of Formation of NRG Common Stock Finance I LLC dated July 31, 2006; (xi) the Certificate of Formation of NRG Common Stock Finance II LLC dated July 31, 2006; (xii) the Limited Liability Company Agreement of NRG Common Stock Finance I LLC, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Preferred Interests issued by NRG Common Stock Finance I LLC; (xiii) the Limited Liability Company Agreement of NRG Common Stock Finance II LLC, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Preferred Interests issued by NRG Common Stock Finance II LLC; and (xiv) Independent Director Staffing Agreement by Company and CT Corporation Staffing, Inc.

B. Rules of Construction

Definitions in this Agreement apply equally to both the singular and plural forms of the defined terms. The words “include” and “including” shall be deemed to be followed by the phrase “without limitation.” The terms “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section, paragraph or subdivision. The Section titles appear as a matter of convenience only and shall not affect the interpretation of this Agreement. All Section, paragraph, clause, Exhibit or Schedule references not attributed to a particular document shall be references to such parts of this Agreement. Any reference to an agreement or other document includes such agreement or other document as the same be amended from time to time.

SCHEDULE B

Member

Name	Mailing Address	Capital Contribution	Membership Interest
NRG Energy, INC.	NRG Energy, Inc. 211 Carnegie Center Princeton, NJ 08540	the Collateral	100%

SCHEDULE C

Management Agreement

August 3, 2006

NRG Common Stock Finance I LLC
211 Carnegie Center
Princeton, NJ 08540

Re: Management Agreement — NRG Common Stock Finance I LLC

Ladies and Gentlemen:

For good and valuable consideration, each of the undersigned Persons, who have been designated as directors of NRG COMMON STOCK FINANCE I LLC, a Delaware limited liability company (the "Company"), in accordance with the Limited Liability Company Agreement of the Company, dated as of August 3, 2006, as it may be amended or restated from time to time (the "LLC Agreement"), hereby agree as follows:

1. Each of the undersigned accepts such Person's rights and authority as a Director under the LLC Agreement and agrees to perform and discharge such Person's duties and obligations as a Director under the LLC Agreement, and further agrees that such rights, authorities, duties and obligations under the LLC Agreement shall continue until such Person's successor as a Director is designated or until such Person's resignation or removal as a Director in accordance with the LLC Agreement. Each of the undersigned agrees and acknowledges that it has been designated as a "manager" of the Company within the meaning of the Delaware Limited Liability Company Act.

2. So long as any Obligation is outstanding, each of the undersigned agrees, solely in its capacity as a creditor of the Company on account of any indemnification or other payment owing to the undersigned by the Company, not to acquiesce, petition or otherwise invoke or cause the Company to invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company.

3. THIS MANAGEMENT AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, AND ALL RIGHTS AND REMEDIES SHALL BE GOVERNED BY SUCH LAWS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Initially capitalized terms used and not otherwise defined herein have the meanings set forth in the LLC Agreement.

This Management Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Management Agreement and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Management Agreement as of the day and year first above written.

Lisa A. DeDonato – Independent Director

Clint Freeland – Director

Bob Flexon – Director

SCHEDULE D

DIRECTORS

1. Lisa A. DeDonato – Independent Director
 2. Clint Freeland
 3. Bob Flexon
-

SCHEDULE E

OFFICERS

TITLE

Robert Flexon

President

Clint Freeland

Vice President & Treasurer

Marie Eitheim

Secretary

Deborah Fry

Assistant Secretary

Exhibit A

LIMITED LIABILITY COMPANY AGREEMENT
OF
NRG COMMON STOCK FINANCE II LLC

This Limited Liability Company Agreement (together with the schedules attached hereto, this “Agreement”) of NRG COMMON STOCK FINANCE II LLC (the “Company”), is entered into by NRG Energy Inc., as the sole equity member (the “Member”), and Lisa A. DeDonato (the “Springing Member”). Capitalized terms used and not otherwise defined herein have the meanings set forth on Schedule A hereto.

The Member, by execution of this Agreement, hereby forms the Company as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. §18-101 et seq.), as amended from time to time (the “Act”), and this Agreement, and the Member and the Springing Member hereby agree as follows:

Section 1. Name.

The name of the limited liability company formed hereby is NRG COMMON STOCK FINANCE II LLC.

Section 2. Principal Business Office.

The principal business office of the Company shall be located at 211 Carnegie Center, Princeton, NJ 08540 or such other location as may hereafter be determined by the Member.

Section 3. Registered Office.

The address of the registered office of the Company in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, DE 19801.

Section 4. Registered Agent.

The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company.

Section 5. Members.

(a) The mailing address of the Member is set forth on Schedule B attached hereto. The Member was admitted to the Company as a member of the Company upon its execution of a counterpart signature page to this Agreement.

(b) Subject to Section 9(j), the Member may act by written consent.

(c) Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 21 and 23, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 22 and 23) (a “Member Cessation Event”), the Springing Member shall, without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution.

No Special Member may resign from the Company or transfer its rights as Special Member unless a successor Special Member has been admitted to the Company as Special Member by executing a counterpart to this Agreement. The Special Member shall automatically cease to be a member of the Company upon the admission to the Company of a substitute Member. The Special Member shall be a member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets. Pursuant to Section 18-301 of the Act, a Special Member shall not be required to make any capital contributions to the Company and shall not receive a limited liability company interest in the Company. A Special Member, in its capacity as Special Member, may not bind the Company. Except as required by any mandatory provision of the Act, a Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including, without limitation, the merger, consolidation or conversion of the Company. In order to implement the admission to the Company of the Special Member, the Springing Member shall execute a counterpart to this Agreement. Prior to its admission to the Company as Special Member, the person acting as the Springing Member shall not be a member of the Company.

(d) The Company shall at all times have a Springing Member. No resignation or removal of the Springing Member, and no appointment of a successor Springing Member, shall be effective unless and until such successor shall have executed a counterpart to this Agreement and accepted its appointment as Independent Director pursuant to Section 10. In the event of a vacancy in the position of the Springing Member, the Member shall, as soon as practicable, appoint a successor Springing Member to fill such vacancy. By signing this Agreement, the Springing Member agrees that, should such Springing Member become a Special Member, such Springing Member will be subject to and bound by the provisions of this Agreement applicable to a Special Member.

Section 6. Certificates.

Tim O'Brien, is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, his powers as an "authorized person" ceased, and the Member thereupon became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Act. The Member or an Officer shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in New Jersey and in any other jurisdiction in which the Company may wish to conduct business.

The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes.

(a) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, the sole purpose to be conducted or promoted by the Company is to engage in the following activities:

- (i) to acquire, own, and hold the collateral described in the Note Purchase Agreement (the “Collateral”);
- (ii) to issue promissory notes secured by the Collateral to the extent permitted under the Transaction Documents;
- (iii) to enter into and perform its obligations under the Transaction Documents including any amendments thereto;
- (iv) to sell, transfer, service, convey, dispose of, pledge, assign, borrow money against, finance, refinance or otherwise deal with the Collateral to the extent permitted under the Transaction Documents; and
- (v) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purposes.

(b) The Company, and the Member, or any Director or Officer on behalf of the Company, may enter into and perform their obligations under the Basic Documents and all documents, agreements, certificates, or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any Member, Director, Officer or other Person notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation.

Section 8. Powers.

Subject to Section 9(j), the Company, and the Board of Directors and the Officers of the Company on behalf of the Company, shall have and exercise all powers and rights conferred upon limited liability companies formed pursuant to the Act and necessary, convenient or incidental to accomplish its purposes as set forth in Section 7.

Section 9. Management.

(a) Board of Directors. Subject to Section 9(j), the business and affairs of the Company shall be managed by or under the direction of a Board of one or more Directors designated by the Member. Subject to Section 10, the Member may determine at any time in its sole and absolute discretion the number of Directors to constitute the Board. The authorized number of Directors may be increased or decreased by the Member at any time in its sole and absolute discretion, upon notice to all Directors, and subject in all cases to Section 10.

The initial number of Directors shall be three, one of which shall be the Independent Director pursuant to Section 10. Each Director elected, designated or appointed by the Member shall hold office until a successor is elected and qualified or until such Director's earlier death, resignation, expulsion or removal. Each Director shall execute and deliver the Management Agreement. Directors need not be a Member. The initial Directors designated by the Member are listed on Schedule D hereto.

(b) Powers. Subject to Section 9(j), the Board of Directors shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. Subject to Section 7, the Board of Directors has the authority to bind the Company.

(c) Meeting of the Board of Directors. The Board of Directors of the Company may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the President on not less than one day's notice to each Director by telephone, facsimile, mail, telegram or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Directors.

(d) Quorum: Acts of the Board. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee, as the case may be.

(e) Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in meetings of the Board, or any committee, by means of telephone conference or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in Person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

(f) Committees of Directors.

(i) The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Directors of the Company. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

- (ii) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.
- (iii) Any such committee, to the extent provided in the resolution of the Board, and subject to, in all cases, Sections 9(j) and 10, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(g) Compensation of Directors: Expenses. The Board shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at meetings of the Board, which may be a fixed sum for attendance at each meeting of the Board or a stated salary as Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

(h) Removal of Directors. Unless otherwise restricted by law, any Director or the entire Board of Directors may be removed or expelled, with or without cause, at any time by the Member, and, subject to Section 10, any vacancy caused by any such removal or expulsion may be filled by action of the Member.

(i) Directors as Agents. To the extent of their powers set forth in this Agreement and subject to Section 9(j), the Directors are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers set forth in this Agreement shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Act, except as provided in this Agreement or in a resolution of the Directors, a Director may not bind the Company.

(j) Limitations on the Company's Activities.

- (i) This Section 9(j) is being adopted to comply with certain provisions necessary to qualify the Company as a "special purpose" entity.
- (ii) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, for so long as any Obligation is outstanding, neither the Member nor the Company shall amend, alter, change any of Sections 1, 5(b), 5(c), 5(d), 6, 7, 8, 9, 10, 14, 16, 20(b), 20(f), 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32 or 36 or Schedule A of this Agreement (to the extent that the terms defined in Schedule A are used in any of the foregoing sections) (the "Special Purpose Provisions"), or any other provision of this or any other document governing the formation, management or operation of the Company in a manner that is inconsistent with any of the Special Purpose Provisions, unless the Purchaser consents in writing.

Subject to this Section 9(j), the Member reserves the right to amend, alter, change or repeal any provisions contained in this Agreement in accordance with Section 32. In the event of any conflict between any of the Special Purpose Provisions and any other provision of this or any other document governing the formation, management or operation of the Company, the Special Purpose Provisions shall control.

- (iii) Notwithstanding any other provision of this Agreement or any other document governing the formation, management or operation of the Company, and notwithstanding any provision of law that otherwise so empowers the Company, the Member, the Board, any Officer or any other Person, in addition to any other limitations set forth in this Agreement, neither the Member nor the Board nor any Officer nor any other Person shall be authorized or empowered, nor shall they permit the Company to, and the Company shall not, without the prior unanimous written consent of the Member and the Board (including the Independent Director), take any Material Action, provided, however, that the Board may not vote on, or authorize the taking of, any Material Action, unless there is at least one Independent Director then serving in such capacity.
- (iv) The Board and the Member shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, the Board also shall cause the Company to and the Company shall:
 - (A) comply with the covenants of the Company contained in the Transaction Documents as of the Closing Date (as defined in the Transaction Documents);
 - (B) have its own Board of Directors;
 - (C) cause its Board of Directors to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities; and

- (D) cause the Directors, Officers, agents and other representatives of the Company to act at all times with respect to the Company consistently and in furtherance of the foregoing and in the best interests of the Company.

Failure of the Company, or the Member or Board on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member or the Directors.

- (v) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, the Board shall not cause or permit the Company to and the Company shall not:
 - (A) adopt or propose any change in its constitutive documents (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
 - (B) merge or consolidate with any other Person or acquire a material portion of any other Person's assets;
 - (C) dissolve, liquidate, wind up, form or acquire any subsidiaries;
 - (D) sell, lend, pledge, rehypothecate, assign or otherwise dispose of, or grant any option with respect to, any of its assets or declare, set aside or pay any dividend or other distribution with respect to any of its securities or repurchase, redeem or otherwise acquire any of its securities (including without limitation the membership interest of the Member), in each case other than as expressly permitted pursuant to the Transaction Documents; provided that the Company shall be permitted to make in kind distributions to the Company of NRG Common Stock if there is a previous or simultaneous capital contribution from the Company to the Company of an Equivalent Number of shares of Qualifying Preferred Stock that meet the criteria for Eligible Collateral and that is substituted as Collateral for the NRG Common Stock released in connection with such distribution without thereby causing a violation of any representations or warranties made or deemed repeated in connection with such substitution;
 - (E) directly or indirectly, incur, create, or assume any indebtedness or liabilities other than Permitted Liabilities;

- (F) directly or indirectly, purchase or invest in any property other than Permitted Investments;
- (G) adopt any amendment to the Independent Director Agreement or any Transaction Document (except any amendment required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
- (H) remove any Independent Director of the Company without first duly electing and entering into an agreement in substantially the form of the Independent Director Agreement with a successor Independent Director;
- (I) guarantee, take assignment of, become liable for or hold itself out as liable for, debts of others or hold out its credit or assets as being available to satisfy the obligations of any other Person;
- (J) commingle or otherwise fail to separate its own funds and assets from that of other Persons or fail to pay its portion of any shared expenses and costs;
- (K) conduct its business in any manner that will mislead others as to the identity of the Company, and the Company will act only in its own name, maintaining a separate office, stationary, telephone, keep separate books and records, cause financial statements to be prepared in a manner that indicates the separateness of the Company and will observe all corporate formalities and will hold meetings to authorize corporate actions;
- (L) enter into any transaction with an Affiliate of the Company except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction other than as contemplated by the Transaction Documents;
- (M) engage, directly or indirectly, in any business other than as required or permitted to be performed under the Transaction Documents;
or
- (N) be entitled to any direct or indirect credit support from the Member.

Section 10. Independent Director.

As long as any Obligation is outstanding, and for 91 days after all Obligations have been paid in full, the Member shall cause the Company at all times to have at least one Independent Director who will be appointed by the Member. To the fullest extent permitted by law, including Section 18-1101(c) of the Act, the Independent Director shall consider only the interests of the Company and its creditors in acting or otherwise voting on the matters referred to in Section 9(j)(iii).

No resignation or removal of the Independent Director, and no appointment of a successor Independent Director, shall be effective until such successor (i) shall have accepted his or her appointment as an Independent Director by a written instrument, which may be a counterpart signature page to the Management Agreement, and (ii) shall have executed a counterpart to this Agreement as required by [Section 5\(d\)](#). In the event of a vacancy in the position of Independent Director, the Member shall, as soon as practicable, appoint a successor Independent Director. All right, power and authority of the Independent Director shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. Except as provided in the second sentence of this [Section 10](#), in exercising their rights and performing their duties under this Agreement, the Independent Director shall have a fiduciary duty of loyalty and care similar to that of a director of a business corporation organized under the General Corporation Law of the State of Delaware. No Independent Director shall at any time serve as trustee in bankruptcy for any Affiliate of the Company.

Section 11. Officers.

(a) Officers. The initial Officers of the Company shall be designated by the Member. The additional or successor Officers of the Company shall be chosen by the Board and shall consist of at least a President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person. The Board shall choose a President, a Secretary and a Treasurer. The Board may appoint such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The salaries of all Officers and agents of the Company shall be fixed by or in the manner prescribed by the Board. The Officers of the Company shall hold office until their successors are chosen and qualified. Any Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board. Any vacancy occurring in any office of the Company shall be filled by the Board. The initial Officers of the Company designated by the Member are listed on Schedule E hereto.

(b) President. The President shall be the chief executive officer of the Company, shall preside at all meetings of the Board, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Board are carried into effect. The President or any other Officer authorized by the President or the Board shall execute all bonds, mortgages and other contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including [Section 7\(b\)](#); (ii) where signing and execution thereof shall be expressly delegated by the Board to some other Officer or agent of the Company, and (iii) as otherwise permitted in [Section 11\(c\)](#).

(c) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Directors, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(d) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Board and record all the proceedings of the meetings of the Company and of the Board in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board (or if there be no such determination, then in order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(e) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and to the Board, at its regular meetings or when the Board so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(f) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Board not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 9(j), the actions of the Officers taken in accordance with such powers shall bind the Company.

(g) Duties of Board and Officers. Except to the extent otherwise provided herein, each Director and Officer shall have a fiduciary duty of loyalty and care similar to that of directors and officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 12. Limited Liability.

Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and neither the Member nor the Special Member nor any Director or Officer shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, Special Member or Director of the Company.

Section 13. Capital Contributions.

The Member has contributed to the Company and may contribute from time to time the collateral listed on Schedule B attached hereto. The Member is not obligated to make any future capital contributions. In accordance with Section 5(c), the Special Member shall not be required to make any capital contributions to the Company.

Section 14. Additional Contributions.

The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time upon the written consent of such Member. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule B of this Agreement. The Member and the Special Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 15. Allocation of Profits and Losses.

The Company's profits and losses shall be allocated to the Member.

Section 16. Distributions.

Subject to 9(j)(v)(D), distributions of capital shall be made to the Member at the times and in the aggregate amounts determined by the Board. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution of capital to the Member on account of its interest in the Company if such distribution would violate Section 18-607 of the Act or any other applicable law or any Basic Document or would constitute a default under the Transaction Documents.

Section 17. Books and Records.

The Board shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Board. The Member and its duly authorized representatives shall have the right to examine the Company books, records and documents during normal business hours. The Company, and the Board on behalf of the Company, shall not have the right to keep confidential from the Member any information that the Board would otherwise be permitted to keep confidential from the Member pursuant to Section 18-305(c) of the Act. The Company's books of account shall be kept using the method of accounting determined by the Member. The Company's independent auditor, if any, shall be an independent public accounting firm selected by the Member.

Section 18. Reports.

- (a) Within 60 days after the end of each fiscal quarter, the Board shall cause to be prepared an unaudited report setting forth as of the end of such fiscal quarter:
- (i) unless such quarter is the last fiscal quarter, a balance sheet of the Company; and
 - (ii) unless such quarter is the last fiscal quarter, an income statement of the Company for such fiscal quarter.
- (b) The Board shall use diligent efforts to cause to be prepared and mailed to the Member, within 90 days after the end of each fiscal year, an audited or unaudited report setting forth as of the end of such fiscal year:
- (i) a balance sheet of the Company;
 - (ii) an income statement of the Company for such fiscal year; and
 - (iii) a statement of the Member's capital account.
- (c) The Board shall, after the end of each fiscal year, use reasonable efforts to cause the Company's independent accountants, if any, to prepare and transmit to the Member as promptly as possible any such tax information as may be reasonably necessary to enable the Member to prepare its federal, state and local income tax returns relating to such fiscal year.

Section 19. Other Business.

The Member, the Special Member and any Affiliate of the Member or the Special Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others notwithstanding any provision to the contrary at law or at equity. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

Section 20. Exculpation and Indemnification.

(a) Neither the Member nor the Special Member nor any Officer, Director, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member or the Special Member (collectively, the "Covered Persons") shall, to the fullest extent permitted by law, be liable to the Company or any other Person that is a party to or is otherwise bound by this Agreement, for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

(b) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(c) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement or any approval or authorization granted by the Company or any other Covered Person. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member, the Springing Members and the Special Member to replace such other duties and liabilities of such Covered Person.

(d) Notwithstanding the foregoing provisions, any indemnification set forth herein shall be fully subordinate to the and, to the fullest extent permitted by law, shall not constitute a claim against the Company in the event that the Company's cash flow is insufficient to pay all its obligations to creditors.

(e) The foregoing provisions of this Section 20 shall survive any termination of this Agreement.

Section 21. Assignments.

Subject to Section 23 and any transfer restrictions contained in the Transaction Documents, the Member may assign its limited liability company interest in the Company to any direct or indirect wholly-owned subsidiary of the Member. Subject to Section 23, if the Member transfers all of its limited liability company interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company. Any successor to a Member by merger or consolidation in compliance with the Basic Documents shall, without further act, be the Member hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Company shall continue without dissolution.

Section 22. Resignation.

So long as any Obligation is outstanding, the Member may not resign, except as permitted under the Basic Documents and if the Purchaser consents in writing and if an additional member is admitted to the Company pursuant to Section 23. If the Member is permitted to resign pursuant to this Section 22, an additional member of the Company shall be admitted to the Company, subject to Section 23, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement.

Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Member shall cease to be a member of the Company.

Section 23. Admission of Additional Members and Transfers of Indirect Interests.

One or more additional members of the Company may be admitted to the Company with the written consent of the Member; provided, however, that, notwithstanding the foregoing, no additional Member may be admitted to the Company pursuant to Sections 21, 22 or 23, other than pursuant to Section 24(a) or Section 5(c), and no transfer of any direct or indirect interest in the Company may be made that results in a Change in Control of the Company, except as may be expressly provided otherwise in the Transaction Documents, unless the Purchaser consents in writing.

Section 24. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner required under Section 5(c) or this Section 24(a) or permitted by this Agreement or the Act, (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act or (iii) the election of holders of Preferred Interests to dissolve the Company pursuant to the terms of the Preferred Interests. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 21 and 23, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 22 and 23), to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member or a Special Member or any additional member shall not cause the Member or Special Member or additional member, respectively, to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) Notwithstanding any other provision of this Agreement, each of the Member, the Special Member and any additional member waive any right it might have to agree in writing to dissolve the Company upon the Bankruptcy of the Member, Special Member or additional member, or the occurrence of an event that causes the Member, Special Member or additional member to cease to be a member of the Company.

(d) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(e) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company shall have been distributed to the Member in the manner provided for in this Agreement (but not less than 91 days after irrevocable payment in full of all Obligations) and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

(f) Notwithstanding anything to the contrary in this Agreement, upon any voluntary or involuntary liquidation, dissolution or winding up of the Company or reduction or decrease in the capital stock of the Company resulting in a distribution of assets to any Member, in no event shall any such Member be entitled to acquire, receive or exercise rights of a Member in respect of any asset of the Company consisting of shares of any class of voting securities of an issuer to the extent that, upon such acquisition, receipt or exercise, the "beneficial ownership" (within the meaning of Section 13 of the Exchange Act of 1934, as amended, and the rules promulgated thereunder) of such Member or any entity that directly or indirectly controls such Member (collectively, such Member's "Member Group") would equal or exceed 4.5% of the outstanding shares of such class or any member of the Member Group would be deemed to directly or indirectly own 4.5% or more of the outstanding equity of the issuer of such stock or have the right to vote securities conferring 4.5% or more of the total vote on general corporate matters with respect to such issuer. The inability of any Member to acquire, receive or exercise rights with respect to any asset of the Company provided by this Agreement at any time as a result of this provision shall not preclude such Member from taking such action at a later time when permitted by this provision. If any delivery owed to any Member hereunder is not made, in whole or in part, as a result of this Section 24, the Company's obligation to make such delivery shall not be extinguished, and the Company shall make such delivery as promptly as practicable following notice from such Member that such delivery would be permitted by this Section 24.

Section 25. Waiver of Partition; Nature of Interest.

To the fullest extent permitted by law, each of the Member, the Special Member, the Springing Members, and any additional member admitted to the Company hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. The Member shall not have any interest in any specific assets of the Company, and the Member shall not have the status of a creditor with respect to any distribution pursuant to Section 16 hereof. The interest of the Member in the Company is personal property.

Section 26. Tax Status.

It is intended that the Company shall be treated as a “partnership” for income tax purposes.

Section 27. Benefits of Agreement; No Third-Party Rights.

Except for the Purchaser, its successors and assigns as holders of the Notes with respect to the Special Purpose Provisions, (1) none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Member or a Special Member, and (2) nothing in this Agreement shall be deemed to create any right in any Person (other than Covered Persons) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person, except as provided in Section 30. The Purchaser, its successors and assigns are intended third-party beneficiaries of this Agreement and may enforce the Special Purpose Provisions.

Section 28. Severability of Provisions.

Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 29. Entire Agreement.

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 30. Binding Agreement.

The Member agrees that this Agreement, including, without limitation, the Special Purpose Provisions, constitutes a legal, valid and binding agreement of the Member, and is enforceable against the Member by the Independent Directors, in accordance with its terms. In addition, the Independent Directors shall be intended beneficiaries of this Agreement.

Section 31. Governing Law.

This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 32. Amendments.

Subject to Section 9(j), this Agreement may be modified, altered, supplemented or amended pursuant to a written agreement executed and delivered by the Member.

Notwithstanding anything to the contrary in this Agreement, until the 91st day after all Obligations have been paid in full, this Agreement may not be modified, altered, supplemented or amended unless the Purchaser consents in writing.

Section 33. Counterparts.

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

Section 34. Notices.

Any notices required to be delivered hereunder shall be in writing and personally delivered, mailed or sent by telecopy, electronic mail or other similar form of rapid transmission, and shall be deemed to have been duly given upon receipt (a) in the case of the Company, to the Company at its address in Section 2, (b) in the case of the Member, to the Member at its address as listed on Schedule B attached hereto and (c) in the case of either of the foregoing, at such other address as may be designated by written notice to the other party.

Section 35. Effectiveness.

Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State on July 31, 2006.

Section 36. Series 1 Exchangeable Limited Liability Company Preferred Interests.

Pursuant to authority conferred upon the Board of Directors by this Agreement and Section 18-215 of the Act, the Board of Directors hereby authorize the creation and issuance of the Company's Series 1 Exchangeable Limited Liability Company Preferred Interests with the designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions as set forth in the Certificate of Designations attached hereto as Exhibit A.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Limited Liability Company Agreement as of the 3th day of August, 2006.

MEMBER:

NRG Energy, Inc.

By: /s/ Tim O'Brien

Name: Tim O'Brien

Title: Vice President and General Counsel

SPRINGING MEMBER:

/s/ Lisa A. DeDonato

Name: Lisa A. DeDonato

Springing Member

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SCHEDULE A

Definitions

A. Definitions

When used in this Agreement, the following terms not otherwise defined herein have the following meanings:

“Act” has the meaning set forth in the preamble to this Agreement.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person or any Person who has a direct familial relationship, by blood, marriage or otherwise with the Company or any Affiliate of the Company.

“Agreement” means this Limited Liability Company Agreement of the Company, together with the schedules attached hereto, as amended, restated or supplemented or otherwise modified from time to time.

“Bankruptcy” means, with respect to any Person, if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (vii) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person’s consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of “Bankruptcy” is intended to replace and shall supersede and replace the definition of “Bankruptcy” set forth in Sections 18-101(1) and 18-304 of the Act.

“Basic Documents” means this Agreement, the Management Agreement, the Transaction Documents, and all documents and certificates contemplated thereby or delivered in connection therewith.

“Board” or “Board of Directors” means the Board of Directors of the Company.

“Certificate of Formation” means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on July 31, 2006, as amended or amended and restated from time to time.

“Change in Control of the Company” means (a) a transfer resulting in a Person that owned less than 49% of the direct or indirect equity interests in the Company upon the closing of the Notes owning 49% or more of such equity interests after the transfer, (b) a transfer or transfers after the closing of the Notes that aggregate of 49% or more of the direct or indirect equity interests in the Company or (c) a change in the equity owners that Control the Company.

“Collateral” shall have the meaning given thereto in Section 7(a) of this Agreement.

“Company” means NRG COMMON STOCK FINANCE II LLC, a Delaware limited liability company.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise. “Controlling” and “Controlled” shall have correlative meanings. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, 49% or more of the ownership interests.

“Covered Persons” has the meaning set forth in Section 20(a).

“Daily Share Percentage” has the meaning specified in the Note Purchase Agreement.

“Daily Notional Number” has the meaning specified in the Note Purchase Agreement.

“Directors” means the Persons elected to the Board of Directors from time to time by the Member, including the Independent Director, in their capacity as managers of the Company. A Director is hereby designated as a “manager” of the Company within the meaning of Section 18-101(10) of the Act.

“Eligible Collateral” has the meaning specified in Section 19 of the Note Purchase Agreement.

“Exchange” means, at any time, the principal securities exchange or automated quotation system on which NRG Common Stock is listed or traded at such time.

“Equivalent Number” has the meaning specified in Section 1 of the Note Purchase Agreement.

“Event of Default” has the meaning specified in Section 11 of the Note Purchase Agreement.

“Independent Director” means a natural person who is not at the time of initial appointment as a director or at any time while serving as a director or manager of the Company and has not been at any time during the five (5) years preceding such initial appointment:

- (a) a stockholder, director (with the exception of serving as an Independent Director of the Company), officer, trustee, employee, partner, member, attorney or counsel of Company, the Member (with exception of serving as a Special Member), or any Affiliate of either of them;
- (b) a creditor, customer, supplier, or other person who derives any of its purchases or revenues from its activities with the Member, the Company or any Affiliate of either of them;
- (c) a Person Controlling, Controlled by or under common Control with any Person excluded from serving as Independent Director under (a) or (b); or
- (d) a member of the immediate family by blood or marriage of any Person excluded from serving as Independent Director under (a) or (b).

A natural person who satisfies the foregoing definition other than subparagraph (b) shall not be disqualified from serving as an Independent Director of the Company if such individual is an Independent Director provided by a nationally-recognized company that provides professional independent directors (a “Professional Independent Director”) and other corporate services in the ordinary course of its business. A natural person who otherwise satisfies the foregoing definition other than subparagraph (a) by reason of being the independent director of a “special purpose entity” affiliated with the Company shall not be disqualified from serving as an Independent Director of the Company if such individual is either (i) a Professional Independent Director or (ii) the fees that such individual earns from serving as independent director of affiliates of the Company in any given year constitute in the aggregate less than five percent (5%) of such individual’s annual income for that year. Notwithstanding the immediately preceding sentence, an Independent Director may not simultaneously serve as Independent Director of the Company and independent director of a special purpose entity that owns a direct or indirect equity interest in the Company or a direct or indirect interest in any co-borrower with the Company.

For purposes of this paragraph, a “special purpose entity” is an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity’s separateness that are substantially similar to the Special Purpose Provisions of this Agreement.

“Lien” has the meaning specified in the Note Purchase Agreement.

“Management Agreement” means the agreement of the Directors in the form attached hereto as Schedule C. The Management Agreement shall be deemed incorporated into, and a part of, this Agreement.

“Material Action” means (i) to dissolve, liquidate or wind-up the Company, (ii) to consolidate or merge the Company with or into any other Person, or convey all or substantially all of its assets to any other Person, (iii) to file any insolvency or reorganization case or proceeding, to institute proceedings to have the Company be adjudicated bankrupt or insolvent, to institute proceedings under any applicable insolvency law, to seek any relief under any law relating to relief from debts or the protection of debtors, to consent to the filing or institution of bankruptcy, reorganization or insolvency proceedings against the Company, to file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy, reorganization or insolvency, to seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official of or for the Company or a substantial part of its property, to make any assignment for the benefit of creditors of the Company, to admit in writing the Company’s inability to pay its debts generally as they become due, or (iv) to take action in furtherance of any of the foregoing.

“Member” means NRG Energy, Inc., as the initial member of the Company, and includes any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company; provided, however, the term “Member” shall not include the Special Member or the Springing Member.

“NRG Common Stock” means common stock, par value \$0.01 per share, of NRG Energy, Inc.

“Note Purchase Agreement” means that certain Note Purchase Agreement dated August 4, 2006, by and between the Company and Purchaser.

“Notes” has the meaning specified in the Note Purchase Agreement.

“Obligations” shall mean the indebtedness, liabilities and obligations of the Company under or in connection with the Transaction Documents.

“Officer” means an officer of the Company described in Section 11.

“Officer’s Certificate” means a certificate signed by any Officer of the Company who is authorized to act for the Company in matters relating to the Company.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority.

“Preferred Stock” has the meaning specified in the Note Purchase Agreement.

“Purchaser” means Credit Suisse International, in its capacity as purchaser under the Note Purchase Agreement, together with its successors and assigns.

“Reference Period” has the meaning specified in the Note Purchase Agreement.

“Scheduled Trading Day” means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“Special Member” means, upon such person’s admission to the Company as a member of the Company pursuant to Section 5(c), a person acting as the Springing Member, in such person’s capacity as a member of the Company. A Special Member shall only have the rights and duties expressly set forth in this Agreement.

“Special Purpose Entity” means an entity, whose organizational documents contain restrictions on its purpose and activities and impose requirements intended to preserve the its separateness that are substantially similar to the Special Purpose Provisions of this Agreement.

“Springing Member” means a Person who is not a member of the Company but who has signed this Agreement in order that, upon the conditions described in Section 5(c), such Person can become the Special Member without any delay in order that at all times the Company shall have at least one member.

“Transaction Documents” means(i) Note Purchase Agreement between NRG Common Stock Finance I LLC and Purchaser; (ii) Note Purchase Agreement between NRG Common Stock Finance II LLC and Purchaser (together, with NRG I Note Agreement, the “NRG Note Agreements”); (iii) the Notes issued under the NRG Note Agreements; (iv) Preferred Interests Purchase Agreement between NRG Common Stock Finance I LLC and Credit Suisse Capital LLC; (v) Preferred Interests Purchase Agreement between NRG Common Stock Finance II LLC and Credit Suisse Capital LLC; (vi) Common Equity Interest Purchase Agreement between NRG Common Stock Finance I LLC and NRG; (vii) Common Equity Interest Purchase Agreement between NRG Common Stock Finance II LLC and NRG; (viii) Underwriting Agreement among NRG, Credit Suisse Securities (USA) LLC, and Purchaser; (ix) Fee Letter between NRG and Credit Suisse Securities (USA) LLC; (x) the Certificate of Formation of NRG Common Stock Finance I LLC dated July 31, 2006; (xi) the Certificate of Formation of NRG Common Stock Finance II LLC dated July 31, 2006; (xii) the Limited Liability Company Agreement of NRG Common Stock Finance I LLC, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Preferred Interests issued by NRG Common Stock Finance I LLC; (xiii) the Limited Liability Company Agreement of NRG Common Stock Finance II LLC, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Preferred Interests issued by NRG Common Stock Finance II LLC; and (xiv) Independent Director Staffing Agreement by Company and CT Corporation Staffing, Inc.

B. Rules of Construction

Definitions in this Agreement apply equally to both the singular and plural forms of the defined terms. The words “include” and “including” shall be deemed to be followed by the phrase “without limitation.” The terms “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section, paragraph or subdivision. The Section titles appear as a matter of convenience only and shall not affect the interpretation of this Agreement. All Section, paragraph, clause, Exhibit or Schedule references not attributed to a particular document shall be references to such parts of this Agreement. Any reference to an agreement or other document includes such agreement or other document as the same be amended from time to time.

SCHEDULE B

Member

<u>Name</u>	<u>Mailing Address</u>	<u>Capital Contribution</u>	<u>Membership Interest</u>
NRG Energy, INC.	NRG Energy, Inc. 211 Carnegie Center Princeton, NJ 08540	the Collateral	100%

SCHEDULE C

Management Agreement

August 3, 2006

NRG Common Stock Finance II LLC
211 Carnegie Center
Princeton, NJ 08540

Re: Management Agreement — NRG Common Stock Finance II LLC

Ladies and Gentlemen:

For good and valuable consideration, each of the undersigned Persons, who have been designated as directors of NRG COMMON STOCK FINANCE II LLC, a Delaware limited liability company (the "Company"), in accordance with the Limited Liability Company Agreement of the Company, dated as of August 3, 2006, as it may be amended or restated from time to time (the "LLC Agreement"), hereby agree as follows:

1. Each of the undersigned accepts such Person's rights and authority as a Director under the LLC Agreement and agrees to perform and discharge such Person's duties and obligations as a Director under the LLC Agreement, and further agrees that such rights, authorities, duties and obligations under the LLC Agreement shall continue until such Person's successor as a Director is designated or until such Person's resignation or removal as a Director in accordance with the LLC Agreement. Each of the undersigned agrees and acknowledges that it has been designated as a "manager" of the Company within the meaning of the Delaware Limited Liability Company Act.

2. So long as any Obligation is outstanding, each of the undersigned agrees, solely in its capacity as a creditor of the Company on account of any indemnification or other payment owing to the undersigned by the Company, not to acquiesce, petition or otherwise invoke or cause the Company to invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company.

3. THIS MANAGEMENT AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, AND ALL RIGHTS AND REMEDIES SHALL BE GOVERNED BY SUCH LAWS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Initially capitalized terms used and not otherwise defined herein have the meanings set forth in the LLC Agreement.

This Management Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Management Agreement and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Management Agreement as of the day and year first above written.

Lisa A. DeDonato – Independent Director

Clint Freeland – Director

Bob Flexon – Director

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SCHEDULE D

DIRECTORS

1. Lisa A. DeDonato – Independent Director
 2. Clint Freeland
 3. Bob Flexon
-

SCHEDULE E

OFFICERS

TITLE

Robert Flexon

President

Clint Freeland

Vice President & Treasurer

Marie Eitheim

Secretary

Deborah Fry

Assistant Secretary

Exhibit A

NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (this "**Agreement**") is made as of this 4th day of August, 2006 among NRG Common Stock Finance I LLC, a Delaware limited liability company ("**Issuer**"), Credit Suisse International (together with its successor and assigns, "**Purchaser**") and Credit Suisse Securities (USA) LLC ("**Agent**"), solely in its capacity as agent for Purchaser and Issuer.

WITNESSETH

WHEREAS, Issuer and Purchaser wish to sell and purchase Issuer's promissory notes (each, a "**Note**") on the terms and conditions set forth herein; NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

SECTION 1. *Definitions.* (a) As used herein, the following terms have the following meanings:

"**Accelerated Component**" has the meaning specified in Section 13.

"**Accelerated Maturity Date**" means a date designated pursuant to Section 13.

"**Acceleration Event**" means any Collateral Event of Default, any Event of Default, any Default or any Extraordinary Event that results in an obligation of Issuer to pay an amount pursuant to this Agreement.

"**Acceleration Percentage**" has the meaning specified in Section 13.

"**Accretion Rate**" means 5.4500% per annum.

"**Adjustment Event**" has the meaning specified in Section 14(b).

"**Affiliate**" means, with respect to any Person, any Person who controls, is controlled by or is under common control with such Person. "**Control**" means, for these purposes, the power to direct the management and policies of such Person, whether by stock ownership, contract or otherwise.

"**Agent**" has the meaning specified in the preamble.

"**Aggregate Number of Underlying Shares**" means the product of the Notional Number of Shares and the Underlying Share Percentage.

“**Agreement**” has the meaning specified in the preamble and includes the Pricing Confirmation hereunder.

“**Article 9 Security Interest**” has the meaning specified in Section 6(z).

“**Blackout**” has the meaning set forth in the Underwriting Agreement.

“**Business Day**” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

“**Calculation Agent**” means Credit Suisse Securities (USA) LLC.

“**Cash**” means United States dollars.

“**Cash Condition**” means contribution by the Company to Issuer of Cash, and delivery by Issuer of such Cash to the Collateral Account, such that as of 8:00AM, New York City time, on the Initial Valuation Date the Collateral includes Cash in an amount equal to the sum of (i) the expected aggregate Principal Amount as of the Final Settlement Date, as reasonably determined by the Calculation Agent, of all Components of all Notes issued hereunder (ii) the expected aggregate Preferred Base Liquidation Preference as of the Final Settlement Date, as reasonably determined by the Calculation Agent, of all Components (as defined in the Exchangeable Preferred Interests issued by Issuer) of all Exchangeable Preferred Interests issued by Issuer and (iii) if Issuer has validly selected a Cash Settlement Percentage hereunder and/or under (and as defined in) the Exchangeable Preferred Interests issued by Issuer that, in either case, is greater than zero, an additional amount of Cash equal to the Calculation Agent’s reasonable estimate of the aggregate amount of Cash payable by Issuer in respect of the Notes and the Exchangeable Preferred Stock issued by Issuer as a result of such election, based on the VWAP Price on the Exchange Business Day immediately prior to the Initial Valuation Date.

“**Cash Condition Percentage**” means the amount of Cash contributed by the Company to Issuer and delivered by Issuer to, and held in, the Collateral Account as of 8:00AM, New York City time, on the Initial Valuation Date, expressed as a percentage of the amount thereof necessary to satisfy the Cash Condition in whole.

“**Cash Settlement Percentage**” has the meaning specified in Section 4(c).

“**Change in Law**” means, in respect of any Note, that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in either case, the Calculation Agent reasonably determines that it has become illegal to hold, acquire or dispose of shares of NRG Common Stock.

“**Collateral**” has the meaning specified in Section 20.

“**Collateral Account**” has the meaning specified in Section 19.

“**Collateral Event of Default**” has the meaning specified in Section 21.

“**Common Equity Funding Percentage**” means 16.9245%.

“**Company**” means NRG Energy, Inc.

“**Component**” has the meaning specified in Section 2(b).

“**Control**” means “control” as defined in Section 8-106 and Section 9-106 of the UCC.

“**Custodian**” means Credit Suisse Securities (USA) LLC, or any other custodian appointed by Purchaser and identified to Issuer.

“**Daily Funding Amount**” means, for the Note initially issued on the Issue Date pursuant to Section 3, for any Funding Date, the product of (i) the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date and (ii) the Funding Percentage. In the event that any Note is subsequently divided pursuant to Section 27, the Daily Funding Amounts for all Funding Dates shall be divided proportionally among the resulting Notes for the purpose of determining the Initial Principal Amounts of such resulting Notes.

“**Daily Notional Amount**” means, for any Scheduled Trading Day in the Reference Period, the product of the Daily Notional Number of Shares for such Scheduled Trading Day and the VWAP Price for such Scheduled Trading Day; *provided* that if the price at which Issuer purchases the Purchased Shares for such Scheduled Trading Day differs from such VWAP Price, the Calculation Agent shall adjust the Daily Notional Amount for such Scheduled Trading Day to account for such difference.

“**Daily Notional Number of Shares**” means, for any Scheduled Trading Day in the Reference Period, a number of shares of NRG Common Stock selected by Issuer and notified to Purchaser in accordance with Section 3; *provided* that if any such Scheduled Trading Day is not an Exchange Business Day, the Daily Notional Number of Shares for such Scheduled Trading Day shall be zero notwithstanding any selection by Issuer pursuant to Section 3; and *provided further* that if a Market Disruption Event occurs on such Scheduled Trading Day, the parties shall agree in good faith to reduce the Daily Notional Number of Shares for such Scheduled Trading Day if necessary as appropriate in light of the nature of such Market Disruption Event.

“**Daily Share Percentage**” means 55.0000%.

“**Default**” means any event that constitutes or, with the passage of time or giving of notice or both will constitute, an Event of Default.

“**Default Payment Date**” means, for any Component of any Note, the date the Termination Amount for such Component becomes due and payable pursuant to Section 12.

“**Delisting**” means that the Exchange announces that pursuant to the rules of such Exchange, NRG Common Stock has ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on the New York Stock Exchange or Nasdaq Stock Exchange.

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**Double Print Period**” means the period beginning on the first Exchange Business Day of the Reference Period on which the Daily Notional Number of Shares is greater than zero and ending on the day on or following the last Exchange Business Day of the Reference Period on which Purchaser and its affiliates have completed registered sales of a number of shares of NRG Common Stock, in the manner contemplated by the Underwriting Agreement, equal to the Notional Number of Shares.

“**Early Closure**” means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its scheduled weekday closing time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day.

“**Eligible Collateral**” has the meaning specified in Section 19.

“**Equivalent Number**” means, for any number of shares of NRG Common Stock to be released from the security interest granted herein pursuant to Section 22, a number of shares of Qualifying Preferred Stock convertible into an equal number of shares of NRG Common Stock.

“**Event of Default**” has the meaning specified in Section 11.

“**Exchange**” means, at any time, the principal securities exchange or automated quotation system on which NRG Common Stock is listed or traded at such time.

“**Exchange Business Day**” means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any Related Exchange closing prior to its scheduled weekday closing time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as reasonably determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the NRG Common Stock on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to NRG Common Stock on any Related Exchange.

“**Exchangeable Preferred Interests**” means the preferred equity interests of each NRG CSF issued pursuant to the Preferred Interest Purchase Agreement to which such NRG CSF is a party.

“**Excluded Taxes**” means, with respect to Purchaser or assignee or any other recipient of any payment to be made by or on account of any obligation of Issuer hereunder, (a) income or franchise taxes imposed on (or measured by) its gross or net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of Purchaser, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which Issuer is located and (c) in the case of a Non-U.S. Participant, any withholding tax that is imposed on amounts payable to such Non-U.S. Participant after such Non-U.S. Participant becomes a party to this Agreement (or designates a new lending office) and prior to such Non-U.S. Participant’s compliance with Section 5(c) or is attributable to such Non-U.S. Participant’s failure to comply with Section 5(c).

“**Extraordinary Event**” means, in respect of any Note, any of (i) a determination by the Calculation Agent that an Adjustment Event or an Increased Cost of Hedging is reasonably likely to require an adjustment to the Threshold Price for such Note that would result in such Threshold Price being equal to or less than the Reference Price, (ii) a Change in Law in respect of such Note, (iii) a Hedging Disruption in respect of such Note, (iv) a Loss of Stock Borrow in respect of such Note, (v) a Merger Event, (vi) a Tender Offer (vii) a Nationalization or (viii) a Delisting.

“**Fee Agreement**” means the letter agreement dated the date hereof among the Company, Purchaser, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

“**Final Settlement Date**” means the Exchange Business Day immediately following the last Valuation Date.

“**FPA**” has the meaning specified in Section 6(ee).

“**Funding Date**” has the meaning specified in Section 3.

“**Funding Percentage**” means 27.5000%.

“**General Obligations Law**” has the meaning specified in Section 39(b).

“**Hedging Disruption**” means, in respect of any Note, that the Calculation Agent reasonably determines that the Noteholder of such Note is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it reasonably deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the transactions contemplated by the Transaction Documents to which it is a party (including purchasing and holding of such Note).

“**Increased Cost**” means, in respect of any Note, that the Noteholder of such Note reasonably determines that compliance with any law or regulation enacted or introduced after the date hereof or any guideline or request of any central bank or other governmental authority adopted or made after the date hereof (whether or not having the force of law) affects the amount of capital required to be maintained by such Noteholder or any corporation controlling such Noteholder and that the amount of such capital is increased by or based upon the existence of such Note.

“**Increased Cost of Hedging**” means, in respect of any Note, that the Calculation Agent reasonably determines that the Noteholder of such Note or its affiliates would incur an amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the transactions contemplated by the Transaction Documents to which it is a party (including purchasing and holding of such Note), in excess of 0.75% per annum.

“**Indemnified Party**” has the meaning specified in Section 18.

“**Independent Manager**” has the meaning specified in the Limited Liability Company Agreement of Issuer.

“**Independent Manager Engagement Agreement**” means that Staffing Agreement with an effective date of August 4, 2006 by Issuer, NRG Common Stock Finance II LLC and CT Corporation Staffing, Inc., a Delaware corporation (“**CT**”), related to the provision by CT of certain management staffing services to Issuer and NRG Common Stock Finance II LLC.

“**Initial Pledged Items**” has the meaning specified in Section 19.

“**Initial Principal Amount**” means, for any Note, the sum of the Daily Funding Amounts for such Note, each accreted from the applicable Funding Date to the final Funding Date at the Accretion Rate, as determined by the Calculation Agent, and, for any Component of such Note, one thirtieth of such amount.

“**Initial Valuation Date**” means the date that follows the Exchange Business Day corresponding to the final Funding Date by two years; *provided* that if such date is not an Exchange Business Day, the Initial Valuation Date shall be the immediately following Exchange Business Day.

“**Issue Date**” means the date hereof.

“**Issuer**” has the meaning specified in the preamble.

“**Issuer Common Equity Interest Purchase Agreement**” means the Common Equity Interest Purchase Agreement dated as of the date hereof between Issuer and the Company.

“**Issuer Preferred Interest Purchase Agreement**” means the Preferred Interest Purchase Agreement dated as of the date hereof among Issuer, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.

“**Lien**” has the meaning specified in Section 19.

“**Loss of Stock Borrow**” means, in respect of any Note, that the Calculation Agent reasonably determines that the Noteholder of such Note is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) shares of NRG Common Stock with respect to such Note in an amount equal to the number of shares of NRG Common Stock that the Calculation Agent reasonably determines is necessary to hedge the equity price risk of purchasing and holding such Note (not to exceed the Number of Underlying Shares for such Note) or is otherwise unable to hedge the equity price risk of purchasing and holding such Note (not to exceed the Number of Underlying Shares for such Note).

“**Market Disruption Event**” means, on any Scheduled Trading Day, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent reasonably determines is material, or (iii) an Early Closure.

“**Maturity Date**” means, for any Component of any Note, if the Cash Condition is satisfied, the Final Settlement Date, or, if the Cash Condition is not satisfied, the Exchange Business Day immediately following the Valuation Date for such Component.

If the Cash Condition is satisfied in part but not in whole, then each Component of each Note (each, a “**Relevant Component**”) issued hereunder shall be deemed to be two Components with terms identical to those of the Relevant Component, except that the first such Component (the “**Cash Condition Satisfied Component**”) shall have an Initial Principal Amount equal to the product of the Cash Condition Percentage and the Initial Principal Amount of the Relevant Component, and the second such Component (the “**Cash Condition Not Satisfied Component**”) shall have an Initial Principal Amount equal to the product of (x) one minus the Cash Condition Percentage and (y) the Initial Principal Amount of the Relevant Component. In the alternative, the parties may agree to a different allocation and identification of Cash Condition Satisfied Components and Cash Condition Not Satisfied Components. The Maturity Date for all Cash Condition Satisfied Components shall be determined as if the Cash Condition were satisfied and the Maturity Date for all Cash Condition Not Satisfied Components shall be determined as if the Cash Condition were not satisfied.

“**Merger Event**” means any (i) reclassification or change of the shares of NRG Common Stock that results in a transfer of all of such shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Company is the continuing entity and which does not result in a reclassification or change of all of such shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding shares of NRG Common Stock that actually results in a transfer of all such shares (other than such shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such shares outstanding but results in the outstanding shares of the Company (other than shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding shares immediately following such event.

“**Nationalization**” means that all the shares of NRG Common Stock or all or substantially all the assets of the Company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Net Settlement Amount**” means, for any Component of any Note, the greater of zero and (i) the Number of Underlying Shares for such Component multiplied by (ii) the VWAP Price on the Valuation Date for such Component *minus* the Threshold Price for such Note.

“**New York Financing Statements**” has the meaning specified in Section 6(aa).

“**Non-U.S. Participant**” has the meaning specified in Section 5(c).

“**Note**” has the meaning specified in the recitals.

“**Noteholder**” means any holder from time to time of a Note issued hereunder.

“**Noteholder Group**” has the meaning specified in Section 24.

“**Note Register**” has the meaning specified in Section 27(a).

“**Note Registrar**” has the meaning specified in Section 27(a).

“**Notional Amount**” means the sum of the Daily Notional Amounts for all Scheduled Trading Days in the Reference Period.

“**Notional Number of Shares**” means a number of shares of NRG Common Stock equal to the sum of the Daily Notional Numbers of Shares for all Scheduled Trading Days in the Reference Period.

“**NRG Common Stock**” means common stock, par value \$0.01 per share, of the Company.

“**NRG CSF**” means each of Issuer and NRG Common Stock Finance II LLC.

“**NRG CSF II Common Equity Interest Purchase Agreement**” means the Common Equity Interest Purchase Agreement dated as of the date hereof between NRG Common Stock Finance II LLC and the Company.

“**NRG CSF II Note Purchase Agreement**” means the Note Purchase Agreement dated the date hereof among NRG Common Stock Finance II LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.

“**NRG CSF II Preferred Interest Purchase Agreement**” means the Preferred Interest Purchase Agreement dated as of the date hereof among NRG Common Stock Finance II LLC, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.

“**Number of Underlying Shares**” means, for any Component of any Note, the product of the Aggregate Number of Underlying Shares and a fraction the numerator of which is the Initial Principal Amount of such Component and the denominator of which is the aggregate Initial Principal Amount of all Components of all Notes issued hereunder (subject to rounding by the Calculation Agent to the nearest whole number).

“**Permitted Investment**” means property and assets that constitute Eligible Collateral and Proceeds therefrom; and any other assets or property with an aggregate value not to exceed \$100,000.

“**Permitted Liabilities**” means Issuer’s liabilities pursuant to any Transaction Document, in each case other than (i) any liability resulting from a breach or misrepresentation by Issuer or any other event that would constitute a default, event of default or other termination event (howsoever described) under any Transaction Document or (ii) inadvertent liabilities, not to exceed \$10,000.00 in the aggregate outstanding at any one time.

“**Person**” means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“**Preferred Base Liquidation Preference**” has the meaning set forth in the Exchangeable Preferred Interests issued by Issuer.

“**Preferred Interest Purchase Agreement**” means each of the Issuer Preferred Interest Purchase Agreement and the NRG CSF II Preferred Interest Purchase Agreement.

“**Preferred Holder**” means any holder from time to time of Exchangeable Preferred Interests.

“**Pricing Confirmation**” has the meaning specified in Section 3.

“**Principal Amount**” means, in respect of any Component or Note at any time, the Initial Principal Amount of such Component or Note accreted from the final Funding Date to such time at the Accretion Rate, as reasonably determined by the Calculation Agent. Prior to the final Funding Date, the Principal Amount of any Component or Note at any time shall be the Initial Principal Amount of such Component or Note determined as of such time.

“**Purchased Shares**” has the meaning specified in Section 8(c).

“**Purchaser**” has the meaning specified in the preamble.

“**Qualifying Preferred Stock**” means non-dividend-paying preferred interests of the Company, with terms satisfactory to Purchaser, any other Noteholders and any Preferred Holder at the time of the relevant substitution pursuant to Section 8(o)(iv), and convertible at any time by the holder or the Company at a one-for-one ratio into NRG Common Stock.

“**Reference Period**” means a period of consecutive Scheduled Trading Days beginning on the Issue Date and ending on the earliest of (i) the first Exchange Business Day on which the Notional Amount equals \$500,000,000, (ii) the Reference Period End Date and (iii) any Exchange Business Day designated by Issuer upon three Business Days written notice to Purchaser.

“**Reference Period End Date**” means October 13, 2006.

“**Reference Price**” means the Notional Amount *divided by* the Notional Number of Shares.

“**Related Exchange**” means, at any time, any exchange on which futures or options contracts relating to NRG Common Stock are traded at such time.

“**Relevant Component**” has the meaning specified in the definition of Maturity Date and in Sections 13 and 16, in each case as used therein.

“**Rule 10b-18**” has the meaning specified in Section 3(c).

“**Scheduled Trading Day**” means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“**Secured Obligations**” has the meaning specified in Section 20.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Settlement Cycle**” means the period following a trade in shares of NRG Common Stock on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

“**Structuring Fee**” means the fee payable by the Company as set forth in the Fee Agreement.

“**Surviving Component**” has the meaning specified in Sections 13 and 16, in each case as used therein.

“**Suspension Day**” has the meaning specified in the Underwriting Agreement.

“**Taxes**” has the meaning specified in Section 5(b).

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that actually results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means (it being understood that a mere offer does not give rise to any such right), greater than 30% and less than 100% of the outstanding voting shares of the Company, as reasonably determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Termination Amount**” means, for any Component of any Note, an amount, reasonably determined by the Calculation Agent in connection with an Extraordinary Event for which an Accelerated Maturity Date has been designated, an optional unwind pursuant to Section 16 for which an Unwind Date has been designated or an Event of Default pursuant to which the Termination Amount has become due and payable on a Default Payment Date, in each case in respect of such Component, to be appropriate to compensate the Noteholder of such Note for its total losses and costs in connection with such Component, including any loss of bargain, loss of funding or, at the election of such Noteholder but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position, including losses and costs in respect of any payment or delivery in respect of such Component that would, but for the occurrence of such Accelerated Maturity Date, Unwind Date or Event of Default, as the case may be, have been made after such Accelerated Maturity Date, Unwind Date or Default Payment Date, as applicable.

“**Threshold Price**” means, for any Note, initially 144.0000% of the Reference Price, subject to adjustment as provided herein.

“**Trading Day**” means any Exchange Business Day that is not a Disrupted Day.

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the Exchange or any Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or any Related Exchange or otherwise (i) relating to NRG Common Stock on the Exchange, or (ii) in futures or options contracts relating to NRG Common Stock on any Related Exchange.

“Transaction Documents” means (i) this Note Purchase Agreement (including the Pricing Confirmation hereunder); (ii) any Notes hereunder; (iii) the NRG CSF II Note Purchase Agreement (including the pricing confirmations thereunder) (iv) any Notes issued under the NRG CSF II Note Purchase Agreement; (v) the Issuer Preferred Interest Purchase Agreement; (vi) the NRG CSF II Preferred Interest Purchase Agreement; (vii) the Limited Liability Company Agreement of Issuer, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Preferred Interests issued by Issuer; (viii) the Limited Liability Company Agreement of NRG Common Stock Finance II LLC, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Preferred Interests issued by NRG Common Stock Finance II LLC; (ix) the Underwriting Agreement and the Fee Agreement; (x) the Issuer Common Equity Interest Purchase Agreement; (xi) the NRG CSF II Common Equity Interest Purchase Agreement; (xii) the letter agreement dated as of August 4, 2006 between Issuer and Credit Suisse Securities (USA) LLC relating to the purchase of NRG Common Stock; (xiii) the letter agreement dated as of August 4, 2006 between NRG Common Stock Finance II and Credit Suisse Securities (USA) LLC relating to the purchase of NRG Common Stock; and (xiv) the Independent Manager Engagement Agreement.

“Transfer Restriction” means, with respect to any item of collateral pledged under this Agreement, any condition to or restriction on the ability of the owner thereof to sell, assign or otherwise transfer such item of collateral or enforce the provisions thereof or of any document related thereto whether set forth in such item of collateral itself or in any document related thereto, including, without limitation, (i) any requirement that any sale, assignment or other transfer or enforcement of such item of collateral be consented to or approved by any Person, including, without limitation, the issuer thereof or any other obligor thereon, (ii) any limitations on the type or status, financial or otherwise, of any purchaser, pledgee, assignee or transferee of such item of collateral, (iii) any requirement of the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document of any Person to the issuer of, any other obligor on or any registrar or transfer agent for, such item of collateral, prior to the sale, pledge, assignment or other transfer or enforcement of such item of collateral and (iv) any registration or qualification requirement or prospectus delivery requirement for such item of collateral pursuant to any federal, state or foreign securities law (including, without limitation, any such requirement arising under Section 5 of the Securities Act as a result of such security being a “restricted security” or Issuer being an “Affiliate” of the issuer of such security, as such terms are defined in Rule 144 under the Securities Act, or as a result of the sale of such security being subject to paragraph (c) of Rule 145 under the Securities Act); *provided* that the required delivery of any assignment, instruction or entitlement order from the seller, Issuer, assignor or transferor of such item of collateral, together with any evidence of the corporate or other authority of such Person, shall not constitute a “Transfer Restriction”.

“UCC” means the Uniform Commercial Code as in effect in the State of New York.

“Underlying Share Percentage” means 39.7237%.

“Underwriting Agreement” means that Underwriting Agreement dated as of the date hereof among Issuer, Purchaser, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

“Unwind Date” means a date designated pursuant to Section 16.

“Unwind Percentage” has the meaning specified in Section 16.

“Unwound Component” has the meaning specified in Section 16.

“Valuation Date” means, for the first Component of each Note, the Initial Valuation Date, and, for each subsequent Component of such Note, the Exchange Business Day immediately following the Valuation Date for the previous Component, *provided* that if any such Exchange Business Day is a Disrupted Day, then such Exchange Business Day shall not be a Valuation Date, and such Valuation Date shall be the first succeeding Exchange Business Day that is not a Disrupted Day and on which another Valuation Date does not or is not deemed to occur. If such first succeeding Exchange Business Day has not occurred as of the eighth Exchange Business Day immediately following the day that, but for the occurrence of another Valuation Date or Disrupted Day, would have been the final Valuation Date, then (1) that eighth Exchange Business Day shall be deemed the Valuation Date for all Components for which the Valuation Date has not yet occurred, and (2) the VWAP Price on that Valuation Date shall be deemed to be the prevailing market value of the NRG Common Stock as reasonably determined by the Calculation Agent.

“VWAP Price” means, on any Scheduled Trading Day, the Rule 10b-18 “Volume Weighted Average Price” per share of NRG Common Stock on such day, as displayed on Bloomberg Page “NRG.N <Equity> AQR SEC” (or any successor thereto) for the Company on such day or, if such price is not so displayed on such day, the Rule 10b-18 volume weighted average price per share of NRG Common Stock on such day as reasonably determined by the Calculation Agent.

(b) The following terms that are defined in the UCC are used herein as so defined: Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, Financial Assets, General Intangibles, Instruments, Inventory, Investment Property, Securities Accounts and Security Entitlements.

“**Withholding Certificate**” has the meaning specified in Section 5(c).

SECTION 2. *Single Agreement; Components.* (a) All Notes issued and sold by Issuer and purchased by Purchaser pursuant to this Agreement are entered into in reliance on the fact that this Agreement, the Pricing Confirmation and all Notes issued hereunder form a single agreement between the parties, and the parties would not otherwise issue and sell or purchase any Notes.

(b) Each Note issued hereunder shall consist of 30 separate components (each, a “**Component**”). The payments and deliveries by Issuer in respect of any Note shall be made as if each Component were a separate Note hereunder.

SECTION 3. *Sale and Purchase.* (a) Upon the terms and subject to the conditions set forth herein, Issuer agrees to issue and sell to Purchaser, and Purchaser agrees to purchase from Issuer, on the Issue Date, a Note having the terms set forth herein and in the Pricing Confirmation.

(b) On the Issue Date, Issuer will deliver a Note substantially in the form of Exhibit A hereto, duly completed, to Purchaser (or an agent specified by Purchaser).

(c) No later than 9:00AM, New York City time on each Scheduled Trading Day in the Reference Period, Issuer shall specify to Purchaser a Daily Notional Number of Shares (which shall equal the Daily Notional Number of Shares specified by NRG Common Stock Finance II for such Scheduled Trading Day pursuant to the NRG CSF II Note Purchase Agreement), subject to the following guidelines:

(1) the Daily Notional Number of Shares for such Scheduled Trading Day, when aggregated with any purchases made on such day by the Company or any “affiliated purchaser” (as such term is defined in Rule 10b-18 under the Securities Exchange Act of 1934, as amended (“**Rule 10b-18**”)) of the Company other than NRG Common Stock Finance II, shall not exceed the number of shares of NRG Common Stock that the Company could have purchased on that day pursuant to the safe harbor provisions of Rule 10b-18 (determined, for purposes of this Agreement, by excluding from any calculation of ADTV (as such term is used in Rule 10b-18) any purchase or sale of shares of NRG Common Stock effected by Purchaser or an affiliate of Purchaser in connection with any Transaction Document that would otherwise have been included in such calculation of ADTV);

(2) the Daily Notional Number of Shares for such Scheduled Trading Day shall not cause the Notional Amount to exceed \$500,000,000; and

(3) Issuer acknowledges that, as of the date of this Agreement, it intends (but without being legally bound to do so), to the extent not inconsistent with the requirements in the immediately preceding clause (1), to select the Daily Notional Number of Shares for each Scheduled Trading Day in the Reference Period so that the Notional Amount equals \$500,000,000 on or prior to the end of the Reference Period. If the Notional Amount as of the end of the Reference Period is less than \$500,000,000, the parties shall work together in good faith to execute such documents, substantially similar to the Transaction Documents, as may be required to enter into transactions substantially similar to those contemplated by the Transaction Documents so that the aggregate notional amounts of all such transactions equals \$500,000,000.

(d) Purchaser will make payment to Issuer in immediately available funds by wire transfer to an account designated by Issuer on each day that is one Settlement Cycle following each Exchange Business Day in the Reference Period (each such date of payment, a “**Funding Date**”) in an amount equal to the Daily Funding Amount for such Funding Date.

(e) On the last Exchange Business Day of the Reference Period, the Calculation Agent will deliver to the parties a pricing confirmation setting forth the final pricing terms of the Note issued on the Issue Date (a “**Pricing Confirmation**”), duly completed and substantially in the form of Exhibit B hereto. Upon receipt of the Pricing Confirmation, the parties will each execute a copy thereof; *provided* that regardless of whether either party executes a copy of the Pricing Confirmation, the terms set forth in the Pricing Confirmation shall be binding on the parties absent manifest error, unless such party notifies the other party that it reasonably believes that an error has been made in the computation of such terms within three Business Days of receipt thereof, in which case the parties shall work together to determine the correct terms.

SECTION 4. *Payment and Delivery at Maturity.* (a) On the Maturity Date for each Component of each Note, Issuer shall make a payment to the Noteholder of such Note in Cash equal to the Principal Amount of such Component as of such Maturity Date.

(b) In addition to payment of principal as provided in Section 4(a), each Noteholder shall have the right to exchange each Component of each Note held by such Noteholder for the Net Settlement Amount for such Component by giving notice to Issuer on or prior to the fifth Scheduled Trading Day immediately prior to the Initial Valuation Date.

On the Maturity Date for each Component of each Note so exchanged, Issuer shall (in addition to the Principal Amount set forth in Section 4(a)) make a payment and/or a delivery to such Noteholder of (i) an amount in cash equal to the product of the Net Settlement Amount for such Component and the Cash Settlement Percentage and (ii) a number of shares of NRG Common Stock equal to (x) the product of (A) such Net Settlement Amount and (B) one *minus* the Cash Settlement Percentage *divided by* (y) the VWAP Price on the Valuation Date for such Component; *provided* that the number of shares so delivered in respect of any Component of any Note shall not exceed 77.3980% of the Number of Underlying Shares for such Component.

(c) Issuer may, by written notice to all Noteholders on or prior to the third Scheduled Trading Day immediately prior to the Initial Valuation Date, specify a Cash Settlement Percentage (a “**Cash Settlement Percentage**”) for all Notes issued hereunder. For the avoidance of doubt, if Issuer does not so specify a Cash Settlement Percentage, the Cash Settlement Percentage shall be zero.

SECTION 5. *Payments.* (a) All payments of, or in respect of, principal or any other payment on any Note shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts by wire transfer of immediately available funds to an account designated by the Noteholder of such Note.

(b) All payments of, or in respect of, principal or any other payment on the Notes made by Issuer hereunder will be made without withholding or deduction for, or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature (or interest on any taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature) imposed, levied, collected, withheld or assessed by, within or on behalf of any jurisdiction in which Issuer is organized, deemed to reside or engaged in business for tax purposes, or any jurisdiction from or through which any amount is paid by Issuer or any political subdivision or governmental authority thereof or therein having power to tax other than Excluded Taxes (collectively “**Taxes**”), unless such withholding or deduction is required by law. If any such Taxes shall at any time be required in respect of the payment of any amounts by Issuer under any Note, Issuer will pay to each Noteholder such additional amounts as may be necessary to ensure that the amounts received by such Noteholder after such withholding or deduction shall equal the amounts of principal and interest which would have been receivable in respect of such Note in the absence of such withholding or deduction.

(c) To the extent permitted by applicable law, each Noteholder that is not a United States person within the meaning of Code section 7701(a)(30) (a “**Non-U.S. Participant**”) shall deliver to Issuer on or prior to the Issue Date (or in the case of a Noteholder that is an assignee, on the date of such assignment to such Noteholder) two accurate and complete original signed copies of IRS Form W-8BEN, W-8ECI, or W-8IMY (or any successor or other applicable form prescribed by the IRS) certifying to such Noteholder’s entitlement to a complete exemption from United States withholding tax on interest payments to be made hereunder.

If a Noteholder that is a Non-U.S. Participant is claiming a complete exemption from withholding on interest pursuant to Sections 871(h) or 881(c) of the Code, such Noteholder shall deliver (along with two accurate and complete original signed copies of IRS Form W-8BEN) a certificate in form and substance reasonably acceptable to Issuer (any such certificate, a “**Withholding Certificate**”). If any Noteholder determines, as a result of any change in applicable law, regulation or treaty, or in any official application or interpretation thereof, that it is unable to submit to Issuer any form or certificate that such Noteholder is obligated to submit pursuant to this subsection (c) or that such Noteholder is required to withdraw or cancel any such form or certificate previously submitted or any such form or certificate otherwise becomes ineffective or inaccurate, such Noteholder shall promptly notify Issuer of such fact and such Noteholder shall to that extent not be obligated to provide any such form or certificate and will be entitled to withdraw or cancel any affected form or certificate, as applicable. Each Noteholder that is not a Non-U.S. Participant (other than any such Noteholder which is taxed as a corporation for U.S. federal income tax purposes) shall provide two properly completed and duly executed copies of IRS Form W-9 (or any successor or other applicable form) to the Company certifying that such Noteholder is exempt from United States backup withholding tax. Notwithstanding any other provision of this paragraph (c) if a Noteholder fails to provide a Withholding Certificate providing for a complete exemption from withholding for whatever reason upon becoming party to this agreement, then such Noteholder shall be deemed not to have complied with this paragraph (c) for purposes of subsection (c) under the definition for Excluded Taxes.

SECTION 6. *Representations and Warranties of Issuer.* Issuer represents and warrants to Purchaser, as of the Issue Date, as of each Scheduled Trading Day during the Reference Period for which the Daily Notional Number of Shares is greater than zero and, with respect to the representations and warranties set forth in clauses (t) through (dd), on each Business Day that Collateral is delivered by Issuer hereunder, that:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;
- (b) it has the power to execute this Agreement, any Note and any other Transaction Document or other documentation relating to this Agreement to which it is a party, to deliver this Agreement, each Note and each other Transaction Document and other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement (including, without limitation, the issuance of the Notes) and any other Transaction Document and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance (including without limitation performance of the obligation set forth in Section 8(c)) do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to the execution and delivery of, the performance of its obligations under or the exercise by any Noteholder of any rights or remedies contained in this Agreement, any Note and any other Transaction Document have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement, each other Transaction Document to which it is a party and each Note constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would reasonably be expected to occur as a result of its entering into or performing its obligations under this Agreement, any Note or any other Transaction Document;

(g) there is not pending or, to its knowledge, threatened against it or any of its affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement, any Note or any other Transaction Document to which it is a party or its ability to perform its obligations under this Agreement, any Note or any other Transaction Document;

(h) it has not, nor has anyone acting on its behalf (other than Purchaser), offered or sold any Note to, or solicited offers to buy any Note from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser (other than Purchaser);

(i) assuming the accuracy of the representations and agreements of Purchaser in Section 7(f) hereof, it is not necessary in connection with the offer, sale and delivery of the Notes in the manner contemplated by this Agreement to register the Notes under the Securities Act;

(j) it is not and, after giving effect to the sale of the Notes and the application of the proceeds thereof, will not be an “investment company” as such term is defined in the Investment Company Act of 1940, as amended;

(k) it is acting for its own account, and has made its own independent decision to enter into this Agreement and each other Transaction Document to which it is a party and as to whether this Agreement and such other Transaction Documents are appropriate or proper for it based upon its own judgment and upon advice of such advisors as it deems necessary; Issuer acknowledges and agrees that it is not relying, and has not relied, upon any communication (written or oral) of Purchaser or any Affiliate of Purchaser with respect to the legal, accounting, tax or other implications of this Agreement or any other Transaction Document and that it has conducted its own analyses of the legal, accounting, tax and other implications hereof and thereof (it being understood that information and explanations related to the terms and conditions of this Agreement or any other Transaction Document shall not be considered investment advice or a recommendation to enter into this Agreement or any such Transaction Document); it further acknowledges and confirms that it has taken independent tax advice with respect to this Agreement and each other Transaction Document;

(l) it is entering into this Agreement and the other Transaction Documents to which it is a party with a full understanding of all of the terms and risks hereof and thereof (economic and otherwise) and is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks; it is also capable of assuming (financially and otherwise), and assumes, those risks;

(m) it acknowledges that neither Purchaser nor any Affiliate of Purchaser is acting as a fiduciary for or an advisor to Issuer in respect of this Agreement or any other Transaction Document;

(n) it has not made, and is not subject to, an election pursuant to Treasury Regulation Section 301.7701-3 to be treated as a corporation for U.S. federal income tax purposes;

(o) intentionally omitted;

(p) it is not, at any time a Blackout is not continuing, aware of any material non-public information regarding the Company;

(q) it is, and shall be as of the date of any payment or delivery by it hereunder or any purchase by it of NRG Common Stock, solvent and able to pay its debts as they come due, with assets having a fair value greater than liabilities and with capital sufficient to carry on the businesses in which it engages;

(r) it (A) has timely filed, caused to be timely filed or will timely file or cause to be timely filed all material tax returns that are required to be filed by it as of the date hereof, if any, and (B) has paid all material taxes shown to be due and payable on said returns or on any assessment made against it or any of its property, if any, and all other material taxes, assessments, fees, liabilities or other charges imposed on it or any of its property by any governmental authority, unless in each case the same are being contested in good faith (for purposes of determining whether a tax return has been timely filed, any extensions shall be taken into account);

(s) all representations and warranties of Issuer under all Transaction Documents are true and correct;

(t) it has not (A) created or permitted to exist any Lien upon or with respect to the Collateral, (B) sold or otherwise disposed of, or granted any option with respect to, any of the Collateral or (C) entered into or consented to any agreement (other than, in the case of clause (x), this Agreement) (x) that restricts in any manner the rights of any present or future owner of any Collateral with respect thereto or (y) pursuant to which any person other than Issuer, Purchaser and any securities intermediary through whom any of the Collateral is held (but in the case of any such securities intermediary only in respect of Collateral held through it) has or will have Control in respect of any Collateral;

(u) other than financing statements or other similar or equivalent documents or instruments with respect to the security interests in the Collateral created by Section 20 below, no financing statement, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a Lien, security interest or other encumbrance of any kind on such Collateral;

(v) all Collateral consisting of securities and all financial assets underlying Collateral consisting of security entitlements (each as defined in Section 8-102 of the UCC) at any time pledged hereunder is and will be issued by an issuer organized under the laws of the United States, any State thereof or the District of Columbia and is and will be (i) certificated (and the certificate or certificates in respect of such securities or financial assets are and will be located in the United States) and registered in the name of Issuer or held through a securities intermediary whose securities intermediary's jurisdiction (within the meaning of Section 8-110(e) of the UCC) is located in the United States or (ii) uncertificated and either registered in the name of Issuer or held through a securities intermediary whose securities intermediary's jurisdiction (within the meaning of Section 8-110(e) of the UCC) is located in the United States; *provided* that this representation shall not be deemed to be breached if, at any time, any such Collateral is issued by an issuer that is not organized under the laws of the United States, any State thereof or the District of Columbia, and the parties hereto agree to procedures or amendments hereto necessary to enable Purchaser to maintain a valid and continuously perfected security interest in such Collateral, in respect of which Purchaser will have Control, subject to no prior Lien (and the parties hereto agree to negotiate in good faith any such procedures or amendments);

- (w) no registration, recordation or filing with any governmental body, agency or official is required or necessary for the perfection or enforcement of the security interests in the Collateral created by Section 20 below, other than the filing of financing statement in any appropriate jurisdiction;
- (x) it has not performed and will not perform any acts that might prevent Purchaser from enforcing any of the terms of Section 19 through Section 25 or that might limit Purchaser in any such enforcement;
- (y) the location (as defined in Section 9-307 of UCC) of Issuer is the jurisdiction of organization of Issuer. Issuer has not maintained a chief executive office not at such location (as defined in Section 9-307 of UCC) at any time during the past five years;
- (z) this Agreement is effective to create, in favor of the Purchaser for the benefit of the Noteholders, as security for the Secured Obligations, a valid security interest (the “**Article 9 Security Interest**”) in Issuer’s right, title and interest in that portion of the Collateral, as defined in the Note Purchase Agreement, described therein in which a security interest may be created pursuant to Article 9 of the UCC;
- (aa) to the extent that the filing of a Uniform Commercial Code financing statement in the State of New York is effective under the UCC to perfect a security interest in the New York Article 9 Collateral, the Article 9 Security Interest in the New York Article 9 Collateral will be perfected upon the filing of the appropriate Uniform Commercial Code financing statements (the “**New York Financing Statements**”) in the filing office located in the State of New York that is indicated thereon, except that (i) continuation statements with respect to each New York Financing Statement must be filed within the period of six months prior to the expiration of five years from the date of the filing of such New York Financing Statement and any such continuation statement and (ii) additional filings may be necessary if the borrower indicated as the debtor in a New York Financing Statement changes its name or its “location” (as defined in Section 9-307 of the UCC);
- (bb) upon the establishment of the Collateral Account as described herein, the Article 9 Security Interest in the Collateral Account and all Security Entitlements with respect to Financial Assets credited thereto will be perfected;

(cc) upon delivery of any pledged securities (including without limitation the Initial Pledged Items) to the Custodian by Issuer as provided in this Agreement, the Article 9 Security Interest in such securities and all Security Entitlements therein will be perfected;

(dd) insofar as the UCC is applicable thereto, the security interests created under this Agreement validly secure the payment for all future purchases of Notes made by any Noteholder whether or not at the time such purchases are made an Event of Default or other event not within the control of such Noteholder has relieved or may relieve such Noteholder from any obligations to make such purchases;

(ee) except as set forth in the Registration Statement or Prospectus (as each such term is defined in the Underwriting Agreement), each affiliate of Issuer that is subject to regulation as a “public utility” as such term is defined in the Federal Power Act (“FPA”) has an order from the Federal Energy Regulatory Commission, not subject to any pending challenge, investigation, complaint, or other proceeding (other than generic proceedings generally applicable in the industry) (i) authorizing such subsidiary to engage in wholesale sales of electricity and, to the extent permitted under its market-based rate tariff, other transactions at market-based rates and (y) granting such waivers and blanket authorizations as are customarily granted to entities with market-based rate authority, including blanket authorizations to issue securities and to assume liabilities pursuant to Section 204 of the FPA; and

(ff) it is an “eligible contract participant” as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended.

SECTION 7. *Representations and Warranties of Purchaser.* Purchaser represents and warrants to Issuer, as of the Issue Date, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute this Agreement and any other documentation relating this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) it is an "Accredited Investor" as such term is defined in Rule 501(a)(3) of Regulation D under the Securities Act;

(g) it is an "eligible contract participant" as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended; and

(h) it is a "qualified purchaser" as such term is defined in Section 2(51)(A) of the Investment Company Act of 1940, as amended;

SECTION 8. *Covenants of Issuer.* Issuer hereby covenants and agrees with Purchaser that from the date hereof and for so long as any Note remains outstanding or any amount unpaid under this Agreement or any Note that:

(a) intentionally omitted;

(b) intentionally omitted;

(c) it will purchase on each Scheduled Trading Day in the Reference Period a number of shares of NRG Common Stock (the "**Purchased Shares**" for such Scheduled Trading Day) equal to the product of the Daily Share Percentage and the Daily Notional Number of Shares for such Scheduled Trading Day;

(d) it will cause to be delivered to Purchaser immediately upon the occurrence of any Default notice of such occurrence;

(e) it will pay and discharge, and cause each of its subsidiaries (if any) to pay and discharge, as the same shall become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with generally accepted accounting principles as in effect from time to time are being maintained by Issuer or such subsidiaries (if any); (ii) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (iii) all indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such indebtedness;

(f) it will preserve, renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization; take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business;

(g) it will comply with the terms of all Transaction Documents to which it is a party, and with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including environmental and labor laws, rules and regulations);

(h) it will maintain proper books of record and account, in which full, true and correct entries in conformity with generally accepted accounting principals as in effect from time to time consistently applied shall be made of all financial transactions and matters involving the assets and business of Issuer and its subsidiaries (if any), and permit representatives and independent contractors of Purchaser to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Issuer;

(i) none of Issuer or any of its Affiliates or any person acting on behalf of Issuer or any such Affiliate will solicit any offer to buy or offer to sell the Notes by means of any form of general solicitation or general advertising;

(j) it will pay all transfer, excise or similar taxes (not including income or franchise taxes) in connection with the issuance, sale, delivery or transfer by Issuer to Purchaser of any Note, and shall indemnify and save Purchaser harmless without limitation as to time against any and all liabilities with respect to such taxes and the obligations of Issuer under this Section 8(j) shall survive the repayment of the Notes and the termination of this Agreement;

(k) it will take such steps as shall be necessary to ensure that Issuer does not become an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended;

(l) it will maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;

(m) it will correct any known misunderstanding regarding its separate identity and will not identify itself as a department or division of any other Person;

(n) it will at all times hold itself out to the public and all other Persons as a legal entity separate from its members and from any other Person;

(o) it shall not:

(i) adopt or propose any change in its constitutive documents (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);

(ii) merge or consolidate with any other Person or acquire a material portion of any other Person's assets;

(iii) dissolve, liquidate, wind up, form or acquire any subsidiaries;

(iv) sell, lend, pledge, rehypothecate, assign or otherwise dispose of, or grant any option with respect to, any of its assets or declare, set aside or pay any dividend or other distribution with respect to any of its securities or repurchase, redeem or otherwise acquire any of its securities, in each case other than as expressly permitted pursuant to the Transaction Documents; *provided* that Issuer shall be permitted to make in kind distributions to the Company of NRG Common Stock if there is a previous or simultaneous capital contribution from the Company to Issuer of an Equivalent Number of shares of Qualifying Preferred Stock that meets the criteria for Eligible Collateral and that is substituted as Collateral for the NRG Common Stock released in connection with such distribution without thereby causing a violation of any representations or warranties made or deemed repeated in connection with such substitution;

(v) directly or indirectly, incur, create or assume any indebtedness or liabilities other than Permitted Liabilities;

(vi) directly or indirectly, purchase or invest in any property other than Permitted Investments;

(vii) adopt any change to the Independent Manager Engagement Agreement (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);

(viii) remove any Independent Manager of Issuer without duly electing a successor Independent Manager;

(ix) guarantee, take assignment of, become liable for or hold itself out as liable for, debts of others or hold out its credit or assets as being available to satisfy the obligations of any other Person;

(x) commingle or otherwise fail to separate its own funds and assets from that of other Persons or fail to pay its portion of any shared expenses and costs;

(xi) conduct its business in any manner that will mislead others as to the identity of Issuer and it will act only in its own name, maintaining a separate office, stationary, telephone, keep separate books and records, cause financial statements to be prepared in a manner that indicates the separateness of Issuer and will observe all corporate formalities and will hold meetings to authorize corporate actions;

(xii) enter into any transaction with an Affiliate of the Company except on commercially reasonable terms similar to those available to unaffiliated parties in an arms length transaction other than as contemplated by the Transaction Documents;

(xiii) engage, directly or indirectly, in any business other than as required or permitted to be performed under the Transaction Documents; or

(xiv) be entitled to any direct or indirect credit support from the Company; and

(p) Issuer shall not make any payment in respect of any Note on or after the Initial Valuation Date using Cash not held in the Collateral Account as of 8:00AM, New York City time, on the Initial Valuation Date.

SECTION 9. *Covenants of Purchaser.* Purchaser hereby covenants and agrees that:

(a) it shall not sell or otherwise transfer any Note except pursuant to a registration statement declared effective under, or an exemption from the registration requirements of, the Securities Act;

(b) none of it, any of its Affiliates or any person acting on behalf of it or any such Affiliate shall solicit any offer to buy or offer to sell any Note by means of any form of general solicitation or general advertising; and

(c) it shall use any shares of NRG Common Stock it receives pursuant to Section 4 to close out open share borrowings created in the course of its hedging activities related to its exposure under the transactions contemplated by the Transaction Documents.

SECTION 10. *Conditions to Purchaser's Obligations.* The obligation of Purchaser to pay any Daily Funding Amount on any Funding Date is subject to satisfaction of each of the following conditions:

- (a) each Transaction Document shall have been duly executed and delivered by the parties thereto, and each of the Company and each NRG CSF shall have complied with all agreements and all conditions to be performed or satisfied by it under each Transaction Document to which it is a party on or prior to such Funding Date;
- (b) Purchaser shall have received the Note described in Section 3 duly executed and delivered by Issuer;
- (c) each of the representations and warranties of Issuer contained in this Agreement and each Transaction Document to which it is a party shall be true and correct;
- (d) the Company shall have made a contribution in Cash to Issuer in an amount not less than \$5,000 to satisfy anticipated operating costs of Issuer;
- (e) the Company shall have paid the Structuring Fee as provided in the Fee Agreement;
- (f) without limiting the generality of Section 10(a) above, the Company shall have made a contribution of Cash to Issuer pursuant to the Issuer Common Equity Interest Purchase Agreement equal to the product of the Common Equity Funding Percentage and the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date, and Issuer shall have purchased on such Scheduled Trading Day the Purchased Shares for such Scheduled Trading Day;
- (g) Purchaser shall have received an opinion (in form and substance satisfactory to Purchaser and its counsel), dated as of the Issue Date, of Kirkland & Ellis LLP, counsel for Issuer, substantially in the form attached hereto as Exhibit C;
- (h) Purchaser shall have received “non-consolidation” and “true contribution” opinions, in form and substance reasonably satisfactory to Purchaser and its counsel, dated as of the Issue Date, of Kirkland & Ellis LLP, counsel for Issuer;
- (i) all documents and instruments required by law or reasonably requested by Purchaser to be filed, registered or recorded to create the security interest intended to be created by this Agreement and perfect or record such security interest to the extent, and with the priority, required by this Agreement, including without limitation any UCC-1 financing statements, shall have been filed, registered or recorded;

(j) Issuer shall have furnished to Purchaser such further certificates and documents as Purchaser shall reasonably request (including an officer's certificate of an officer of the Company) to the effect that, during the Reference Period, the Company could have purchased shares of NRG Common Stock with an aggregate purchase price equal to the aggregate amount of Cash contributed by the Company to Issuer pursuant to the Issuer Common Equity Interest Purchase Agreement in compliance with Delaware law;

(k) no Default under this Agreement shall have occurred and be continuing; and

(l) no action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would, as of the Issue Date, prevent the issuance or sale of the Notes; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued as of the Issue Date which would prevent the issuance or sale of the Notes.

SECTION 11. *Events of Default.* The occurrence of any of the following events shall constitute an event of default (an "**Event of Default**") hereunder and under each Note:

(a) failure by Issuer to make, when due, any payment (including, without limitation, of principal) or delivery under this Agreement, any Note or any other Transaction Document to which it is a party;

(b) failure by Issuer to perform when due its obligations set forth in Section 8(c) or Section 19(a);

(c) failure by Issuer to comply with or perform any agreement or obligation (other than an obligation to make any payment or delivery referred to in Section 11(a) or an obligation referred to in Section 11(b)) under this Agreement, any Note or any other Transaction Document to be complied with or performed by it in accordance with this Agreement, any Note or any other Transaction Document if such failure is not remedied on or before the third Business Day after notice of such failure is given to Issuer;

(d) this Agreement, any Note or any other Transaction Document ceases to be in full force and effect, or is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable in any material respect, or Issuer or any Affiliate of Issuer party to any Transaction Document disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, this Agreement any Note or any other Transaction Document;

(e) a representation made or repeated by Issuer or any Affiliate of Issuer party to any Transaction Document in this Agreement or any other Transaction Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(f) Issuer or the Company is (1) dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(g) due to the adoption of, or any change in, any applicable law after the date hereof, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for Issuer or any Affiliate of Issuer party to any Transaction Document (i) to perform any absolute or contingent obligation to make a payment or delivery, or to receive a payment or delivery in respect of this Agreement or any other Transaction Document or to comply with any other material provision of this Agreement or any other Transaction Document or (2) to perform any contingent or other obligation which Issuer or such Affiliate has under this Agreement or any other Transaction Document; and

(h) any legal proceeding shall have been instituted or any other event shall have occurred or condition shall exist that would reasonably be expected to have a material adverse effect on (i) the ability of Issuer or any Affiliate of Issuer party to any Transaction Document to perform its obligations under this Agreement, any Note or any other Transaction Document, or (ii) the validity or binding effect of any agreement of Issuer or such Affiliate under this Agreement, any Note or any other Transaction Document.

SECTION 12. *Remedies Upon Default.* (a) Upon the occurrence, and during the continuance of, any Event of Default, the Noteholder of any Notes issued hereunder may declare the Termination Amount of any or all of the Components comprising any or all of such Notes to be immediately due and payable and exercise any and all remedies available to it under this Agreement and the Notes; *provided* that in the case of any of the events specified in Section 11(f), without any notice, the Termination Amount of all Components comprising all Notes issued hereunder shall become immediately due and payable without presentment, demand for payment, protest, notice of nonpayment or other notice of any kind, all of which are hereby waived by Issuer.

(b) Except as expressly set forth herein, upon payment and delivery of the Termination Amount for any Component so declared due and payable, all of Issuer's obligations in respect of the payment and/or delivery pursuant to Section 4 shall be deemed satisfied with respect to such Component.

(c) Upon the occurrence, and during the continuance of, any Event of Default, any Noteholder is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to, and Issuer agrees that any Noteholder shall have the right to, (i) set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Noteholder to or for the credit or the account of Issuer (including without limitation pursuant to any Transaction Document) against any and all of the obligations of Issuer now or hereafter existing under this Agreement and the Notes held by such Noteholder, and (ii) set-off any obligation that such Noteholder or any Affiliate of such Noteholder may have to Issuer against any right such Noteholder or any of its Affiliates may have against Issuer (including without limitation any right to receive a payment or delivery pursuant to any provision of this Agreement and the Notes), in each case irrespective of whether or not such Noteholder shall have made any demand under this Agreement or the Notes or any such agreement and although such obligations may be unmatured. In the case of a set-off of any obligation to release, deliver or pay assets against any right to receive assets of the same type, such obligation and right shall be set-off in kind. In the case of a set-off of any obligation to release, deliver or pay assets against any right to receive assets of any other type, the value of each of such obligation and such right shall be reasonably determined by the Calculation Agent and the result of such set-off shall be that the net obligor shall pay or deliver to the other party an amount of cash or assets, at the net obligor's option, with a value (determined, in the case of a delivery of assets, by the Calculation Agent) equal to that of the net obligation.

In determining the value of any obligation to release or deliver any securities or right to receive any securities, the value at any time of such obligation or right shall be determined by reference to the market value of such securities at such time. If an obligation or right is unascertained at the time of any such set-off, the Calculation Agent may in good faith estimate the amount or value of such obligation or right, in which case set-off will be effected in respect of that estimate, and the relevant party shall account to the other party at the time such obligation or right is ascertained. The rights of any Noteholder under this Section 12(c) are in addition to other rights and remedies (including, without limitation, other rights of set-off) that any Noteholder may have as a matter of law, pursuant to contract or otherwise.

SECTION 13. *Extraordinary Events.* (a) If the Calculation Agent has reasonably determined that an Extraordinary Event has occurred, then it shall so notify the parties, and the Noteholder of such Note may, in its sole discretion, designate any Trading Day as the Accelerated Maturity Date for any or all of the Components comprising such Note (each, a “**Relevant Component**”) in whole or in part. If such Noteholder exercises its right to designate the Accelerated Maturity Date for any Relevant Component in part, it shall also designate a percentage (the “**Acceleration Percentage**”) representing the portion of such Relevant Component being accelerated, and such Relevant Component shall be deemed to be two Components with terms identical to those of such Relevant Component, except that the first such Component (the “**Accelerated Component**”) shall have an Initial Principal Amount equal to the product of the Acceleration Percentage and the Initial Principal Amount of such Relevant Component, and the second such Component (the “**Surviving Component**”) shall have an Initial Principal Amount equal to the product of (x) one *minus* the Acceleration Percentage and (y) the Initial Principal Amount of such Relevant Component. Issuer shall pay the Termination Amount for all Relevant Components (or, in the case of a partial acceleration, all Accelerated Components) on the Accelerated Maturity Date. In the case of a partial acceleration, each Surviving Component shall survive and continue to be outstanding and in full force and effect hereunder.

(b) Except as expressly set forth herein, upon payment and delivery of the Termination Amount for any Component for which an Accelerated Maturity Date has so been declared, all of Issuer’s obligations in respect of the payment and/or delivery pursuant to Section 4 shall be deemed satisfied with respect to such Component.

SECTION 14. *Adjustment Event.* (a) If the Calculation Agent has reasonably determined that an Adjustment Event either has occurred or is reasonably likely to occur, then the Calculation Agent will determine whether such Adjustment Event has or is reasonably likely to have a diluting or concentrative effect on the theoretical value of the shares of NRG Common Stock or options on NRG Common Stock and, if so, will make the corresponding adjustment to the Threshold Price (and, in the case of an Adjustment Event of the type described in clause (i) or clause (ii)(A) or (B) of Section 14(b), to the Notional Number of Shares) to compensate Noteholders on account of such an Adjustment Event.

(b) “**Adjustment Event**” means any of the following:

(i) a subdivision, consolidation or reclassification of the NRG Common Stock, or a free distribution or dividend of any shares of NRG Common Stock to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of NRG Common Stock of (A) such shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as reasonably determined by the Calculation Agent;

(iii) any cash dividend or distribution on NRG Common Stock;

(iv) a repurchase by the Company or any of its subsidiaries of NRG Common Stock (other than the repurchase of the Notional Number of Shares) whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(v) in respect of the Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as reasonably determined by the Calculation Agent, *provided* that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vi) any other event that may have a diluting or concentrative effect on the theoretical value of the NRG Common Stock or options on NRG Common Stock, as reasonably determined by the Calculation Agent.

SECTION 15. *Increased Cost of Hedging and Increased Costs.* The Calculation Agent may reduce the Threshold Price for any Note to account for any period in which it reasonably determines that an Increased Cost of Hedging or an Increased Cost exists in respect of such Note.

SECTION 16. *Optional Unwind.* (a) Issuer may, by not less than 10 nor more than 30 Business Days prior written notice to all Noteholders, and subject to the execution by Issuer of such documentation as may be reasonably required based on advice of counsel to the Noteholders, designate an unwind date (an “**Unwind Date**”) for any or all of the Components comprising any Note (each, a “**Relevant Component**”) outstanding at the time. If Issuer elects to unwind any Relevant Component in part, it shall also designate a percentage (the “**Unwind Percentage**”) representing the portion of such Relevant Component to be unwound, and such Relevant Component shall be deemed to be two Components with terms identical to those of such Relevant Component, except that the first such Component (the “**Unwound Component**”) shall have an Initial Principal Amount equal to the product of the Unwind Percentage and the Initial Principal Amount of such Relevant Component, and the second such Component (the “**Surviving Component**”) shall have an Initial Principal Amount equal to the product of (x) one *minus* the Unwind Percentage and (y) the Initial Principal Amount of such Relevant Component. Issuer shall pay the Termination Amount for all Relevant Components (or, in the case of a partial unwind, all Unwound Components) on the Unwind Date. In the case of a partial unwind, each Surviving Component shall survive and continue to be outstanding and in full force and effect hereunder.

(b) Except as expressly set forth herein, upon payment and delivery of the Termination Amount for any Component for which an Unwind Date has so been declared, all of Issuer’s obligations in respect of the payment and/or delivery pursuant to Section 4 shall be deemed satisfied with respect to such Component.

SECTION 17. *Blackout Adjustments.* If a Blackout or Suspension Day occurs pursuant to the Underwriting Agreement during the Double Print Period, then the Calculation Agent will make such adjustments to any of the Notional Number of Shares, the Threshold Price, any Net Settlement Amount or any other term of the Notes as it reasonably determines are appropriate to preserve the economic value of the transactions contemplated hereby to the Noteholders due to potential risks under applicable securities laws relating to such Noteholders’ ability to adjust their hedges in respect of the transactions contemplated by the Transaction Documents as a result of such a Blackout, and, if the Calculation Agent reasonably determines that such adjustments would be insufficient to preserve such economic value to the Noteholders, then the Noteholders will have a right to accelerate such a portion of the Notes that would preserve such economic value to such holders (and such an acceleration shall be treated as the designation of an Accelerated Maturity Date).

SECTION 18. *Indemnification.* Issuer agrees to indemnify and hold harmless Purchaser, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Purchaser and each such person being an “**Indemnified Party**”) from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any third party claims arising out of the transactions contemplated by the Transaction Documents, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Issuer. Issuer will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense has resulted from Purchaser’s breach of a material term of such Transaction Document, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Issuer shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Purchaser’s breach of a material term of such Transaction Document, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Issuer also agrees that no Indemnified Party shall have any liability to Issuer or any person asserting claims on behalf of or in right of Issuer in connection with or as a result of any matter referred to in any Transaction Document except to the extent that any losses, claims, damages, liabilities or expenses incurred by Issuer result from the breach of a material term of such Transaction Document, or the Indemnified Party’s gross negligence or willful misconduct. The provisions of this Section 18 shall survive termination or completion of any Transaction Document and any assignment and delegation of any Transaction Document and shall inure to the benefit of any successor or assignee of Purchaser.

SECTION 19. *Delivery of Collateral.* (a) On each Funding Day, Issuer shall deliver to Purchaser in pledge hereunder Eligible Collateral consisting of a number of shares of NRG Common Stock equal to the product of the Daily Share Percentage and the Daily Notional Number of Shares for the Schedule Trading Day in the Reference Period corresponding to such Funding Day (such shares of NRG Common Stock, the “**Initial Pledged Items**”). “**Eligible Collateral**” means Cash, shares of NRG Common Stock and Qualifying Preferred Stock, in each case provided that Issuer has good and marketable title thereto, free of any and all lien, mortgage, interest, pledge, charge or encumbrance of any kind (other than the security interests in the Collateral created hereby, a “**Lien**”) and Transfer Restrictions and that Purchaser has a valid, first priority perfected security interest therein, a first Lien thereon and Control with respect thereto.

Any delivery of any securities or security entitlements (each as defined in Section 8-102 of the UCC) as Collateral to Purchaser by Issuer shall be effected (A) in the case of Collateral consisting of certificated securities registered in the name of Issuer, by delivery of certificates representing such securities to the Custodian, accompanied by any required transfer tax stamps, and in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, with signatures appropriately guaranteed, all in form and substance satisfactory to Purchaser, and the crediting by the Custodian of such securities to a securities account (as defined in Section 8-501 of the UCC) (the “**Collateral Account**”) of Purchaser maintained by the Custodian, (B) in the case of Collateral consisting of uncertificated securities registered in the name of Issuer, by transmission by Issuer of an instruction to the issuer of such securities instructing such issuer to register such securities in the name of the Custodian or its nominee, accompanied by any required transfer tax stamps, the issuer’s compliance with such instructions and the crediting by the Custodian of such securities to the Collateral Account, (C) in the case of securities in respect of which security entitlements are held by Issuer through a securities intermediary, by the crediting of such securities, accompanied by any required transfer tax stamps, to a securities account of the Custodian at such securities intermediary or, at the option of Purchaser, at another securities intermediary satisfactory to Purchaser and the crediting by the Custodian of such securities to the Collateral Account or (D) in any case, by complying with such alternative delivery instructions as Purchaser shall provide to Issuer in writing. Any Cash held by Issuer at any time shall be held in the Collateral Account or, if Purchaser has delivered alternative instructions to Issuer in writing, as directed pursuant to such instructions.

SECTION 20. *Grant Of Security Interests In The Collateral.* In order to secure the full and punctual payment, observance and performance of the covenants and agreements contained in this Agreement and the Notes (such covenants and agreements, collectively, the “**Secured Obligations**”), Issuer hereby assigns and pledges to Purchaser, and grants to Purchaser, as secured party, for the benefit of the Noteholders from time to time, a security interests in and to, and a Lien upon and right of set-off against, and transfers to Purchaser, as and by way of a security interest having priority over all other security interests, with power of sale, all of Issuer’s right, title and interest in and to all of Issuer’s now existing or hereafter arising rights, title, interests, powers and privileges in and to all of the following assets of Issuer, wherever situated, whether now existing or hereafter acquired (collectively, the “**Collateral**”): (i) all Accounts; (ii) all Chattel Paper; (iii) all Deposit Accounts; (iv) all Documents; (v) all Equipment; (vi) all Financial Assets; (vii) all General Intangibles; (viii) all Instruments; (ix) all Inventory; (x) all Investment Property; (xi) all Securities Accounts; (xii) all Eligible Collateral of Issuer; (xiii) the Collateral Account; (xiv) all Cash or other money, cash or cash equivalents of Issuer; (xv) all books and records pertaining to the Collateral; and (xvi) all Proceeds of any of the foregoing.

The parties hereto expressly agree that all rights, assets and property at any time held in or credited to the Collateral Account shall be treated as financial assets (as defined in Section 8-102 of the UCC).

SECTION 21. *Certain Covenants Of Issuer Relating To The Collateral.* Issuer agrees that, so long as any of the Secured Obligations remain outstanding and other than as contemplated by the Transaction Documents:

(a) Issuer shall ensure at all times that a Collateral Event of Default shall not occur, and shall pledge additional Collateral in the manner described hereunder as necessary to cause such requirement to be met. “**Collateral Event of Default**” means, at any time, the occurrence of either of the following: (A) failure of the Collateral to include, as Eligible Collateral, a number of shares of NRG Common Stock at least equal to the aggregate Number of Underlying Shares for all Notes issued hereunder or an Equivalent Number of Qualifying Preferred Stock or (B) failure at any time of the security interests in the Collateral created hereby to constitute valid and perfected security interests in all of the Collateral, subject to no prior, equal or junior Lien, and, with respect to any Collateral consisting of securities or security entitlements (each as defined in Section 8-102 of the UCC), as to which Purchaser has Control, or, in each case, assertion of such by Issuer in writing.

(b) Issuer shall, at its own expense and in such manner and form as Purchaser may require, give, execute, deliver, file and record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable in order to (i) create, preserve, perfect, substantiate or validate any security interest granted pursuant hereto, (ii) create or maintain Control with respect to any such security interests in any investment property (as defined in Section 9-102(a) of the UCC) or (iii) enable Purchaser to exercise and enforce its rights hereunder with respect to such security interest.

(c) Issuer shall warrant and defend Issuer’s title to the Collateral, subject to the rights of Purchaser, against the claims and demands of all persons. Purchaser may elect, but without an obligation to do so, to discharge any Lien of any third party on any of the Collateral.

(d) Issuer agrees that Issuer shall not change (i) Issuer’s legal name, its identity or limited liability company structure or its Federal Taxpayer Identification Number in any manner or (ii) Issuer’s “location” (as defined in Section 9-307 of UCC), unless (x) Issuer shall have given Purchaser not less than 10 days’ prior notice thereof and (y) all filings have been made under the UCC and all other actions have been taken that are required so that such change will not at any time adversely affect the validity, perfection or priority of the security interests in the Collateral created by this clause (d).

(e) Issuer agrees that Issuer shall not (i) create or permit to exist any lien (other than the security interests in the Collateral created hereby) or any Transfer Restriction upon or with respect to the Collateral, (ii) sell or otherwise dispose of, or grant any option with respect to, any of the Collateral or (iii) enter into or consent to any agreement (x) that restricts in any manner the rights of any present or future owner of any Collateral with respect thereto (other than this Agreement) or (y) pursuant to which any person other than Issuer, Purchaser and any securities intermediary through whom any of the Collateral is held (but in the case of any such securities intermediary only in respect of Collateral held through it) has or will have Control in respect of any Collateral.

SECTION 22. *Administration Of The Collateral And Valuation Of Securities:* (a) Purchaser shall determine on each Business Day whether a Collateral Event of Default shall have occurred. If on any Business Day Purchaser reasonably determines that a Collateral Event of Default shall have occurred, Purchaser shall promptly notify Issuer of such determination by telephone call to Issuer followed by a written confirmation of such call.

(b) Concurrently with the delivery of any additional Eligible Collateral to Purchaser pursuant to Section 19 above, Issuer shall notify Purchaser on the date of such delivery of the identity of the additional items of Eligible Collateral being pledged and the representations and warranties contained in Section 6(s) through Section 6(x) above shall be deemed to be repeated as of such date with respect to such items of additional Eligible Collateral.

(c) Issuer shall be permitted to substitute as Collateral an Equivalent Number of Qualifying Preferred Stock that meets the criteria for Eligible Collateral for NRG Common Stock if, immediately following such substitution, there would not be a Default. The NRG Common Stock so substituted for shall be deemed released from the security interest granted herein and shall no longer constitute Collateral.

(d) Purchaser may at any time or from time to time, in its sole discretion, cause any or all of the Collateral that is registered in the name of Issuer or Issuer's nominee to be transferred of record into the name of the Custodian, Purchaser or its nominee. Issuer shall promptly give to Purchaser copies of any notices or other communications received by Issuer with respect to Collateral that is registered, or held through a securities intermediary, in the name of Issuer or Issuer's nominee and Purchaser shall promptly give to Issuer copies of any notices and communications received by Purchaser with respect to Collateral that is registered, or held through a securities intermediary, in the name of Custodian, Purchaser or its nominee.

(e) Issuer agrees that Issuer shall forthwith upon demand pay to Purchaser:

(i) the amount of any taxes that Purchaser or the Custodian may have been required to pay by reason of the security interests in the Collateral created hereby or to free any of the Collateral from any Lien thereon; and

(ii) the amount of any and all costs and expenses, including the fees and disbursements of counsel and of any other experts, that Purchaser or the Custodian may incur in connection with (A) the enforcement of this pledge, including such expenses as are incurred to preserve the value of the Collateral and the validity, perfection, rank and value of the security interests in the Collateral created hereby, (B) the collection, sale or other disposition of any of the Collateral, (C) the exercise by Purchaser of any of the rights conferred upon it hereunder or (D) any Acceleration Event.

Any such amount not paid on demand shall bear interest (computed on the basis of a year of 360 days and payable for the actual number of days elapsed) at a rate per annum equal to 5% plus the prime rate as published from time to time in The Wall Street Journal, Eastern Edition.

SECTION 23. *Income And Voting Rights In Collateral.* Purchaser shall have the right to receive and retain as Collateral hereunder all proceeds, including, without limitation, any dividend, extraordinary or otherwise, and interest of the Collateral, and Issuer shall take all such action as Purchaser shall deem necessary or appropriate to give effect to such right.

Unless an Acceleration Event shall have occurred and be continuing, Issuer shall have the right, from time to time, to vote and to give consents, ratifications and waivers with respect to the Collateral.

If an Acceleration Event shall have occurred and be continuing, Purchaser shall have the right, to the extent permitted by law, and Issuer shall take all such action as may be necessary or appropriate to give effect to such right, to vote and to give consents, ratifications and waivers, and to take any other action with respect to any or all of the Collateral with the same force and effect as if Purchaser were the absolute and sole owner thereof.

SECTION 24. *Remedies.* Purchaser may exercise all the rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised).

Issuer hereby irrevocably appoints Purchaser as Issuer's true and lawful attorney (which power of attorney is coupled with an interest), with full power of substitution, in the name of Issuer, Purchaser or otherwise, for the sole use and benefit of Purchaser, but at the expense of Issuer, to the extent permitted by law, to exercise, at any time and from time to time while an Event of Default has occurred, all or any of the following powers with respect to all or any of the Collateral:

- (a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due upon or by virtue thereof;
- (b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;
- (c) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if Purchaser were the absolute owner thereof and in connection therewith, to make all necessary deeds, bills of sale, instruments of assignment, transfer or conveyance of the property, and all instructions and entitlement orders in respect of the property thus to be (or that is being or has been) sold, transferred, assigned or otherwise dealt in; and
- (d) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided that Purchaser shall give Issuer not less than one Business Day's prior written notice of the time and place of any sale or other intended disposition of any of the Collateral, except any Collateral that threatens to decline speedily in value, including, without limitation, equity securities, or is of a type customarily sold on a recognized market. Purchaser and Issuer agree that such notice constitutes "reasonable authenticated notification" within the meaning of Section 9 611(b) of the UCC.

SECTION 25. *Collateral Rights Termination.* The rights hereby granted by Issuer in the Collateral shall cease, terminate and be void upon satisfaction of all of the Secured Obligations. Any Collateral remaining at the time of such termination shall be fully released and discharged from the security interests in the Collateral created hereby and delivered to Issuer, all at the request and expense of Issuer.

SECTION 26. *Limit on Beneficial Ownership.* Notwithstanding anything to the contrary in this Agreement, on any Maturity Date, any Accelerated Maturity Date or Unwind Date, upon the occurrence of an Event of Default, or otherwise, in no event shall any Noteholder be entitled to acquire, receive or exercise any rights of a secured party in respect of Collateral consisting of, shares of any class of voting securities of an issuer to the extent that, upon such acquisition, receipt or exercise, the “beneficial ownership” (within the meaning of Section 13 of the Exchange Act of 1934, as amended, and the rules promulgated thereunder) of such Noteholder or any entity that directly or indirectly controls such Noteholder (collectively, such Noteholder’s “**Noteholder Group**”) would equal or exceed 4.5% of the outstanding shares of such class or any member of the Noteholder Group would be deemed to directly or indirectly own 4.5% or more of the outstanding equity of the issuer of such stock or have the right to vote securities conferring 4.5% or more of the total vote on general corporate matters with respect to such issuer. The inability of any Noteholder to acquire, receive or exercise rights with respect to Collateral consisting of, shares provided by this Agreement at any time as a result of this provision shall not preclude such Noteholder from taking such action at a later time when permitted by this provision. If any delivery owed to any Noteholder hereunder is not made, in whole or in part, as a result of this Section 26, Issuer’s obligation to make such delivery shall not be extinguished, and Issuer shall make such delivery as promptly as practicable following notice from such Noteholder that such delivery would be permitted by this Section 26.

SECTION 27. *Note Register.* (a) Issuer shall cause to be kept a note register (the “**Note Register**”) for the Notes in which, subject to such reasonable regulations as it may prescribe, Issuer shall provide for the registration of the Notes and the registration of transfers of the Notes. Issuer shall initially be the note registrar (in such capacity, the “**Note Registrar**”) for the purpose of registering the Notes and transfers of Notes as herein provided and may appoint a successor to itself, subject to the last sentence of this Section 27(a). Upon any resignation of any Note Registrar, Issuer shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of the Note Registrar. If a person other than Issuer is appointed as Note Registrar, Issuer will give Purchaser prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location of the Note Register.

(b) Upon surrender for registration of transfer of any certificate representing any Note at an office or agency of Issuer where the principal of the Notes is payable, Issuer shall execute, and the relevant Noteholder shall obtain from Issuer, in the name of the designated transferee or transferees, one or more new certificates of a like aggregate principal amount.

(c) At the option of a Noteholder, certificates with respect to any Notes may be exchanged for other certificates of a like aggregate principal amount upon surrender of the certificates to be exchanged at the office or agency of Issuer where the principal of the Notes are payable.

(d) All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of Issuer, evidencing the same debt, and entitled to the same benefits under this Agreement, as the Notes surrendered upon such registration of transfer or exchange.

(e) No service charge shall be made by Issuer for any registration of transfer or exchange of any Note, but Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes.

(f) Subject to Section 9, the Notes shall be freely transferable at any time without the consent of Issuer to any Person that (i) makes the representations and warranties set forth in Sections 7(f), (g) and (h) as of the date of the relevant transfer, (ii) agrees to be bound by the covenants set forth in Section 9 and (iii) becomes the Noteholder of Notes with an aggregate Initial Principal Amount of 10% or more of the aggregate Initial Principal Amount of all Notes outstanding at the time of such transfer; provided that the Notes shall not be transferable prior to the payment by Purchaser of the Daily Funding Amount for the Funding Date corresponding to the last Exchange Business Day in the Reference Period.

SECTION 28. *Mutilated, Destroyed, Lost or Stolen Notes.* (a) If (i) any mutilated Note is surrendered to Issuer, or Issuer receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to Issuer such security or indemnity as may be reasonably required by it to hold Issuer harmless, then, in the absence of notice to Issuer or the Note Registrar that such Note has been acquired by a bona fide purchaser, Issuer shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note of a like aggregate principal amount; *provided, however,* that if Notes represented by any such destroyed, lost or stolen certificate, but not a mutilated certificate, shall have become or within seven days shall be due and payable, instead of issuing a replacement certificate, Issuer may pay to the holder of such destroyed, lost or stolen Note the amount due when so due or payable without surrender thereof.

(b) Any duplicate Note issued pursuant to this Section 28 in replacement for any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be found at any time or be enforced by any person, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Notes duly issued hereunder.

SECTION 29. *Successors and Assigns.* This Agreement and any Note issued hereunder shall inure to the benefit of, and be binding upon, Issuer and Purchaser and their respective successors and assigns (including without limitation any Noteholder).

Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained.

SECTION 30. *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to Purchaser shall be given to it at:

Credit Suisse International
c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

With a copy to:

Credit Suisse Securities (USA) LLC
1 Madison Avenue, 3rd Floor
New York, New York 10010

For payments and deliveries:

Attn: Ricardo Harewood
Telephone No.: (212) 538-9810
Facsimile No.: (212) 325-8175

For all other communications:

Attn: Carlos Moscoso / Debra Tageldein
Telephone No.: 212-538-4437 / 212-538-8297 / 212-325-5119
Facsimile No.: (212) 325-8173

Notices to Issuer shall be given to it at:

CT Corporation System
1209 Orange Street
Wilmington, Delaware

With a copy to:

NRG Energy, Inc.
211 Carnegie Center
Princeton, New Jersey 08540
Attention: General Counsel
Fax: (609) 524-4589

SECTION 31. *Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

SECTION 32. *Governing Law; Jurisdiction.* (a) THIS AGREEMENT AND THE PRICING CONFIRMATION HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF *PROVIDED* THAT AS TO ANY ITEMS OF COLLATERAL LOCATED IN ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK, PURCHASER SHALL HAVE, IN ADDITION TO ANY RIGHTS UNDER THE LAWS OF THE STATE OF NEW YORK, ALL OF THE RIGHTS TO WHICH A SECURED PARTY IS ENTITLED UNDER THE LAWS OF SUCH OTHER JURISDICTION. THE PARTIES HERETO HEREBY AGREE THAT THE CUSTODIAN'S JURISDICTION, WITHIN THE MEANING OF SECTION 8-110(e) OF THE UCC, INsofar AS IT ACTS AS A SECURITIES INTERMEDIARY HEREUNDER OR IN RESPECT HEREOF, IS THE STATE OF NEW YORK.

(b) The parties hereto irrevocably and unconditionally submit, for themselves and their property, to the nonexclusive jurisdiction of the Federal and state courts located in the Borough of Manhattan, in the City of New York in any suit or proceedings arising out of or relating to this Agreement, the transactions contemplated hereby, or for the recognition or enforcement of any judgment. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that Purchaser may otherwise have to bring any action or proceeding relating to this Agreement against Issuer or its properties in the courts of any jurisdiction.

(c) Issuer irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 32(b). Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

SECTION 33. *Calculation Agent.* All calculations and determinations hereunder shall be made by the Calculation Agent. The Calculation Agent shall make all calculations and determinations hereunder in good faith and in a commercially reasonable manner. All calculations and determinations of the Calculation Agent so made shall be binding on the parties in the absence of manifest error.

SECTION 34. *Integration; Amendments and Waivers.* (a) Except as provided herein, this Agreement and the Notes constitute the complete agreement between the parties with respect to the subject matter hereof and thereof, supersede any previous agreement or understanding between them relating hereto or thereto and may not be modified, altered or amended except as provided therein.

(b) No amendment or waiver of any provision of this Agreement or any Note, nor consent to any departure by Issuer therefrom, shall in any event be effective unless the same shall be in writing and signed by Issuer and Purchaser.

SECTION 35. *No Waiver by Purchaser.* Purchaser's failure, at any time or times, to require strict performance by Issuer of any provision of this Agreement or any Note shall not waive, affect or diminish any right of Purchaser thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver by Purchaser of an Event of Default under this Agreement shall not suspend, waive or affect any other default or event of default by Issuer under this Agreement or any Note whether the same is prior or subsequent thereto and whether of the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of Issuer contained in this Agreement or any Note and no Event of Default under this Agreement shall be deemed to have been suspended or waived by Purchaser unless such suspension or waiver is by an instrument in writing signed by an officer of Purchaser and directed to Issuer specifying such suspension or waiver.

SECTION 36. *Waiver of Jury Trial.* The parties hereto waive all right to trial by jury in any action or proceeding to enforce or defend any rights under this Agreement or the Notes.

SECTION 37. *Non-Confidentiality.* The parties hereby agree that (i) Issuer and each of its employees, representatives, or other agents may disclose to any persons the tax treatment and tax structure of the transactions contemplated by the Transaction Documents and all materials of any kind, including opinions or other tax analyses, provided by Purchaser and its Affiliates to Issuer relating to such tax treatment and tax structure; *provided* that the foregoing does not constitute an authorization to disclose the identity of Purchaser or its Affiliates, agents or advisers, or, except to the extent relating to such tax structure or tax treatment, any specific pricing terms or commercial or financial information, and (ii) Purchaser does not assert any claim of proprietary ownership in respect of any description contained herein or therein relating to the use of any entities, plans or arrangements to give rise to a particular United States federal income tax treatment for Issuer.

SECTION 38. *Severability.* Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 39. *Agreements Regarding the Pricing Confirmation.*

(a) This Agreement, as supplemented by the Pricing Confirmation, is a “qualified financial contract”, as such term is defined in Section 5-701(b)(2) of the General Obligations Law of New York (the “**General Obligations Law**”); (iii) the Pricing Confirmation constitutes a “confirmation in writing sufficient to indicate that a contract has been made between the parties” hereto, as set forth in Section 5-701(b)(3)(b) of the General Obligations Law; and (iv) this Agreement constitutes a prior “written contract” as set forth in Section 5-701(b)(1)(b) of the General Obligations Law, and each party hereto intends and agrees to be bound by this Agreement, as supplemented by the Pricing Confirmation.

(b) Issuer and Purchaser further agree and acknowledge that this Agreement, as supplemented by the Pricing Confirmation, constitutes a contract “for the sale or purchase of a security”, as set forth in Section 8-113 of the Uniform Commercial Code of New York.

SECTION 40. *Purchaser’s Market Activities.* (a) At any time Purchaser remains a Noteholder, Purchaser and its Affiliates may buy or sell shares of NRG Common Stock or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to adjust its hedge position with respect to the Notes held by Purchaser.

(b) Purchaser and its Affiliates also may be active in the market for shares of NRG Common Stock other than in connection with hedging activities in relation to the Notes held by Purchaser.

(c) Purchaser shall make its own determination as to whether, when or in what manner any hedging or market activities in NRG Common Stock shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the VWAP Price.

(d) Any market activities of Purchaser and its Affiliates with respect to NRG Common Stock may affect the market price and volatility of NRG Common Stock, as well as the VWAP Price, each in a manner that may be adverse to Issuer.

SECTION 41. *Securities Contract.* The parties hereto agree and acknowledge that the Purchaser is a “stockbroker” and “financial participant” within the meaning of Sections 101(53A), 101(53C) and 101(22A) of Title 11 of the United States Code (the “**Bankruptcy Code**”).

The parties hereto further agree and acknowledge that (A) each of this Agreement and the Note is a “securities contract,” as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or thereunder or in connection herewith or therewith is a “settlement payment” within the meaning of Sections 362 and 546 of the Bankruptcy Code and any cash, securities or other property provided as performance assurance, credit support or collateral with respect thereto is a “margin payment” within the meaning of Sections 362 and 546 of the Bankruptcy Code, (B) the rights given to the Purchaser hereunder and under the Note upon the occurrence of an Event of Default constitute a “contractual right” to cause the liquidation, termination or acceleration of, and to offset or net out termination values or payment amounts and set off mutual debts and claims under or in connection with, a “securities contract” as such terms are used in Sections 555, 561, and 362(b)(6) of the Bankruptcy Code, and (C) the Purchaser is entitled to the protections afforded by, among other sections, Sections 362(b)(6), 362(o), 546(e), 555 and 561 of the Bankruptcy Code.

SECTION 42. *Matters Relating to Credit Suisse International and Credit Suisse Securities (USA) LLC.*

- (a) Agent may assign or transfer any of its rights or duties hereunder without the prior written consent of the other parties hereto to any affiliate of Credit Suisse, so long as such affiliate is a broker-dealer registered with the Securities and Exchange Commission.
- (b) Agent shall act as “agent” for Purchaser and Issuer in connection with the transaction contemplated by this Agreement.
- (c) Agent will furnish to Issuer upon written request a statement as to the source and amount of any remuneration received or to be received by Agent in connection herewith.
- (d) Agent has no obligation hereunder, by guaranty, endorsement or otherwise, with respect to performance of Purchaser’s obligations hereunder or under the any Transaction Document.
- (e) Purchaser is an “OTC derivatives dealer” as such term is defined in the Exchange Act and is an affiliate of Agent.
- (f) Purchaser is not a member of the Securities Investor Protection Corporation.

SECTION 43. *Survival.* The representations and warranties of Issuer and Purchaser in this Agreement shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

ISSUER:

NRG COMMON STOCK FINANCE I LLC

By: /s/ Clint Freeland
Name: Clint Freeland
Title: VP & Treasurer

PURCHASER:

CREDIT SUISSE INTERNATIONAL

By: /s/ Laura Muir
Name: Laura Muir
Title: Authorized Signatory

By: /s/ Christian Bettley
Name: Christian Bettley
Title: Authorized Signatory

AGENT:

CREDIT SUISSE SECURITIES (USA)
LLC

By: /s/ Augustine Vargetto
Name: Augustine Vargetto
Title: Director, Complex Product Support

[FORM OF NOTE]

PROMISSORY NOTE
OF
NRG COMMON STOCK FINANCE I LLC

Note No. ___

Issue Date: _____, 200__

FACE OF NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CREDIT SUISSE INTERNATIONAL, TO NRG COMMON STOCK FINANCE I LLC (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CREDIT SUISSE INTERNATIONAL OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CREDIT SUISSE INTERNATIONAL, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CREDIT SUISSE INTERNATIONAL HAS AN INTEREST HEREIN.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER OF THIS NOTE WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THIS NOTE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), (II) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (III) TO THE ISSUER, IN EACH OF CASES (I) THROUGH (III) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE NOTE PURCHASE AGREEMENT REFERRED TO BELOW.

FOR VALUE RECEIVED, NRG Common Stock Finance I LLC, a Delaware limited liability company (the “**Issuer**”), hereby promises to pay and deliver to the order of _____ or registered assigns (the “**Noteholder**”), such amounts on such dates specified in that certain Note Purchase Agreement dated as of August 4, 2006 among the Issuer, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent (the “**Note Purchase Agreement**”).

If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the rate set forth in the Note Purchase Agreement.

This Note is one of the Notes issued under the Note Purchase Agreement and is entitled to the benefits thereof. This Note is secured by Collateral pursuant to the terms of the Note Purchase Agreement, as amended from time to time.

Upon the occurrence of one or more of the Events of Default specified in the Note Purchase Agreement, the Termination Amount and all other amounts then remaining unpaid on this Note shall become, may be declared to be, immediately due and payable all as provided in the Note Purchase Agreement.

The Issuer, for itself and its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note. This Note shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of laws provisions thereof.

By: _____

Name:

Title:

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FORM OF PRICING CONFIRMATION
in respect of the
NOTE PURCHASE AGREEMENT
among
NRG COMMON STOCK FINANCE I LLC,
CREDIT SUISSE INTERNATIONAL
and
CREDIT SUISSE SECURITIES (USA) LLC
(Ref: [_____])

This Pricing Confirmation (this “**Pricing Confirmation**”) supplements, forms part of and is subject to, the Note Purchase Agreement dated as of August 4, 2006 (the “**Agreement**”) among NRG Common Stock Finance I LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

The final pricing terms of the Transaction are as follows:

Reference Price: USD[_____]
Threshold Price: USD[_____]
Aggregate Number of Underlying Shares: [_____]
Initial Valuation Date: [_____]

Funding Date	Daily Funding Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Confirmed as of the date first written above:

Acknowledged and Confirmed:

PURCHASER:

CREDIT SUISSE INTERNATIONAL

By: _____
Name:
Title:

By: _____
Name:
Title:

ISSUER:

NRG COMMON STOCK FINANCE I LLC

By: _____
Name:
Title:

AGENT:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (this "**Agreement**") is made as of this 4th day of August, 2006 among NRG Common Stock Finance II LLC, a Delaware limited liability company ("**Issuer**"), Credit Suisse International (together with its successor and assigns, "**Purchaser**") and Credit Suisse Securities (USA) LLC ("**Agent**"), solely in its capacity as agent for Purchaser and Issuer.

WITNESSETH

WHEREAS, Issuer and Purchaser wish to sell and purchase Issuer's promissory notes (each, a "**Note**") on the terms and conditions set forth herein; NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

SECTION 1. *Definitions.* (a) As used herein, the following terms have the following meanings:

"**Accelerated Component**" has the meaning specified in Section 13.

"**Accelerated Maturity Date**" means a date designated pursuant to Section 13.

"**Acceleration Event**" means any Collateral Event of Default, any Event of Default, any Default or any Extraordinary Event that results in an obligation of Issuer to pay an amount pursuant to this Agreement.

"**Acceleration Percentage**" has the meaning specified in Section 13.

"**Accretion Rate**" means 6.1100% per annum.

"**Adjustment Event**" has the meaning specified in Section 14(b).

"**Affiliate**" means, with respect to any Person, any Person who controls, is controlled by or is under common control with such Person. "**Control**" means, for these purposes, the power to direct the management and policies of such Person, whether by stock ownership, contract or otherwise.

"**Agent**" has the meaning specified in the preamble.

"**Aggregate Number of Underlying Shares**" means the product of the Notional Number of Shares and the Underlying Share Percentage.

“**Agreement**” has the meaning specified in the preamble and includes the Pricing Confirmation hereunder.

“**Article 9 Security Interest**” has the meaning specified in Section 6(z).

“**Blackout**” has the meaning set forth in the Underwriting Agreement.

“**Business Day**” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

“**Calculation Agent**” means Credit Suisse Securities (USA) LLC.

“**Cash**” means United States dollars.

“**Cash Condition**” means contribution by the Company to Issuer of Cash, and delivery by Issuer of such Cash to the Collateral Account, such that as of 8:00AM, New York City time, on the Initial Valuation Date the Collateral includes Cash in an amount equal to the sum of (i) the expected aggregate Principal Amount as of the Final Settlement Date, as reasonably determined by the Calculation Agent, of all Components of all Notes issued hereunder (ii) the expected aggregate Preferred Base Liquidation Preference as of the Final Settlement Date, as reasonably determined by the Calculation Agent, of all Components (as defined in the Exchangeable Preferred Interests issued by Issuer) of all Exchangeable Preferred Interests issued by Issuer and (iii) if Issuer has validly selected a Cash Settlement Percentage hereunder and/or under (and as defined in) the Exchangeable Preferred Interests issued by Issuer that, in either case, is greater than zero, an additional amount of Cash equal to the Calculation Agent’s reasonable estimate of the aggregate amount of Cash payable by Issuer in respect of the Notes and the Exchangeable Preferred Stock issued by Issuer as a result of such election, based on the VWAP Price on the Exchange Business Day immediately prior to the Initial Valuation Date.

“**Cash Condition Percentage**” means the amount of Cash contributed by the Company to Issuer and delivered by Issuer to, and held in, the Collateral Account as of 8:00AM, New York City time, on the Initial Valuation Date, expressed as a percentage of the amount thereof necessary to satisfy the Cash Condition in whole.

“**Cash Settlement Percentage**” has the meaning specified in Section 4(c).

“**Change in Law**” means, in respect of any Note, that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in either case, the Calculation Agent reasonably determines that it has become illegal to hold, acquire or dispose of shares of NRG Common Stock.

“**Collateral**” has the meaning specified in Section 20.

“**Collateral Account**” has the meaning specified in Section 19.

“**Collateral Event of Default**” has the meaning specified in Section 21.

“**Common Equity Funding Percentage**” means 16.2189%.

“**Company**” means NRG Energy, Inc.

“**Component**” has the meaning specified in Section 2(b).

“**Control**” means “control” as defined in Section 8-106 and Section 9-106 of the UCC.

“**Custodian**” means Credit Suisse Securities (USA) LLC, or any other custodian appointed by Purchaser and identified to Issuer.

“**Daily Funding Amount**” means, for the Note initially issued on the Issue Date pursuant to Section 3, for any Funding Date, the product of (i) the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date and (ii) the Funding Percentage. In the event that any Note is subsequently divided pursuant to Section 27, the Daily Funding Amounts for all Funding Dates shall be divided proportionally among the resulting Notes for the purpose of determining the Initial Principal Amounts of such resulting Notes.

“**Daily Notional Amount**” means, for any Scheduled Trading Day in the Reference Period, the product of the Daily Notional Number of Shares for such Scheduled Trading Day and the VWAP Price for such Scheduled Trading Day; *provided* that if the price at which Issuer purchases the Purchased Shares for such Scheduled Trading Day differs from such VWAP Price, the Calculation Agent shall adjust the Daily Notional Amount for such Scheduled Trading Day to account for such difference.

“**Daily Notional Number of Shares**” means, for any Scheduled Trading Day in the Reference Period, a number of shares of NRG Common Stock selected by Issuer and notified to Purchaser in accordance with Section 3; *provided* that if any such Scheduled Trading Day is not an Exchange Business Day, the Daily Notional Number of Shares for such Scheduled Trading Day shall be zero notwithstanding any selection by Issuer pursuant to Section 3; and *provided further* that if a Market Disruption Event occurs on such Scheduled Trading Day, the parties shall agree in good faith to reduce the Daily Notional Number of Shares for such Scheduled Trading Day if necessary as appropriate in light of the nature of such Market Disruption Event.

“Daily Share Percentage” means 45.0000%.

“Default” means any event that constitutes or, with the passage of time or giving of notice or both will constitute, an Event of Default.

“Default Payment Date” means, for any Component of any Note, the date the Termination Amount for such Component becomes due and payable pursuant to Section 12.

“Delisting” means that the Exchange announces that pursuant to the rules of such Exchange, NRG Common Stock has ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on the New York Stock Exchange or Nasdaq Stock Exchange.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“Double Print Period” means the period beginning on the first Exchange Business Day of the Reference Period on which the Daily Notional Number of Shares is greater than zero and ending on the day on or following the last Exchange Business Day of the Reference Period on which Purchaser and its affiliates have completed registered sales of a number of shares of NRG Common Stock, in the manner contemplated by the Underwriting Agreement, equal to the Notional Number of Shares.

“Early Closure” means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its scheduled weekday closing time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day.

“Eligible Collateral” has the meaning specified in Section 19.

“Equivalent Number” means, for any number of shares of NRG Common Stock to be released from the security interest granted herein pursuant to Section 22, a number of shares of Qualifying Preferred Stock convertible into an equal number of shares of NRG Common Stock.

“**Event of Default**” has the meaning specified in Section 11.

“**Exchange**” means, at any time, the principal securities exchange or automated quotation system on which NRG Common Stock is listed or traded at such time.

“**Exchange Business Day**” means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any Related Exchange closing prior to its scheduled weekday closing time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as reasonably determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the NRG Common Stock on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to NRG Common Stock on any Related Exchange.

“**Exchangeable Preferred Interests**” means the preferred equity interests of each NRG CSF issued pursuant to the Preferred Interest Purchase Agreement to which such NRG CSF is a party.

“**Excluded Taxes**” means, with respect to Purchaser or assignee or any other recipient of any payment to be made by or on account of any obligation of Issuer hereunder, (a) income or franchise taxes imposed on (or measured by) its gross or net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of Purchaser, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which Issuer is located and (c) in the case of a Non-U.S. Participant, any withholding tax that is imposed on amounts payable to such Non-U.S. Participant after such Non-U.S. Participant becomes a party to this Agreement (or designates a new lending office) and prior to such Non-U.S. Participant’s compliance with Section 5(c) or is attributable to such Non-U.S. Participant’s failure to comply with Section 5(c).

“**Extraordinary Event**” means, in respect of any Note, any of (i) a determination by the Calculation Agent that an Adjustment Event or an Increased Cost of Hedging is reasonably likely to require an adjustment to the Threshold Price for such Note that would result in such Threshold Price being equal to or less than the Reference Price, (ii) a Change in Law in respect of such Note, (iii) a Hedging Disruption in respect of such Note, (iv) a Loss of Stock Borrow in respect of such Note, (v) a Merger Event, (vi) a Tender Offer (vii) a Nationalization or (viii) a Delisting.

“**Fee Agreement**” means the letter agreement dated the date hereof among the Company, Purchaser, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

“**Final Settlement Date**” means the Exchange Business Day immediately following the last Valuation Date.

“**FPA**” has the meaning specified in Section 6(ee).

“**Funding Date**” has the meaning specified in Section 3.

“**Funding Percentage**” means 22.5000%.

“**General Obligations Law**” has the meaning specified in Section 39(b).

“**Hedging Disruption**” means, in respect of any Note, that the Calculation Agent reasonably determines that the Noteholder of such Note is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it reasonably deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the transactions contemplated by the Transaction Documents to which it is a party (including purchasing and holding of such Note).

“**Increased Cost**” means, in respect of any Note, that the Noteholder of such Note reasonably determines that compliance with any law or regulation enacted or introduced after the date hereof or any guideline or request of any central bank or other governmental authority adopted or made after the date hereof (whether or not having the force of law) affects the amount of capital required to be maintained by such Noteholder or any corporation controlling such Noteholder and that the amount of such capital is increased by or based upon the existence of such Note.

“**Increased Cost of Hedging**” means, in respect of any Note, that the Calculation Agent reasonably determines that the Noteholder of such Note or its affiliates would incur an amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the transactions contemplated by the Transaction Documents to which it is a party (including purchasing and holding of such Note), in excess of 0.75% per annum.

“**Indemnified Party**” has the meaning specified in Section 18.

“**Independent Manager**” has the meaning specified in the Limited Liability Company Agreement of Issuer.

“Independent Manager Engagement Agreement” means that Staffing Agreement with an effective date of August 4, 2006 by Issuer, NRG Common Stock Finance I LLC and CT Corporation Staffing, Inc., a Delaware corporation (“CT”), related to the provision by CT of certain management staffing services to Issuer and NRG Common Stock Finance I LLC.

“Initial Pledged Items” has the meaning specified in Section 19.

“Initial Principal Amount” means, for any Note, the sum of the Daily Funding Amounts for such Note, each accreted from the applicable Funding Date to the final Funding Date at the Accretion Rate, as determined by the Calculation Agent, and, for any Component of such Note, one thirtieth of such amount.

“Initial Valuation Date” means the date that follows the Exchange Business Day corresponding to the final Funding Date by three years; *provided* that if such date is not an Exchange Business Day, the Initial Valuation Date shall be the immediately following Exchange Business Day.

“Issue Date” means the date hereof.

“Issuer” has the meaning specified in the preamble.

“Issuer Common Equity Interest Purchase Agreement” means the Common Equity Interest Purchase Agreement dated as of the date hereof between Issuer and the Company.

“Issuer Preferred Interest Purchase Agreement” means the Preferred Interest Purchase Agreement dated as of the date hereof among Issuer, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.

“Lien” has the meaning specified in Section 19.

“Loss of Stock Borrow” means, in respect of any Note, that the Calculation Agent reasonably determines that the Noteholder of such Note is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) shares of NRG Common Stock with respect to such Note in an amount equal to the number of shares of NRG Common Stock that the Calculation Agent reasonably determines is necessary to hedge the equity price risk of purchasing and holding such Note (not to exceed the Number of Underlying Shares for such Note) or is otherwise unable to hedge the equity price risk of purchasing and holding such Note (not to exceed the Number of Underlying Shares for such Note).

“Market Disruption Event” means, on any Scheduled Trading Day, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent reasonably determines is material, or (iii) an Early Closure.

“Maturity Date” means, for any Component of any Note, if the Cash Condition is satisfied, the Final Settlement Date, or, if the Cash Condition is not satisfied, the Exchange Business Day immediately following the Valuation Date for such Component.

If the Cash Condition is satisfied in part but not in whole, then each Component of each Note (each, a **“Relevant Component”**) issued hereunder shall be deemed to be two Components with terms identical to those of the Relevant Component, except that the first such Component (the **“Cash Condition Satisfied Component”**) shall have an Initial Principal Amount equal to the product of the Cash Condition Percentage and the Initial Principal Amount of the Relevant Component, and the second such Component (the **“Cash Condition Not Satisfied Component”**) shall have an Initial Principal Amount equal to the product of (x) one minus the Cash Condition Percentage and (y) the Initial Principal Amount of the Relevant Component. In the alternative, the parties may agree to a different allocation and identification of Cash Condition Satisfied Components and Cash Condition Not Satisfied Components. The Maturity Date for all Cash Condition Satisfied Components shall be determined as if the Cash Condition were satisfied and the Maturity Date for all Cash Condition Not Satisfied Components shall be determined as if the Cash Condition were not satisfied.

“Merger Event” means any (i) reclassification or change of the shares of NRG Common Stock that results in a transfer of all of such shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Company is the continuing entity and which does not result in a reclassification or change of all of such shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding shares of NRG Common Stock that actually results in a transfer of all such shares (other than such shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such shares outstanding but results in the outstanding shares of the Company (other than shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding shares immediately following such event.

“**Nationalization**” means that all the shares of NRG Common Stock or all or substantially all the assets of the Company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Net Settlement Amount**” means, for any Component of any Note, the greater of zero and (i) the Number of Underlying Shares for such Component multiplied by (ii) the VWAP Price on the Valuation Date for such Component *minus* the Threshold Price for such Note.

“**New York Financing Statements**” has the meaning specified in Section 6(aa).

“**Non-U.S. Participant**” has the meaning specified in Section 5(c).

“**Note**” has the meaning specified in the recitals.

“**Noteholder**” means any holder from time to time of a Note issued hereunder.

“**Noteholder Group**” has the meaning specified in Section 24.

“**Note Register**” has the meaning specified in Section 27(a).

“**Note Registrar**” has the meaning specified in Section 27(a).

“**Notional Amount**” means the sum of the Daily Notional Amounts for all Scheduled Trading Days in the Reference Period.

“**Notional Number of Shares**” means a number of shares of NRG Common Stock equal to the sum of the Daily Notional Numbers of Shares for all Scheduled Trading Days in the Reference Period.

“**NRG Common Stock**” means common stock, par value \$0.01 per share, of the Company.

“**NRG CSF**” means each of Issuer and NRG Common Stock Finance I LLC.

“**NRG CSF I Common Equity Interest Purchase Agreement**” means the Common Equity Interest Purchase Agreement dated as of the date hereof between NRG Common Stock Finance I LLC and the Company.

“**NRG CSF I Note Purchase Agreement**” means the Note Purchase Agreement dated the date hereof among NRG Common Stock Finance I LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.

“**NRG CSF I Preferred Interest Purchase Agreement**” means the Preferred Interest Purchase Agreement dated as of the date hereof among NRG Common Stock Finance I LLC, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.

“**Number of Underlying Shares**” means, for any Component of any Note, the product of the Aggregate Number of Underlying Shares and a fraction the numerator of which is the Initial Principal Amount of such Component and the denominator of which is the aggregate Initial Principal Amount of all Components of all Notes issued hereunder (subject to rounding by the Calculation Agent to the nearest whole number).

“**Permitted Investment**” means property and assets that constitute Eligible Collateral and Proceeds therefrom; and any other assets or property with an aggregate value not to exceed \$100,000.

“**Permitted Liabilities**” means Issuer’s liabilities pursuant to any Transaction Document, in each case other than (i) any liability resulting from a breach or misrepresentation by Issuer or any other event that would constitute a default, event of default or other termination event (howsoever described) under any Transaction Document or (ii) inadvertent liabilities, not to exceed \$10,000.00 in the aggregate outstanding at any one time.

“**Person**” means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“**Preferred Base Liquidation Preference**” has the meaning set forth in the Exchangeable Preferred Interests issued by Issuer.

“**Preferred Interest Purchase Agreement**” means each of the Issuer Preferred Interest Purchase Agreement and the NRG CSF I Preferred Interest Purchase Agreement.

“**Preferred Holder**” means any holder from time to time of Exchangeable Preferred Interests.

“**Pricing Confirmation**” has the meaning specified in Section 3.

“**Principal Amount**” means, in respect of any Component or Note at any time, the Initial Principal Amount of such Component or Note accreted from the final Funding Date to such time at the Accretion Rate, as reasonably determined by the Calculation Agent. Prior to the final Funding Date, the Principal Amount of any Component or Note at any time shall be the Initial Principal Amount of such Component or Note determined as of such time.

“**Purchased Shares**” has the meaning specified in Section 8(c).

“**Purchaser**” has the meaning specified in the preamble.

“**Qualifying Preferred Stock**” means non-dividend-paying preferred interests of the Company, with terms satisfactory to Purchaser, any other Noteholders and any Preferred Holder at the time of the relevant substitution pursuant to Section 8(o)(iv), and convertible at any time by the holder or the Company at a one-for-one ratio into NRG Common Stock.

“**Reference Period**” means a period of consecutive Scheduled Trading Days beginning on the Issue Date and ending on the earliest of (i) the first Exchange Business Day on which the Notional Amount equals \$500,000,000, (ii) the Reference Period End Date and (iii) any Exchange Business Day designated by Issuer upon three Business Days written notice to Purchaser.

“**Reference Period End Date**” means October 13, 2006.

“**Reference Price**” means the Notional Amount *divided by* the Notional Number of Shares.

“**Related Exchange**” means, at any time, any exchange on which futures or options contracts relating to NRG Common Stock are traded at such time.

“**Relevant Component**” has the meaning specified in the definition of Maturity Date and in Sections 13 and 16, in each case as used therein.

“**Rule 10b-18**” has the meaning specified in Section 3(c).

“**Scheduled Trading Day**” means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“**Secured Obligations**” has the meaning specified in Section 20.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Settlement Cycle**” means the period following a trade in shares of NRG Common Stock on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

“**Structuring Fee**” means the fee payable by the Company as set forth in the Fee Agreement.

“**Surviving Component**” has the meaning specified in Sections 13 and 16, in each case as used therein.

“**Suspension Day**” has the meaning specified in the Underwriting Agreement.

“**Taxes**” has the meaning specified in Section 5(b).

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that actually results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means (it being understood that a mere offer does not give rise to any such right), greater than 30% and less than 100% of the outstanding voting shares of the Company, as reasonably determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Termination Amount**” means, for any Component of any Note, an amount, reasonably determined by the Calculation Agent in connection with an Extraordinary Event for which an Accelerated Maturity Date has been designated, an optional unwind pursuant to Section 16 for which an Unwind Date has been designated or an Event of Default pursuant to which the Termination Amount has become due and payable on a Default Payment Date, in each case in respect of such Component, to be appropriate to compensate the Noteholder of such Note for its total losses and costs in connection with such Component, including any loss of bargain, loss of funding or, at the election of such Noteholder but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position, including losses and costs in respect of any payment or delivery in respect of such Component that would, but for the occurrence of such Accelerated Maturity Date, Unwind Date or Event of Default, as the case may be, have been made after such Accelerated Maturity Date, Unwind Date or Default Payment Date, as applicable.

“**Threshold Price**” means, for any Note, initially 172.8000% of the Reference Price, subject to adjustment as provided herein.

“**Trading Day**” means any Exchange Business Day that is not a Disrupted Day.

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the Exchange or any Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or any Related Exchange or otherwise (i) relating to NRG Common Stock on the Exchange, or (ii) in futures or options contracts relating to NRG Common Stock on any Related Exchange.

“Transaction Documents” means (i) this Note Purchase Agreement (including the Pricing Confirmation hereunder); (ii) any Notes hereunder; (iii) the NRG CSF I Note Purchase Agreement (including the pricing confirmations thereunder) (iv) any Notes issued under the NRG CSF I Note Purchase Agreement; (v) the Issuer Preferred Interest Purchase Agreement; (vi) the NRG CSF I Preferred Interest Purchase Agreement; (vii) the Limited Liability Company Agreement of Issuer, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Preferred Interests issued by Issuer; (viii) the Limited Liability Company Agreement of NRG Common Stock Finance I LLC, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Preferred Interests issued by NRG Common Stock Finance I LLC; (ix) the Underwriting Agreement and the Fee Agreement; (x) the Issuer Common Equity Interest Purchase Agreement; (xi) the NRG CSF I Common Equity Interest Purchase Agreement; (xii) the letter agreement dated as of August 4, 2006 between Issuer and Credit Suisse Securities (USA) LLC relating to the purchase of NRG Common Stock; (xiii) the letter agreement dated as of August 4, 2006 between NRG Common Stock Finance I and Credit Suisse Securities (USA) LLC relating to the purchase of NRG Common Stock; and (xiv) the Independent Manager Engagement Agreement.

“Transfer Restriction” means, with respect to any item of collateral pledged under this Agreement, any condition to or restriction on the ability of the owner thereof to sell, assign or otherwise transfer such item of collateral or enforce the provisions thereof or of any document related thereto whether set forth in such item of collateral itself or in any document related thereto, including, without limitation, (i) any requirement that any sale, assignment or other transfer or enforcement of such item of collateral be consented to or approved by any Person, including, without limitation, the issuer thereof or any other obligor thereon, (ii) any limitations on the type or status, financial or otherwise, of any purchaser, pledgee, assignee or transferee of such item of collateral, (iii) any requirement of the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document of any Person to the issuer of, any other obligor on or any registrar or transfer agent for, such item of collateral, prior to the sale, pledge, assignment or other transfer or enforcement of such item of collateral and (iv) any registration or qualification requirement or prospectus delivery requirement for such item of collateral pursuant to any federal, state or foreign securities law (including, without limitation, any such requirement arising under Section 5 of the Securities Act as a result of such security being a “restricted security” or Issuer being an “Affiliate” of the issuer of such security, as such terms are defined in Rule 144 under the Securities Act, or as a result of the sale of such security being subject to paragraph (c) of Rule 145 under the Securities Act); *provided* that the required delivery of any assignment, instruction or entitlement order from the seller, Issuer, assignor or transferor of such item of collateral, together with any evidence of the corporate or other authority of such Person, shall not constitute a “Transfer Restriction”.

“UCC” means the Uniform Commercial Code as in effect in the State of New York.

“Underlying Share Percentage” means 35.1793%.

“Underwriting Agreement” means that Underwriting Agreement dated as of the date hereof among Issuer, Purchaser, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

“Unwind Date” means a date designated pursuant to Section 16.

“Unwind Percentage” has the meaning specified in Section 16.

“Unwound Component” has the meaning specified in Section 16.

“Valuation Date” means, for the first Component of each Note, the Initial Valuation Date, and, for each subsequent Component of such Note, the Exchange Business Day immediately following the Valuation Date for the previous Component, *provided* that if any such Exchange Business Day is a Disrupted Day, then such Exchange Business Day shall not be a Valuation Date, and such Valuation Date shall be the first succeeding Exchange Business Day that is not a Disrupted Day and on which another Valuation Date does not or is not deemed to occur. If such first succeeding Exchange Business Day has not occurred as of the eighth Exchange Business Day immediately following the day that, but for the occurrence of another Valuation Date or Disrupted Day, would have been the final Valuation Date, then (1) that eighth Exchange Business Day shall be deemed the Valuation Date for all Components for which the Valuation Date has not yet occurred, and (2) the VWAP Price on that Valuation Date shall be deemed to be the prevailing market value of the NRG Common Stock as reasonably determined by the Calculation Agent.

“VWAP Price” means, on any Scheduled Trading Day, the Rule 10b-18 “Volume Weighted Average Price” per share of NRG Common Stock on such day, as displayed on Bloomberg Page “NRG.N <Equity> AQR SEC” (or any successor thereto) for the Company on such day or, if such price is not so displayed on such day, the Rule 10b-18 volume weighted average price per share of NRG Common Stock on such day as reasonably determined by the Calculation Agent.

(b) The following terms that are defined in the UCC are used herein as so defined: Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, Financial Assets, General Intangibles, Instruments, Inventory, Investment Property, Securities Accounts and Security Entitlements.

“**Withholding Certificate**” has the meaning specified in Section 5(c).

SECTION 2. *Single Agreement; Components.* (a) All Notes issued and sold by Issuer and purchased by Purchaser pursuant to this Agreement are entered into in reliance on the fact that this Agreement, the Pricing Confirmation and all Notes issued hereunder form a single agreement between the parties, and the parties would not otherwise issue and sell or purchase any Notes.

(b) Each Note issued hereunder shall consist of 30 separate components (each, a “**Component**”). The payments and deliveries by Issuer in respect of any Note shall be made as if each Component were a separate Note hereunder.

SECTION 3. *Sale and Purchase.* (a) Upon the terms and subject to the conditions set forth herein, Issuer agrees to issue and sell to Purchaser, and Purchaser agrees to purchase from Issuer, on the Issue Date, a Note having the terms set forth herein and in the Pricing Confirmation.

(b) On the Issue Date, Issuer will deliver a Note substantially in the form of Exhibit A hereto, duly completed, to Purchaser (or an agent specified by Purchaser).

(c) No later than 9:00AM, New York City time on each Scheduled Trading Day in the Reference Period, Issuer shall specify to Purchaser a Daily Notional Number of Shares (which shall equal the Daily Notional Number of Shares specified by NRG Common Stock Finance I for such Scheduled Trading Day pursuant to the NRG CSF I Note Purchase Agreement), subject to the following guidelines:

(1) the Daily Notional Number of Shares for such Scheduled Trading Day, when aggregated with any purchases made on such day by the Company or any “affiliated purchaser” (as such term is defined in Rule 10b-18 under the Securities Exchange Act of 1934, as amended (“**Rule 10b-18**”)) of the Company other than NRG Common Stock Finance I, shall not exceed the number of shares of NRG Common Stock that the Company could have purchased on that day pursuant to the safe harbor provisions of Rule 10b-18 (determined, for purposes of this Agreement, by excluding from any calculation of ADTV (as such term is used in Rule 10b-18) any purchase or sale of shares of NRG Common Stock effected by Purchaser or an affiliate of Purchaser in connection with any Transaction Document that would otherwise have been included in such calculation of ADTV);

(2) the Daily Notional Number of Shares for such Scheduled Trading Day shall not cause the Notional Amount to exceed \$500,000,000; and

(3) Issuer acknowledges that, as of the date of this Agreement, it intends (but without being legally bound to do so), to the extent not inconsistent with the requirements in the immediately preceding clause (1), to select the Daily Notional Number of Shares for each Scheduled Trading Day in the Reference Period so that the Notional Amount equals \$500,000,000 on or prior to the end of the Reference Period. If the Notional Amount as of the end of the Reference Period is less than \$500,000,000, the parties shall work together in good faith to execute such documents, substantially similar to the Transaction Documents, as may be required to enter into transactions substantially similar to those contemplated by the Transaction Documents so that the aggregate notional amounts of all such transactions equals \$500,000,000.

(d) Purchaser will make payment to Issuer in immediately available funds by wire transfer to an account designated by Issuer on each day that is one Settlement Cycle following each Exchange Business Day in the Reference Period (each such date of payment, a “**Funding Date**”) in an amount equal to the Daily Funding Amount for such Funding Date.

(e) On the last Exchange Business Day of the Reference Period, the Calculation Agent will deliver to the parties a pricing confirmation setting forth the final pricing terms of the Note issued on the Issue Date (a “**Pricing Confirmation**”), duly completed and substantially in the form of Exhibit B hereto. Upon receipt of the Pricing Confirmation, the parties will each execute a copy thereof; *provided* that regardless of whether either party executes a copy of the Pricing Confirmation, the terms set forth in the Pricing Confirmation shall be binding on the parties absent manifest error, unless such party notifies the other party that it reasonably believes that an error has been made in the computation of such terms within three Business Days of receipt thereof, in which case the parties shall work together to determine the correct terms.

SECTION 4. *Payment and Delivery at Maturity.* (a) On the Maturity Date for each Component of each Note, Issuer shall make a payment to the Noteholder of such Note in Cash equal to the Principal Amount of such Component as of such Maturity Date.

(b) In addition to payment of principal as provided in Section 4(a), each Noteholder shall have the right to exchange each Component of each Note held by such Noteholder for the Net Settlement Amount for such Component by giving notice to Issuer on or prior to the fifth Scheduled Trading Day immediately prior to the Initial Valuation Date. On the Maturity Date for each Component of each Note so exchanged, Issuer shall (in addition to the Principal Amount set forth in Section 4(a)) make a payment and/or a delivery to such Noteholder of (i) an amount in cash equal to the product of the Net Settlement Amount for such Component and the Cash Settlement Percentage and (ii) a number of shares of NRG Common Stock equal to (x) the product of (A) such Net Settlement Amount and (B) one *minus* the Cash Settlement Percentage *divided by* (y) the VWAP Price on the Valuation Date for such Component; *provided* that the number of shares so delivered in respect of any Component of any Note shall not exceed 76.1704% of the Number of Underlying Shares for such Component.

(c) Issuer may, by written notice to all Noteholders on or prior to the third Scheduled Trading Day immediately prior to the Initial Valuation Date, specify a Cash Settlement Percentage (a “**Cash Settlement Percentage**”) for all Notes issued hereunder. For the avoidance of doubt, if Issuer does not so specify a Cash Settlement Percentage, the Cash Settlement Percentage shall be zero.

SECTION 5. *Payments.* (a) All payments of, or in respect of, principal or any other payment on any Note shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts by wire transfer of immediately available funds to an account designated by the Noteholder of such Note.

(b) All payments of, or in respect of, principal or any other payment on the Notes made by Issuer hereunder will be made without withholding or deduction for, or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature (or interest on any taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature) imposed, levied, collected, withheld or assessed by, within or on behalf of any jurisdiction in which Issuer is organized, deemed to reside or engaged in business for tax purposes, or any jurisdiction from or through which any amount is paid by Issuer or any political subdivision or governmental authority thereof or therein having power to tax other than Excluded Taxes (collectively “**Taxes**”), unless such withholding or deduction is required by law. If any such Taxes shall at any time be required in respect of the payment of any amounts by Issuer under any Note, Issuer will pay to each Noteholder such additional amounts as may be necessary to ensure that the amounts received by such Noteholder after such withholding or deduction shall equal the amounts of principal and interest which would have been receivable in respect of such Note in the absence of such withholding or deduction.

(c) To the extent permitted by applicable law, each Noteholder that is not a United States person within the meaning of Code section 7701(a)(30) (a “**Non-U.S. Participant**”) shall deliver to Issuer on or prior to the Issue Date (or in the case of a Noteholder that is an assignee, on the date of such assignment to such Noteholder) two accurate and complete original signed copies of IRS Form W-8BEN, W-8ECI, or W-8IMY (or any successor or other applicable form prescribed by the IRS) certifying to such Noteholder’s entitlement to a complete exemption from United States withholding tax on interest payments to be made hereunder.

If a Noteholder that is a Non-U.S. Participant is claiming a complete exemption from withholding on interest pursuant to Sections 871(h) or 881(c) of the Code, such Noteholder shall deliver (along with two accurate and complete original signed copies of IRS Form W-8BEN) a certificate in form and substance reasonably acceptable to Issuer (any such certificate, a “**Withholding Certificate**”). If any Noteholder determines, as a result of any change in applicable law, regulation or treaty, or in any official application or interpretation thereof, that it is unable to submit to Issuer any form or certificate that such Noteholder is obligated to submit pursuant to this subsection (c) or that such Noteholder is required to withdraw or cancel any such form or certificate previously submitted or any such form or certificate otherwise becomes ineffective or inaccurate, such Noteholder shall promptly notify Issuer of such fact and such Noteholder shall to that extent not be obligated to provide any such form or certificate and will be entitled to withdraw or cancel any affected form or certificate, as applicable. Each Noteholder that is not a Non-U.S. Participant (other than any such Noteholder which is taxed as a corporation for U.S. federal income tax purposes) shall provide two properly completed and duly executed copies of IRS Form W-9 (or any successor or other applicable form) to the Company certifying that such Noteholder is exempt from United States backup withholding tax. Notwithstanding any other provision of this paragraph (c) if a Noteholder fails to provide a Withholding Certificate providing for a complete exemption from withholding for whatever reason upon becoming party to this agreement, then such Noteholder shall be deemed not to have complied with this paragraph (c) for purposes of subsection (c) under the definition for Excluded Taxes.

SECTION 6. *Representations and Warranties of Issuer.* Issuer represents and warrants to Purchaser, as of the Issue Date, as of each Scheduled Trading Day during the Reference Period for which the Daily Notional Number of Shares is greater than zero and, with respect to the representations and warranties set forth in clauses (t) through (dd), on each Business Day that Collateral is delivered by Issuer hereunder, that:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;
- (b) it has the power to execute this Agreement, any Note and any other Transaction Document or other documentation relating to this Agreement to which it is a party, to deliver this Agreement, each Note and each other Transaction Document and other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement (including, without limitation, the issuance of the Notes) and any other Transaction Document and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance (including without limitation performance of the obligation set forth in Section 8(c)) do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to the execution and delivery of, the performance of its obligations under or the exercise by any Noteholder of any rights or remedies contained in this Agreement, any Note and any other Transaction Document have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement, each other Transaction Document to which it is a party and each Note constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would reasonably be expected to occur as a result of its entering into or performing its obligations under this Agreement, any Note or any other Transaction Document;

(g) there is not pending or, to its knowledge, threatened against it or any of its affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement, any Note or any other Transaction Document to which it is a party or its ability to perform its obligations under this Agreement, any Note or any other Transaction Document;

(h) it has not, nor has anyone acting on its behalf (other than Purchaser), offered or sold any Note to, or solicited offers to buy any Note from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser (other than Purchaser);

(i) assuming the accuracy of the representations and agreements of Purchaser in Section 7(f) hereof, it is not necessary in connection with the offer, sale and delivery of the Notes in the manner contemplated by this Agreement to register the Notes under the Securities Act;

(j) it is not and, after giving effect to the sale of the Notes and the application of the proceeds thereof, will not be an “investment company” as such term is defined in the Investment Company Act of 1940, as amended;

(k) it is acting for its own account, and has made its own independent decision to enter into this Agreement and each other Transaction Document to which it is a party and as to whether this Agreement and such other Transaction Documents are appropriate or proper for it based upon its own judgment and upon advice of such advisors as it deems necessary; Issuer acknowledges and agrees that it is not relying, and has not relied, upon any communication (written or oral) of Purchaser or any Affiliate of Purchaser with respect to the legal, accounting, tax or other implications of this Agreement or any other Transaction Document and that it has conducted its own analyses of the legal, accounting, tax and other implications hereof and thereof (it being understood that information and explanations related to the terms and conditions of this Agreement or any other Transaction Document shall not be considered investment advice or a recommendation to enter into this Agreement or any such Transaction Document); it further acknowledges and confirms that it has taken independent tax advice with respect to this Agreement and each other Transaction Document;

(l) it is entering into this Agreement and the other Transaction Documents to which it is a party with a full understanding of all of the terms and risks hereof and thereof (economic and otherwise) and is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks; it is also capable of assuming (financially and otherwise), and assumes, those risks;

(m) it acknowledges that neither Purchaser nor any Affiliate of Purchaser is acting as a fiduciary for or an advisor to Issuer in respect of this Agreement or any other Transaction Document;

(n) it has not made, and is not subject to, an election pursuant to Treasury Regulation Section 301.7701-3 to be treated as a corporation for U.S. federal income tax purposes;

(o) intentionally omitted;

(p) it is not, at any time a Blackout is not continuing, aware of any material non-public information regarding the Company;

(q) it is, and shall be as of the date of any payment or delivery by it hereunder or any purchase by it of NRG Common Stock, solvent and able to pay its debts as they come due, with assets having a fair value greater than liabilities and with capital sufficient to carry on the businesses in which it engages;

(r) it (A) has timely filed, caused to be timely filed or will timely file or cause to be timely filed all material tax returns that are required to be filed by it as of the date hereof, if any, and (B) has paid all material taxes shown to be due and payable on said returns or on any assessment made against it or any of its property, if any, and all other material taxes, assessments, fees, liabilities or other charges imposed on it or any of its property by any governmental authority, unless in each case the same are being contested in good faith (for purposes of determining whether a tax return has been timely filed, any extensions shall be taken into account);

(s) all representations and warranties of Issuer under all Transaction Documents are true and correct;

(t) it has not (A) created or permitted to exist any Lien upon or with respect to the Collateral, (B) sold or otherwise disposed of, or granted any option with respect to, any of the Collateral or (C) entered into or consented to any agreement (other than, in the case of clause (x), this Agreement) (x) that restricts in any manner the rights of any present or future owner of any Collateral with respect thereto or (y) pursuant to which any person other than Issuer, Purchaser and any securities intermediary through whom any of the Collateral is held (but in the case of any such securities intermediary only in respect of Collateral held through it) has or will have Control in respect of any Collateral;

(u) other than financing statements or other similar or equivalent documents or instruments with respect to the security interests in the Collateral created by Section 20 below, no financing statement, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a Lien, security interest or other encumbrance of any kind on such Collateral;

(v) all Collateral consisting of securities and all financial assets underlying Collateral consisting of security entitlements (each as defined in Section 8-102 of the UCC) at any time pledged hereunder is and will be issued by an issuer organized under the laws of the United States, any State thereof or the District of Columbia and is and will be (i) certificated (and the certificate or certificates in respect of such securities or financial assets are and will be located in the United States) and registered in the name of Issuer or held through a securities intermediary whose securities intermediary's jurisdiction (within the meaning of Section 8-110(e) of the UCC) is located in the United States or (ii) uncertificated and either registered in the name of Issuer or held through a securities intermediary whose securities intermediary's jurisdiction (within the meaning of Section 8-110(e) of the UCC) is located in the United States; *provided* that this representation shall not be deemed to be breached if, at any time, any such Collateral is issued by an issuer that is not organized under the laws of the United States, any State thereof or the District of Columbia, and the parties hereto agree to procedures or amendments hereto necessary to enable Purchaser to maintain a valid and continuously perfected security interest in such Collateral, in respect of which Purchaser will have Control, subject to no prior Lien (and the parties hereto agree to negotiate in good faith any such procedures or amendments);

- (w) no registration, recordation or filing with any governmental body, agency or official is required or necessary for the perfection or enforcement of the security interests in the Collateral created by Section 20 below, other than the filing of financing statement in any appropriate jurisdiction;
- (x) it has not performed and will not perform any acts that might prevent Purchaser from enforcing any of the terms of Section 19 through Section 25 or that might limit Purchaser in any such enforcement;
- (y) the location (as defined in Section 9-307 of UCC) of Issuer is the jurisdiction of organization of Issuer. Issuer has not maintained a chief executive office not at such location (as defined in Section 9-307 of UCC) at any time during the past five years;
- (z) this Agreement is effective to create, in favor of the Purchaser for the benefit of the Noteholders, as security for the Secured Obligations, a valid security interest (the “**Article 9 Security Interest**”) in Issuer’s right, title and interest in that portion of the Collateral, as defined in the Note Purchase Agreement, described therein in which a security interest may be created pursuant to Article 9 of the UCC;
- (aa) to the extent that the filing of a Uniform Commercial Code financing statement in the State of New York is effective under the UCC to perfect a security interest in the New York Article 9 Collateral, the Article 9 Security Interest in the New York Article 9 Collateral will be perfected upon the filing of the appropriate Uniform Commercial Code financing statements (the “**New York Financing Statements**”) in the filing office located in the State of New York that is indicated thereon, except that (i) continuation statements with respect to each New York Financing Statement must be filed within the period of six months prior to the expiration of five years from the date of the filing of such New York Financing Statement and any such continuation statement and (ii) additional filings may be necessary if the borrower indicated as the debtor in a New York Financing Statement changes its name or its “location” (as defined in Section 9-307 of the UCC);
- (bb) upon the establishment of the Collateral Account as described herein, the Article 9 Security Interest in the Collateral Account and all Security Entitlements with respect to Financial Assets credited thereto will be perfected;

(cc) upon delivery of any pledged securities (including without limitation the Initial Pledged Items) to the Custodian by Issuer as provided in this Agreement, the Article 9 Security Interest in such securities and all Security Entitlements therein will be perfected;

(dd) insofar as the UCC is applicable thereto, the security interests created under this Agreement validly secure the payment for all future purchases of Notes made by any Noteholder whether or not at the time such purchases are made an Event of Default or other event not within the control of such Noteholder has relieved or may relieve such Noteholder from any obligations to make such purchases;

(ee) except as set forth in the Registration Statement or Prospectus (as each such term is defined in the Underwriting Agreement), each affiliate of Issuer that is subject to regulation as a “public utility” as such term is defined in the Federal Power Act (“FPA”) has an order from the Federal Energy Regulatory Commission, not subject to any pending challenge, investigation, complaint, or other proceeding (other than generic proceedings generally applicable in the industry) (i) authorizing such subsidiary to engage in wholesale sales of electricity and, to the extent permitted under its market-based rate tariff, other transactions at market-based rates and (y) granting such waivers and blanket authorizations as are customarily granted to entities with market-based rate authority, including blanket authorizations to issue securities and to assume liabilities pursuant to Section 204 of the FPA; and

(ff) it is an “eligible contract participant” as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended.

SECTION 7. *Representations and Warranties of Purchaser.* Purchaser represents and warrants to Issuer, as of the Issue Date, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute this Agreement and any other documentation relating this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) it is an "Accredited Investor" as such term is defined in Rule 501(a)(3) of Regulation D under the Securities Act;

(g) it is an "eligible contract participant" as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended; and

(h) it is a "qualified purchaser" as such term is defined in Section 2(51)(A) of the Investment Company Act of 1940, as amended;

SECTION 8. *Covenants of Issuer.* Issuer hereby covenants and agrees with Purchaser that from the date hereof and for so long as any Note remains outstanding or any amount unpaid under this Agreement or any Note that:

(a) intentionally omitted;

(b) intentionally omitted;

(c) it will purchase on each Scheduled Trading Day in the Reference Period a number of shares of NRG Common Stock (the "**Purchased Shares**" for such Scheduled Trading Day) equal to the product of the Daily Share Percentage and the Daily Notional Number of Shares for such Scheduled Trading Day;

(d) it will cause to be delivered to Purchaser immediately upon the occurrence of any Default notice of such occurrence;

(e) it will pay and discharge, and cause each of its subsidiaries (if any) to pay and discharge, as the same shall become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with generally accepted accounting principles as in effect from time to time are being maintained by Issuer or such subsidiaries (if any); (ii) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (iii) all indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such indebtedness;

- (f) it will preserve, renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization; take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business;
- (g) it will comply with the terms of all Transaction Documents to which it is a party, and with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including environmental and labor laws, rules and regulations);
- (h) it will maintain proper books of record and account, in which full, true and correct entries in conformity with generally accepted accounting principals as in effect from time to time consistently applied shall be made of all financial transactions and matters involving the assets and business of Issuer and its subsidiaries (if any), and permit representatives and independent contractors of Purchaser to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Issuer;
- (i) none of Issuer or any of its Affiliates or any person acting on behalf of Issuer or any such Affiliate will solicit any offer to buy or offer to sell the Notes by means of any form of general solicitation or general advertising;
- (j) it will pay all transfer, excise or similar taxes (not including income or franchise taxes) in connection with the issuance, sale, delivery or transfer by Issuer to Purchaser of any Note, and shall indemnify and save Purchaser harmless without limitation as to time against any and all liabilities with respect to such taxes and the obligations of Issuer under this Section 8(j) shall survive the repayment of the Notes and the termination of this Agreement;
- (k) it will take such steps as shall be necessary to ensure that Issuer does not become an “investment company” within the meaning of such term under the Investment Company Act of 1940, as amended;
- (l) it will maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;

- (m) it will correct any known misunderstanding regarding its separate identity and will not identify itself as a department or division of any other Person;
- (n) it will at all times hold itself out to the public and all other Persons as a legal entity separate from its members and from any other Person;
- (o) it shall not:
 - (i) adopt or propose any change in its constitutive documents (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
 - (ii) merge or consolidate with any other Person or acquire a material portion of any other Person's assets;
 - (iii) dissolve, liquidate, wind up, form or acquire any subsidiaries;
 - (iv) sell, lend, pledge, rehypothecate, assign or otherwise dispose of, or grant any option with respect to, any of its assets or declare, set aside or pay any dividend or other distribution with respect to any of its securities or repurchase, redeem or otherwise acquire any of its securities, in each case other than as expressly permitted pursuant to the Transaction Documents; *provided* that Issuer shall be permitted to make in kind distributions to the Company of NRG Common Stock if there is a previous or simultaneous capital contribution from the Company to Issuer of an Equivalent Number of shares of Qualifying Preferred Stock that meets the criteria for Eligible Collateral and that is substituted as Collateral for the NRG Common Stock released in connection with such distribution without thereby causing a violation of any representations or warranties made or deemed repeated in connection with such substitution;
 - (v) directly or indirectly, incur, create or assume any indebtedness or liabilities other than Permitted Liabilities;
 - (vi) directly or indirectly, purchase or invest in any property other than Permitted Investments;
 - (vii) adopt any change to the Independent Manager Engagement Agreement (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
 - (viii) remove any Independent Manager of Issuer without duly electing a successor Independent Manager;

(ix) guarantee, take assignment of, become liable for or hold itself out as liable for, debts of others or hold out its credit or assets as being available to satisfy the obligations of any other Person;

(x) commingle or otherwise fail to separate its own funds and assets from that of other Persons or fail to pay its portion of any shared expenses and costs;

(xi) conduct its business in any manner that will mislead others as to the identity of Issuer and it will act only in its own name, maintaining a separate office, stationary, telephone, keep separate books and records, cause financial statements to be prepared in a manner that indicates the separateness of Issuer and will observe all corporate formalities and will hold meetings to authorize corporate actions;

(xii) enter into any transaction with an Affiliate of the Company except on commercially reasonable terms similar to those available to unaffiliated parties in an arms length transaction other than as contemplated by the Transaction Documents;

(xiii) engage, directly or indirectly, in any business other than as required or permitted to be performed under the Transaction Documents; or

(xiv) be entitled to any direct or indirect credit support from the Company; and

(p) Issuer shall not make any payment in respect of any Note on or after the Initial Valuation Date using Cash not held in the Collateral Account as of 8:00AM, New York City time, on the Initial Valuation Date.

SECTION 9. *Covenants of Purchaser.* Purchaser hereby covenants and agrees that:

(a) it shall not sell or otherwise transfer any Note except pursuant to a registration statement declared effective under, or an exemption from the registration requirements of, the Securities Act;

(b) none of it, any of its Affiliates or any person acting on behalf of it or any such Affiliate shall solicit any offer to buy or offer to sell any Note by means of any form of general solicitation or general advertising; and

(c) it shall use any shares of NRG Common Stock it receives pursuant to Section 4 to close out open share borrowings created in the course of its hedging activities related to its exposure under the transactions contemplated by the Transaction Documents.

SECTION 10. *Conditions to Purchaser's Obligations.* The obligation of Purchaser to pay any Daily Funding Amount on any Funding Date is subject to satisfaction of each of the following conditions:

- (a) each Transaction Document shall have been duly executed and delivered by the parties thereto, and each of the Company and each NRG CSF shall have complied with all agreements and all conditions to be performed or satisfied by it under each Transaction Document to which it is a party on or prior to such Funding Date;
- (b) Purchaser shall have received the Note described in Section 3 duly executed and delivered by Issuer;
- (c) each of the representations and warranties of Issuer contained in this Agreement and each Transaction Document to which it is a party shall be true and correct;
- (d) the Company shall have made a contribution in Cash to Issuer in an amount not less than \$5,000 to satisfy anticipated operating costs of Issuer;
- (e) the Company shall have paid the Structuring Fee as provided in the Fee Agreement;
- (f) without limiting the generality of Section 10(a) above, the Company shall have made a contribution of Cash to Issuer pursuant to the Issuer Common Equity Interest Purchase Agreement equal to the product of the Common Equity Funding Percentage and the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date, and Issuer shall have purchased on such Scheduled Trading Day the Purchased Shares for such Scheduled Trading Day;
- (g) Purchaser shall have received an opinion (in form and substance satisfactory to Purchaser and its counsel), dated as of the Issue Date, of Kirkland & Ellis LLP, counsel for Issuer, substantially in the form attached hereto as Exhibit C;
- (h) Purchaser shall have received "non-consolidation" and "true contribution" opinions, in form and substance reasonably satisfactory to Purchaser and its counsel, dated as of the Issue Date, of Kirkland & Ellis LLP, counsel for Issuer;
- (i) all documents and instruments required by law or reasonably requested by Purchaser to be filed, registered or recorded to create the security interest intended to be created by this Agreement and perfect or record such security interest to the extent, and with the priority, required by this Agreement, including without limitation any UCC-1 financing statements, shall have been filed, registered or recorded;

(j) Issuer shall have furnished to Purchaser such further certificates and documents as Purchaser shall reasonably request (including an officer's certificate of an officer of the Company) to the effect that, during the Reference Period, the Company could have purchased shares of NRG Common Stock with an aggregate purchase price equal to the aggregate amount of Cash contributed by the Company to Issuer pursuant to the Issuer Common Equity Interest Purchase Agreement in compliance with Delaware law;

(k) no Default under this Agreement shall have occurred and be continuing; and

(l) no action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would, as of the Issue Date, prevent the issuance or sale of the Notes; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued as of the Issue Date which would prevent the issuance or sale of the Notes.

SECTION 11. *Events of Default.* The occurrence of any of the following events shall constitute an event of default (an "**Event of Default**") hereunder and under each Note:

(a) failure by Issuer to make, when due, any payment (including, without limitation, of principal) or delivery under this Agreement, any Note or any other Transaction Document to which it is a party;

(b) failure by Issuer to perform when due its obligations set forth in Section 8(c) or Section 19(a);

(c) failure by Issuer to comply with or perform any agreement or obligation (other than an obligation to make any payment or delivery referred to in Section 11(a) or an obligation referred to in Section 11(b)) under this Agreement, any Note or any other Transaction Document to be complied with or performed by it in accordance with this Agreement, any Note or any other Transaction Document if such failure is not remedied on or before the third Business Day after notice of such failure is given to Issuer;

(d) this Agreement, any Note or any other Transaction Document ceases to be in full force and effect, or is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable in any material respect, or Issuer or any Affiliate of Issuer party to any Transaction Document disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, this Agreement any Note or any other Transaction Document;

(e) a representation made or repeated by Issuer or any Affiliate of Issuer party to any Transaction Document in this Agreement or any other Transaction Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(f) Issuer or the Company is (1) dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(g) due to the adoption of, or any change in, any applicable law after the date hereof, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for Issuer or any Affiliate of Issuer party to any Transaction Document (i) to perform any absolute or contingent obligation to make a payment or delivery, or to receive a payment or delivery in respect of this Agreement or any other Transaction Document or to comply with any other material provision of this Agreement or any other Transaction Document or (2) to perform any contingent or other obligation which Issuer or such Affiliate has under this Agreement or any other Transaction Document; and

(h) any legal proceeding shall have been instituted or any other event shall have occurred or condition shall exist that would reasonably be expected to have a material adverse effect on (i) the ability of Issuer or any Affiliate of Issuer party to any Transaction Document to perform its obligations under this Agreement, any Note or any other Transaction Document, or (ii) the validity or binding effect of any agreement of Issuer or such Affiliate under this Agreement, any Note or any other Transaction Document.

SECTION 12. *Remedies Upon Default.* (a) Upon the occurrence, and during the continuance of, any Event of Default, the Noteholder of any Notes issued hereunder may declare the Termination Amount of any or all of the Components comprising any or all of such Notes to be immediately due and payable and exercise any and all remedies available to it under this Agreement and the Notes; *provided* that in the case of any of the events specified in Section 11(f), without any notice, the Termination Amount of all Components comprising all Notes issued hereunder shall become immediately due and payable without presentment, demand for payment, protest, notice of nonpayment or other notice of any kind, all of which are hereby waived by Issuer.

(b) Except as expressly set forth herein, upon payment and delivery of the Termination Amount for any Component so declared due and payable, all of Issuer's obligations in respect of the payment and/or delivery pursuant to Section 4 shall be deemed satisfied with respect to such Component.

(c) Upon the occurrence, and during the continuance of, any Event of Default, any Noteholder is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to, and Issuer agrees that any Noteholder shall have the right to, (i) set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Noteholder to or for the credit or the account of Issuer (including without limitation pursuant to any Transaction Document) against any and all of the obligations of Issuer now or hereafter existing under this Agreement and the Notes held by such Noteholder, and (ii) set-off any obligation that such Noteholder or any Affiliate of such Noteholder may have to Issuer against any right such Noteholder or any of its Affiliates may have against Issuer (including without limitation any right to receive a payment or delivery pursuant to any provision of this Agreement and the Notes), in each case irrespective of whether or not such Noteholder shall have made any demand under this Agreement or the Notes or any such agreement and although such obligations may be unmatured. In the case of a set-off of any obligation to release, deliver or pay assets against any right to receive assets of the same type, such obligation and right shall be set-off in kind. In the case of a set-off of any obligation to release, deliver or pay assets against any right to receive assets of any other type, the value of each of such obligation and such right shall be reasonably determined by the Calculation Agent and the result of such set-off shall be that the net obligor shall pay or deliver to the other party an amount of cash or assets, at the net obligor's option, with a value (determined, in the case of a delivery of assets, by the Calculation Agent) equal to that of the net obligation.

In determining the value of any obligation to release or deliver any securities or right to receive any securities, the value at any time of such obligation or right shall be determined by reference to the market value of such securities at such time. If an obligation or right is unascertained at the time of any such set-off, the Calculation Agent may in good faith estimate the amount or value of such obligation or right, in which case set-off will be effected in respect of that estimate, and the relevant party shall account to the other party at the time such obligation or right is ascertained. The rights of any Noteholder under this Section 12(c) are in addition to other rights and remedies (including, without limitation, other rights of set-off) that any Noteholder may have as a matter of law, pursuant to contract or otherwise.

SECTION 13. *Extraordinary Events.* (a) If the Calculation Agent has reasonably determined that an Extraordinary Event has occurred, then it shall so notify the parties, and the Noteholder of such Note may, in its sole discretion, designate any Trading Day as the Accelerated Maturity Date for any or all of the Components comprising such Note (each, a “**Relevant Component**”) in whole or in part. If such Noteholder exercises its right to designate the Accelerated Maturity Date for any Relevant Component in part, it shall also designate a percentage (the “**Acceleration Percentage**”) representing the portion of such Relevant Component being accelerated, and such Relevant Component shall be deemed to be two Components with terms identical to those of such Relevant Component, except that the first such Component (the “**Accelerated Component**”) shall have an Initial Principal Amount equal to the product of the Acceleration Percentage and the Initial Principal Amount of such Relevant Component, and the second such Component (the “**Surviving Component**”) shall have an Initial Principal Amount equal to the product of (x) one *minus* the Acceleration Percentage and (y) the Initial Principal Amount of such Relevant Component. Issuer shall pay the Termination Amount for all Relevant Components (or, in the case of a partial acceleration, all Accelerated Components) on the Accelerated Maturity Date. In the case of a partial acceleration, each Surviving Component shall survive and continue to be outstanding and in full force and effect hereunder.

(b) Except as expressly set forth herein, upon payment and delivery of the Termination Amount for any Component for which an Accelerated Maturity Date has so been declared, all of Issuer’s obligations in respect of the payment and/or delivery pursuant to Section 4 shall be deemed satisfied with respect to such Component.

SECTION 14. *Adjustment Event.* (a) If the Calculation Agent has reasonably determined that an Adjustment Event either has occurred or is reasonably likely to occur, then the Calculation Agent will determine whether such Adjustment Event has or is reasonably likely to have a diluting or concentrative effect on the theoretical value of the shares of NRG Common Stock or options on NRG Common Stock and, if so, will make the corresponding adjustment to the Threshold Price (and, in the case of an Adjustment Event of the type described in clause (i) or clause (ii)(A) or (B) of Section 14(b), to the Notional Number of Shares) to compensate Noteholders on account of such an Adjustment Event.

(b) “**Adjustment Event**” means any of the following:

(i) a subdivision, consolidation or reclassification of the NRG Common Stock, or a free distribution or dividend of any shares of NRG Common Stock to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of NRG Common Stock of (A) such shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as reasonably determined by the Calculation Agent;

(iii) any cash dividend or distribution on NRG Common Stock;

(iv) a repurchase by the Company or any of its subsidiaries of NRG Common Stock (other than the repurchase of the Notional Number of Shares) whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(v) in respect of the Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as reasonably determined by the Calculation Agent, *provided* that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vi) any other event that may have a diluting or concentrative effect on the theoretical value of the NRG Common Stock or options on NRG Common Stock, as reasonably determined by the Calculation Agent.

SECTION 15. *Increased Cost of Hedging and Increased Costs.* The Calculation Agent may reduce the Threshold Price for any Note to account for any period in which it reasonably determines that an Increased Cost of Hedging or an Increased Cost exists in respect of such Note.

SECTION 16. *Optional Unwind.* (a) Issuer may, by not less than 10 nor more than 30 Business Days prior written notice to all Noteholders, and subject to the execution by Issuer of such documentation as may be reasonably required based on advice of counsel to the Noteholders, designate an unwind date (an “**Unwind Date**”) for any or all of the Components comprising any Note (each, a “**Relevant Component**”) outstanding at the time. If Issuer elects to unwind any Relevant Component in part, it shall also designate a percentage (the “**Unwind Percentage**”) representing the portion of such Relevant Component to be unwound, and such Relevant Component shall be deemed to be two Components with terms identical to those of such Relevant Component, except that the first such Component (the “**Unwound Component**”) shall have an Initial Principal Amount equal to the product of the Unwind Percentage and the Initial Principal Amount of such Relevant Component, and the second such Component (the “**Surviving Component**”) shall have an Initial Principal Amount equal to the product of (x) one *minus* the Unwind Percentage and (y) the Initial Principal Amount of such Relevant Component. Issuer shall pay the Termination Amount for all Relevant Components (or, in the case of a partial unwind, all Unwound Components) on the Unwind Date. In the case of a partial unwind, each Surviving Component shall survive and continue to be outstanding and in full force and effect hereunder.

(b) Except as expressly set forth herein, upon payment and delivery of the Termination Amount for any Component for which an Unwind Date has so been declared, all of Issuer’s obligations in respect of the payment and/or delivery pursuant to Section 4 shall be deemed satisfied with respect to such Component.

SECTION 17. *Blackout Adjustments.* If a Blackout or Suspension Day occurs pursuant to the Underwriting Agreement during the Double Print Period, then the Calculation Agent will make such adjustments to any of the Notional Number of Shares, the Threshold Price, any Net Settlement Amount or any other term of the Notes as it reasonably determines are appropriate to preserve the economic value of the transactions contemplated hereby to the Noteholders due to potential risks under applicable securities laws relating to such Noteholders’ ability to adjust their hedges in respect of the transactions contemplated by the Transaction Documents as a result of such a Blackout, and, if the Calculation Agent reasonably determines that such adjustments would be insufficient to preserve such economic value to the Noteholders, then the Noteholders will have a right to accelerate such a portion of the Notes that would preserve such economic value to such holders (and such an acceleration shall be treated as the designation of an Accelerated Maturity Date).

SECTION 18. *Indemnification.* Issuer agrees to indemnify and hold harmless Purchaser, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Purchaser and each such person being an “**Indemnified Party**”) from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any third party claims arising out of the transactions contemplated by the Transaction Documents, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Issuer. Issuer will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense has resulted from Purchaser’s breach of a material term of such Transaction Document, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Issuer shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Purchaser’s breach of a material term of such Transaction Document, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Issuer also agrees that no Indemnified Party shall have any liability to Issuer or any person asserting claims on behalf of or in right of Issuer in connection with or as a result of any matter referred to in any Transaction Document except to the extent that any losses, claims, damages, liabilities or expenses incurred by Issuer result from the breach of a material term of such Transaction Document, or the Indemnified Party’s gross negligence or willful misconduct. The provisions of this Section 18 shall survive termination or completion of any Transaction Document and any assignment and delegation of any Transaction Document and shall inure to the benefit of any successor or assignee of Purchaser.

SECTION 19. *Delivery of Collateral.* (a) On each Funding Day, Issuer shall deliver to Purchaser in pledge hereunder Eligible Collateral consisting of a number of shares of NRG Common Stock equal to the product of the Daily Share Percentage and the Daily Notional Number of Shares for the Schedule Trading Day in the Reference Period corresponding to such Funding Day (such shares of NRG Common Stock, the “**Initial Pledged Items**”). “**Eligible Collateral**” means Cash, shares of NRG Common Stock and Qualifying Preferred Stock, in each case provided that Issuer has good and marketable title thereto, free of any and all lien, mortgage, interest, pledge, charge or encumbrance of any kind (other than the security interests in the Collateral created hereby, a “**Lien**”) and Transfer Restrictions and that Purchaser has a valid, first priority perfected security interest therein, a first Lien thereon and Control with respect thereto.

Any delivery of any securities or security entitlements (each as defined in Section 8-102 of the UCC) as Collateral to Purchaser by Issuer shall be effected (A) in the case of Collateral consisting of certificated securities registered in the name of Issuer, by delivery of certificates representing such securities to the Custodian, accompanied by any required transfer tax stamps, and in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, with signatures appropriately guaranteed, all in form and substance satisfactory to Purchaser, and the crediting by the Custodian of such securities to a securities account (as defined in Section 8-501 of the UCC) (the “**Collateral Account**”) of Purchaser maintained by the Custodian, (B) in the case of Collateral consisting of uncertificated securities registered in the name of Issuer, by transmission by Issuer of an instruction to the issuer of such securities instructing such issuer to register such securities in the name of the Custodian or its nominee, accompanied by any required transfer tax stamps, the issuer’s compliance with such instructions and the crediting by the Custodian of such securities to the Collateral Account, (C) in the case of securities in respect of which security entitlements are held by Issuer through a securities intermediary, by the crediting of such securities, accompanied by any required transfer tax stamps, to a securities account of the Custodian at such securities intermediary or, at the option of Purchaser, at another securities intermediary satisfactory to Purchaser and the crediting by the Custodian of such securities to the Collateral Account or (D) in any case, by complying with such alternative delivery instructions as Purchaser shall provide to Issuer in writing. Any Cash held by Issuer at any time shall be held in the Collateral Account or, if Purchaser has delivered alternative instructions to Issuer in writing, as directed pursuant to such instructions.

SECTION 20. *Grant Of Security Interests In The Collateral.* In order to secure the full and punctual payment, observance and performance of the covenants and agreements contained in this Agreement and the Notes (such covenants and agreements, collectively, the “**Secured Obligations**”), Issuer hereby assigns and pledges to Purchaser, and grants to Purchaser, as secured party, for the benefit of the Noteholders from time to time, a security interests in and to, and a Lien upon and right of set-off against, and transfers to Purchaser, as and by way of a security interest having priority over all other security interests, with power of sale, all of Issuer’s right, title and interest in and to all of Issuer’s now existing or hereafter arising rights, title, interests, powers and privileges in and to all of the following assets of Issuer, wherever situated, whether now existing or hereafter acquired (collectively, the “**Collateral**”): (i) all Accounts; (ii) all Chattel Paper; (iii) all Deposit Accounts; (iv) all Documents; (v) all Equipment; (vi) all Financial Assets; (vii) all General Intangibles; (viii) all Instruments; (ix) all Inventory; (x) all Investment Property; (xi) all Securities Accounts; (xii) all Eligible Collateral of Issuer; (xiii) the Collateral Account; (xiv) all Cash or other money, cash or cash equivalents of Issuer; (xv) all books and records pertaining to the Collateral; and (xvi) all Proceeds of any of the foregoing. The parties hereto expressly agree that all rights, assets and property at any time held in or credited to the Collateral Account shall be treated as financial assets (as defined in Section 8-102 of the UCC).

SECTION 21. *Certain Covenants Of Issuer Relating To The Collateral.* Issuer agrees that, so long as any of the Secured Obligations remain outstanding and other than as contemplated by the Transaction Documents:

(a) Issuer shall ensure at all times that a Collateral Event of Default shall not occur, and shall pledge additional Collateral in the manner described hereunder as necessary to cause such requirement to be met. “**Collateral Event of Default**” means, at any time, the occurrence of either of the following: (A) failure of the Collateral to include, as Eligible Collateral, a number of shares of NRG Common Stock at least equal to the aggregate Number of Underlying Shares for all Notes issued hereunder or an Equivalent Number of Qualifying Preferred Stock or (B) failure at any time of the security interests in the Collateral created hereby to constitute valid and perfected security interests in all of the Collateral, subject to no prior, equal or junior Lien, and, with respect to any Collateral consisting of securities or security entitlements (each as defined in Section 8-102 of the UCC), as to which Purchaser has Control, or, in each case, assertion of such by Issuer in writing.

(b) Issuer shall, at its own expense and in such manner and form as Purchaser may require, give, execute, deliver, file and record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable in order to (i) create, preserve, perfect, substantiate or validate any security interest granted pursuant hereto, (ii) create or maintain Control with respect to any such security interests in any investment property (as defined in Section 9-102(a) of the UCC) or (iii) enable Purchaser to exercise and enforce its rights hereunder with respect to such security interest.

(c) Issuer shall warrant and defend Issuer’s title to the Collateral, subject to the rights of Purchaser, against the claims and demands of all persons. Purchaser may elect, but without an obligation to do so, to discharge any Lien of any third party on any of the Collateral.

(d) Issuer agrees that Issuer shall not change (i) Issuer’s legal name, its identity or limited liability company structure or its Federal Taxpayer Identification Number in any manner or (ii) Issuer’s “location” (as defined in Section 9-307 of UCC), unless (x) Issuer shall have given Purchaser not less than 10 days’ prior notice thereof and (y) all filings have been made under the UCC and all other actions have been taken that are required so that such change will not at any time adversely affect the validity, perfection or priority of the security interests in the Collateral created by this clause (d).

(e) Issuer agrees that Issuer shall not (i) create or permit to exist any lien (other than the security interests in the Collateral created hereby) or any Transfer Restriction upon or with respect to the Collateral, (ii) sell or otherwise dispose of, or grant any option with respect to, any of the Collateral or (iii) enter into or consent to any agreement (x) that restricts in any manner the rights of any present or future owner of any Collateral with respect thereto (other than this Agreement) or (y) pursuant to which any person other than Issuer, Purchaser and any securities intermediary through whom any of the Collateral is held (but in the case of any such securities intermediary only in respect of Collateral held through it) has or will have Control in respect of any Collateral.

SECTION 22. *Administration Of The Collateral And Valuation Of Securities:* (a) Purchaser shall determine on each Business Day whether a Collateral Event of Default shall have occurred. If on any Business Day Purchaser reasonably determines that a Collateral Event of Default shall have occurred, Purchaser shall promptly notify Issuer of such determination by telephone call to Issuer followed by a written confirmation of such call.

(b) Concurrently with the delivery of any additional Eligible Collateral to Purchaser pursuant to Section 19 above, Issuer shall notify Purchaser on the date of such delivery of the identity of the additional items of Eligible Collateral being pledged and the representations and warranties contained in Section 6(s) through Section 6(x) above shall be deemed to be repeated as of such date with respect to such items of additional Eligible Collateral.

(c) Issuer shall be permitted to substitute as Collateral an Equivalent Number of Qualifying Preferred Stock that meets the criteria for Eligible Collateral for NRG Common Stock if, immediately following such substitution, there would not be a Default. The NRG Common Stock so substituted for shall be deemed released from the security interest granted herein and shall no longer constitute Collateral.

(d) Purchaser may at any time or from time to time, in its sole discretion, cause any or all of the Collateral that is registered in the name of Issuer or Issuer's nominee to be transferred of record into the name of the Custodian, Purchaser or its nominee. Issuer shall promptly give to Purchaser copies of any notices or other communications received by Issuer with respect to Collateral that is registered, or held through a securities intermediary, in the name of Issuer or Issuer's nominee and Purchaser shall promptly give to Issuer copies of any notices and communications received by Purchaser with respect to Collateral that is registered, or held through a securities intermediary, in the name of Custodian, Purchaser or its nominee.

(e) Issuer agrees that Issuer shall forthwith upon demand pay to Purchaser:

(i) the amount of any taxes that Purchaser or the Custodian may have been required to pay by reason of the security interests in the Collateral created hereby or to free any of the Collateral from any Lien thereon; and

(ii) the amount of any and all costs and expenses, including the fees and disbursements of counsel and of any other experts, that Purchaser or the Custodian may incur in connection with (A) the enforcement of this pledge, including such expenses as are incurred to preserve the value of the Collateral and the validity, perfection, rank and value of the security interests in the Collateral created hereby, (B) the collection, sale or other disposition of any of the Collateral, (C) the exercise by Purchaser of any of the rights conferred upon it hereunder or (D) any Acceleration Event.

Any such amount not paid on demand shall bear interest (computed on the basis of a year of 360 days and payable for the actual number of days elapsed) at a rate per annum equal to 5% plus the prime rate as published from time to time in The Wall Street Journal, Eastern Edition.

SECTION 23. *Income And Voting Rights In Collateral.* Purchaser shall have the right to receive and retain as Collateral hereunder all proceeds, including, without limitation, any dividend, extraordinary or otherwise, and interest of the Collateral, and Issuer shall take all such action as Purchaser shall deem necessary or appropriate to give effect to such right.

Unless an Acceleration Event shall have occurred and be continuing, Issuer shall have the right, from time to time, to vote and to give consents, ratifications and waivers with respect to the Collateral.

If an Acceleration Event shall have occurred and be continuing, Purchaser shall have the right, to the extent permitted by law, and Issuer shall take all such action as may be necessary or appropriate to give effect to such right, to vote and to give consents, ratifications and waivers, and to take any other action with respect to any or all of the Collateral with the same force and effect as if Purchaser were the absolute and sole owner thereof.

SECTION 24. *Remedies.* Purchaser may exercise all the rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised).

Issuer hereby irrevocably appoints Purchaser as Issuer's true and lawful attorney (which power of attorney is coupled with an interest), with full power of substitution, in the name of Issuer, Purchaser or otherwise, for the sole use and benefit of Purchaser, but at the expense of Issuer, to the extent permitted by law, to exercise, at any time and from time to time while an Event of Default has occurred, all or any of the following powers with respect to all or any of the Collateral:

(a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due upon or by virtue thereof;

(b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(c) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if Purchaser were the absolute owner thereof and in connection therewith, to make all necessary deeds, bills of sale, instruments of assignment, transfer or conveyance of the property, and all instructions and entitlement orders in respect of the property thus to be (or that is being or has been) sold, transferred, assigned or otherwise dealt in; and

(d) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided that Purchaser shall give Issuer not less than one Business Day's prior written notice of the time and place of any sale or other intended disposition of any of the Collateral, except any Collateral that threatens to decline speedily in value, including, without limitation, equity securities, or is of a type customarily sold on a recognized market. Purchaser and Issuer agree that such notice constitutes "reasonable authenticated notification" within the meaning of Section 9 611(b) of the UCC.

SECTION 25. *Collateral Rights Termination.* The rights hereby granted by Issuer in the Collateral shall cease, terminate and be void upon satisfaction of all of the Secured Obligations. Any Collateral remaining at the time of such termination shall be fully released and discharged from the security interests in the Collateral created hereby and delivered to Issuer, all at the request and expense of Issuer.

SECTION 26. *Limit on Beneficial Ownership.* Notwithstanding anything to the contrary in this Agreement, on any Maturity Date, any Accelerated Maturity Date or Unwind Date, upon the occurrence of an Event of Default, or otherwise, in no event shall any Noteholder be entitled to acquire, receive or exercise any rights of a secured party in respect of Collateral consisting of, shares of any class of voting securities of an issuer to the extent that, upon such acquisition, receipt or exercise, the "beneficial ownership" (within the meaning of Section 13 of the Exchange Act of 1934, as amended, and the rules promulgated thereunder) of such Noteholder or any entity that directly or indirectly controls such Noteholder (collectively, such Noteholder's "**Noteholder Group**") would equal or exceed 4.5% of the outstanding shares of such class or any member of the Noteholder Group would be deemed to directly or indirectly own 4.5% or more of the outstanding equity of the issuer of such stock or have the right to vote securities conferring 4.5% or more of the total vote on general corporate matters with respect to such issuer.

The inability of any Noteholder to acquire, receive or exercise rights with respect to Collateral consisting of, shares provided by this Agreement at any time as a result of this provision shall not preclude such Noteholder from taking such action at a later time when permitted by this provision. If any delivery owed to any Noteholder hereunder is not made, in whole or in part, as a result of this Section 26, Issuer's obligation to make such delivery shall not be extinguished, and Issuer shall make such delivery as promptly as practicable following notice from such Noteholder that such delivery would be permitted by this Section 26.

SECTION 27. *Note Register.* (a) Issuer shall cause to be kept a note register (the "**Note Register**") for the Notes in which, subject to such reasonable regulations as it may prescribe, Issuer shall provide for the registration of the Notes and the registration of transfers of the Notes. Issuer shall initially be the note registrar (in such capacity, the "**Note Registrar**") for the purpose of registering the Notes and transfers of Notes as herein provided and may appoint a successor to itself, subject to the last sentence of this Section 27(a). Upon any resignation of any Note Registrar, Issuer shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of the Note Registrar. If a person other than Issuer is appointed as Note Registrar, Issuer will give Purchaser prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location of the Note Register.

(b) Upon surrender for registration of transfer of any certificate representing any Note at an office or agency of Issuer where the principal of the Notes is payable, Issuer shall execute, and the relevant Noteholder shall obtain from Issuer, in the name of the designated transferee or transferees, one or more new certificates of a like aggregate principal amount.

(c) At the option of a Noteholder, certificates with respect to any Notes may be exchanged for other certificates of a like aggregate principal amount upon surrender of the certificates to be exchanged at the office or agency of Issuer where the principal of the Notes are payable.

(d) All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of Issuer, evidencing the same debt, and entitled to the same benefits under this Agreement, as the Notes surrendered upon such registration of transfer or exchange.

(e) No service charge shall be made by Issuer for any registration of transfer or exchange of any Note, but Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes.

(f) Subject to Section 9, the Notes shall be freely transferable at any time without the consent of Issuer to any Person that (i) makes the representations and warranties set forth in Sections 7(f), (g) and (h) as of the date of the relevant transfer, (ii) agrees to be bound by the covenants set forth in Section 9 and (iii) becomes the Noteholder of Notes with an aggregate Initial Principal Amount of 10% or more of the aggregate Initial Principal Amount of all Notes outstanding at the time of such transfer; provided that the Notes shall not be transferable prior to the payment by Purchaser of the Daily Funding Amount for the Funding Date corresponding to the last Exchange Business Day in the Reference Period.

SECTION 28. *Mutilated, Destroyed, Lost or Stolen Notes.* (a) If (i) any mutilated Note is surrendered to Issuer, or Issuer receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to Issuer such security or indemnity as may be reasonably required by it to hold Issuer harmless, then, in the absence of notice to Issuer or the Note Registrar that such Note has been acquired by a bona fide purchaser, Issuer shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note of a like aggregate principal amount; *provided, however,* that if Notes represented by any such destroyed, lost or stolen certificate, but not a mutilated certificate, shall have become or within seven days shall be due and payable, instead of issuing a replacement certificate, Issuer may pay to the holder of such destroyed, lost or stolen Note the amount due when so due or payable without surrender thereof.

(b) Any duplicate Note issued pursuant to this Section 28 in replacement for any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be found at any time or be enforced by any person, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Notes duly issued hereunder.

SECTION 29. *Successors and Assigns.* This Agreement and any Note issued hereunder shall inure to the benefit of, and be binding upon, Issuer and Purchaser and their respective successors and assigns (including without limitation any Noteholder). Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained.

SECTION 30. *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to Purchaser shall be given to it at:

Credit Suisse International
c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

With a copy to:

Credit Suisse Securities (USA) LLC
1 Madison Avenue, 3rd Floor
New York, New York 10010

For payments and deliveries:

Attn: Ricardo Harewood
Telephone No.: (212) 538-9810
Facsimile No.: (212) 325-8175

For all other communications:

Attn: Carlos Moscoso / Debra Tageldein
Telephone No.: 212-538-4437 / 212-538-8297 / 212-325-5119
Facsimile No.: (212) 325-8173

Notices to Issuer shall be given to it at:

CT Corporation System
1209 Orange Street
Wilmington, Delaware

With a copy to:

NRG Energy, Inc.
211 Carnegie Center
Princeton, New Jersey 08540
Attention: General Counsel
Fax: (609) 524-4589

SECTION 31. *Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

SECTION 32. *Governing Law; Jurisdiction.* (a) THIS AGREEMENT AND THE PRICING CONFIRMATION HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF *PROVIDED* THAT AS TO ANY ITEMS OF COLLATERAL LOCATED IN ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK, PURCHASER SHALL HAVE, IN ADDITION TO ANY RIGHTS UNDER THE LAWS OF THE STATE OF NEW YORK, ALL OF THE RIGHTS TO WHICH A SECURED PARTY IS ENTITLED UNDER THE LAWS OF SUCH OTHER JURISDICTION. THE PARTIES HERETO HEREBY AGREE THAT THE CUSTODIAN'S JURISDICTION, WITHIN THE MEANING OF SECTION 8-110(e) OF THE UCC, INsofar AS IT ACTS AS A SECURITIES INTERMEDIARY HEREUNDER OR IN RESPECT HEREOF, IS THE STATE OF NEW YORK.

(b) The parties hereto irrevocably and unconditionally submit, for themselves and their property, to the nonexclusive jurisdiction of the Federal and state courts located in the Borough of Manhattan, in the City of New York in any suit or proceedings arising out of or relating to this Agreement, the transactions contemplated hereby, or for the recognition or enforcement of any judgment. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that Purchaser may otherwise have to bring any action or proceeding relating to this Agreement against Issuer or its properties in the courts of any jurisdiction.

(c) Issuer irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 32(b). Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

SECTION 33. *Calculation Agent.* All calculations and determinations hereunder shall be made by the Calculation Agent. The Calculation Agent shall make all calculations and determinations hereunder in good faith and in a commercially reasonable manner. All calculations and determinations of the Calculation Agent so made shall be binding on the parties in the absence of manifest error.

SECTION 34. *Integration; Amendments and Waivers.* (a) Except as provided herein, this Agreement and the Notes constitute the complete agreement between the parties with respect to the subject matter hereof and thereof, supersede any previous agreement or understanding between them relating hereto or thereto and may not be modified, altered or amended except as provided therein.

(b) No amendment or waiver of any provision of this Agreement or any Note, nor consent to any departure by Issuer therefrom, shall in any event be effective unless the same shall be in writing and signed by Issuer and Purchaser.

SECTION 35. *No Waiver by Purchaser.* Purchaser's failure, at any time or times, to require strict performance by Issuer of any provision of this Agreement or any Note shall not waive, affect or diminish any right of Purchaser thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver by Purchaser of an Event of Default under this Agreement shall not suspend, waive or affect any other default or event of default by Issuer under this Agreement or any Note whether the same is prior or subsequent thereto and whether of the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of Issuer contained in this Agreement or any Note and no Event of Default under this Agreement shall be deemed to have been suspended or waived by Purchaser unless such suspension or waiver is by an instrument in writing signed by an officer of Purchaser and directed to Issuer specifying such suspension or waiver.

SECTION 36. *Waiver of Jury Trial.* The parties hereto waive all right to trial by jury in any action or proceeding to enforce or defend any rights under this Agreement or the Notes.

SECTION 37. *Non-Confidentiality.* The parties hereby agree that (i) Issuer and each of its employees, representatives, or other agents may disclose to any persons the tax treatment and tax structure of the transactions contemplated by the Transaction Documents and all materials of any kind, including opinions or other tax analyses, provided by Purchaser and its Affiliates to Issuer relating to such tax treatment and tax structure; *provided* that the foregoing does not constitute an authorization to disclose the identity of Purchaser or its Affiliates, agents or advisers, or, except to the extent relating to such tax structure or tax treatment, any specific pricing terms or commercial or financial information, and (ii) Purchaser does not assert any claim of proprietary ownership in respect of any description contained herein or therein relating to the use of any entities, plans or arrangements to give rise to a particular United States federal income tax treatment for Issuer.

SECTION 38. *Severability.* Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 39. *Agreements Regarding the Pricing Confirmation.*

(a) This Agreement, as supplemented by the Pricing Confirmation, is a “qualified financial contract”, as such term is defined in Section 5-701(b)(2) of the General Obligations Law of New York (the “**General Obligations Law**”); (iii) the Pricing Confirmation constitutes a “confirmation in writing sufficient to indicate that a contract has been made between the parties” hereto, as set forth in Section 5-701(b)(3)(b) of the General Obligations Law; and (iv) this Agreement constitutes a prior “written contract” as set forth in Section 5-701(b)(1)(b) of the General Obligations Law, and each party hereto intends and agrees to be bound by this Agreement, as supplemented by the Pricing Confirmation.

(b) Issuer and Purchaser further agree and acknowledge that this Agreement, as supplemented by the Pricing Confirmation, constitutes a contract “for the sale or purchase of a security”, as set forth in Section 8-113 of the Uniform Commercial Code of New York.

SECTION 40. *Purchaser’s Market Activities.* (a) At any time Purchaser remains a Noteholder, Purchaser and its Affiliates may buy or sell shares of NRG Common Stock or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to adjust its hedge position with respect to the Notes held by Purchaser.

(b) Purchaser and its Affiliates also may be active in the market for shares of NRG Common Stock other than in connection with hedging activities in relation to the Notes held by Purchaser.

(c) Purchaser shall make its own determination as to whether, when or in what manner any hedging or market activities in NRG Common Stock shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the VWAP Price.

(d) Any market activities of Purchaser and its Affiliates with respect to NRG Common Stock may affect the market price and volatility of NRG Common Stock, as well as the VWAP Price, each in a manner that may be adverse to Issuer.

SECTION 41. *Securities Contract.* The parties hereto agree and acknowledge that the Purchaser is a “stockbroker” and “financial participant” within the meaning of Sections 101(53A), 101(53C) and 101(22A) of Title 11 of the United States Code (the “**Bankruptcy Code**”).

The parties hereto further agree and acknowledge that (A) each of this Agreement and the Note is a “securities contract,” as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or thereunder or in connection herewith or therewith is a “settlement payment” within the meaning of Sections 362 and 546 of the Bankruptcy Code and any cash, securities or other property provided as performance assurance, credit support or collateral with respect thereto is a “margin payment” within the meaning of Sections 362 and 546 of the Bankruptcy Code, (B) the rights given to the Purchaser hereunder and under the Note upon the occurrence of an Event of Default constitute a “contractual right” to cause the liquidation, termination or acceleration of, and to offset or net out termination values or payment amounts and set off mutual debts and claims under or in connection with, a “securities contract” as such terms are used in Sections 555, 561, and 362(b)(6) of the Bankruptcy Code, and (C) the Purchaser is entitled to the protections afforded by, among other sections, Sections 362(b)(6), 362(o), 546(e), 555 and 561 of the Bankruptcy Code.

SECTION 42. *Matters Relating to Credit Suisse International and Credit Suisse Securities (USA) LLC.*

- (a) Agent may assign or transfer any of its rights or duties hereunder without the prior written consent of the other parties hereto to any affiliate of Credit Suisse, so long as such affiliate is a broker-dealer registered with the Securities and Exchange Commission.
- (b) Agent shall act as “agent” for Purchaser and Issuer in connection with the transaction contemplated by this Agreement.
- (c) Agent will furnish to Issuer upon written request a statement as to the source and amount of any remuneration received or to be received by Agent in connection herewith.
- (d) Agent has no obligation hereunder, by guaranty, endorsement or otherwise, with respect to performance of Purchaser’s obligations hereunder or under the any Transaction Document.
- (e) Purchaser is an “OTC derivatives dealer” as such term is defined in the Exchange Act and is an affiliate of Agent.
- (f) Purchaser is not a member of the Securities Investor Protection Corporation.

SECTION 43. *Survival.* The representations and warranties of Issuer and Purchaser in this Agreement shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

ISSUER:

NRG COMMON STOCK FINANCE II LLC

By: /s/ Clint Freeland

Name: Clint Freeland
Title: VP & Treasurer

PURCHASER:

CREDIT SUISSE INTERNATIONAL

By: /s/ Laura Muir

Name: Laura Muir
Title: Authorized Signatory

By: /s/ Christian Bettley

Name: Christian Bettley
Title: Authorized Signatory

AGENT:

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Augustine Vargetto

Name: Augustine Vargetto

Title: Director, Complex Product Support

[FORM OF NOTE]
PROMISSORY NOTE
OF
NRG COMMON STOCK FINANCE II LLC

Note No. ___

Issue Date: _____, 200_

FACE OF NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CREDIT SUISSE INTERNATIONAL, TO NRG COMMON STOCK FINANCE II LLC (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CREDIT SUISSE INTERNATIONAL OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CREDIT SUISSE INTERNATIONAL, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CREDIT SUISSE INTERNATIONAL HAS AN INTEREST HEREIN.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER OF THIS NOTE WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THIS NOTE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), (II) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (III) TO THE ISSUER, IN EACH OF CASES (I) THROUGH (III) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE NOTE PURCHASE AGREEMENT REFERRED TO BELOW.

FOR VALUE RECEIVED, NRG Common Stock Finance II LLC, a Delaware limited liability company (the “**Issuer**”), hereby promises to pay and deliver to the order of _____ or registered assigns (the “**Noteholder**”), such amounts on such dates specified in that certain Note Purchase Agreement dated as of August 4, 2006 among the Issuer, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent (the “**Note Purchase Agreement**”).

If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the rate set forth in the Note Purchase Agreement.

This Note is one of the Notes issued under the Note Purchase Agreement and is entitled to the benefits thereof. This Note is secured by Collateral pursuant to the terms of the Note Purchase Agreement, as amended from time to time.

Upon the occurrence of one or more of the Events of Default specified in the Note Purchase Agreement, the Termination Amount and all other amounts then remaining unpaid on this Note shall become, may be declared to be, immediately due and payable all as provided in the Note Purchase Agreement.

The Issuer, for itself and its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note. This Note shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of laws provisions thereof.

By: _____

Name:

Title:

FORM OF PRICING CONFIRMATION
 in respect of the
 NOTE PURCHASE AGREEMENT
 among
 NRG COMMON STOCK FINANCE II LLC,
 CREDIT SUISSE INTERNATIONAL
 and
 CREDIT SUISSE SECURITIES (USA) LLC
 (Ref: [_____])

This Pricing Confirmation (this "**Pricing Confirmation**") supplements, forms part of and is subject to, the Note Purchase Agreement dated as of August 4, 2006 (the "**Agreement**") among NRG Common Stock Finance II LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

The final pricing terms of the Transaction are as follows:

Reference Price: USD[_____]
 Threshold Price: USD[_____]
 Aggregate Number of Underlying Shares: [_____]
 Initial Valuation Date: [_____]

<u>Funding Date</u>	<u>Daily Funding Amount</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Confirmed as of the date first written above:
 Acknowledged and Confirmed:

PURCHASER:

CREDIT SUISSE INTERNATIONAL

By: _____
Name:
Title:

By: _____
Name:
Title:

ISSUER:

NRG COMMON STOCK FINANCE II LLC

By: _____
Name:
Title:

AGENT:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

PREFERRED INTEREST PURCHASE AGREEMENT

This Purchase Agreement (this "**Agreement**") is made as of this 4th day of August, 2006 among NRG Common Stock Finance I LLC, a Delaware limited liability company ("**Issuer**"), Credit Suisse Capital LLC (together with its successor and assigns, "**Purchaser**") and Credit Suisse Securities (USA) LLC ("**Agent**"), solely in its capacity as agent for Purchaser and Issuer.

WITNESSETH

WHEREAS, Issuer and Purchaser wish to sell and purchase Issuer's Series 1 Exchangeable Limited Liability Company Preferred Interests (the "**Preferred Interests**") on the terms and conditions as set forth herein; and

WHEREAS, the Preferred Interests will have the terms and provisions contained in the Certificate of Designations to be filed with the Delaware Secretary of State as of the date hereof (the "**Certificate of Designations**"); and

WHEREAS, the Preferred Interests will be redeemable and exchangeable into cash and shares of common stock, par value \$0.01, of NRG Energy, Inc. (the "**Company**"), and such common stock, the "**NRG Common Stock**") in accordance with the Certificate of Designations; and

WHEREAS, the Preferred Interests will be offered and sold to Purchaser without registration under the Securities Act of 1933, as amended (the "**Act**"), in reliance on an exemption pursuant to Section 4(2) under the Act;

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. *Definitions.* As used herein, the following terms have the meanings set forth below. Capitalized terms not defined herein shall have the meaning ascribed to them in the Certificate of Designations or, if the meaning of any such term is not specified in the Certificate of Designations, the meaning ascribed to such term in the Note Purchase Agreement.

"**Daily Funding Amount**" means, for the Preferred Interests initially issued on the Issue Date pursuant to Section 3, for any Funding Date, the product of (i) the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date and (ii) the Funding Percentage. Each Daily Funding Amount shall be allocated among all of the Preferred Interests proportionally for the purpose of determining the Initial Base Liquidation Preferences of each such Preferred Interest.

“**Daily Share Percentage**” means 55.0000%.

“**Funding Percentage**” means 10.5755%.

“**Issue Date**” means the date hereof.

“**Note Purchase Agreement**” means the Note Purchase Agreement dated as of August 4, 2006 among Issuer, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.

“**Potential Early Redemption Event**” means any event that, with the passage of time or giving of notice or both, will constitute an Early Redemption Event.

2. *Single Agreement.* All Preferred Interests are issued and sold by Issuer and purchased by Purchaser pursuant to this Agreement in reliance on the fact that this Agreement, the Pricing Confirmation and all Preferred Interests issued hereunder form a single agreement between the parties, and the parties would not otherwise issue and sell or purchase any Preferred Interests.

3. *Sale and Purchase.* (a) Upon the terms and subject to the conditions set forth herein, Issuer agrees to issue and sell to Purchaser, and Purchaser agrees to purchase from Issuer, Preferred Interests having the terms set forth in the Certificate of Designations and in the Pricing Confirmation.

(b) On the Issue Date, Issuer will deliver a certificate substantially in the form of Exhibit A hereto, duly completed, representing the Preferred Interests issued on the Issue Date to Purchaser (or an agent specified by Purchaser).

(c) Purchaser will make payment to Issuer in immediately available funds by wire transfer to an account designated by Issuer on each day that is one Settlement Cycle following each Exchange Business Day in the Reference Period (each such date of payment, a “**Funding Date**”) in an amount equal to the Daily Funding Amount for such Funding Date.

(d) On the last Exchange Business Day of the Reference Period, the Calculation Agent will deliver to the parties a pricing confirmation setting forth the final pricing terms of the Preferred Interests issued on the Issue Date (a “**Pricing Confirmation**”), duly completed and substantially in the form of Exhibit B hereto. Upon receipt of the Pricing Confirmation, the parties will each execute a copy thereof, *provided* that regardless of whether either party executes a copy of the Pricing Confirmation, the terms set forth in the Pricing Confirmation shall be binding on the parties absent manifest error, unless such party notifies the other party that it reasonably believes that an error has been made in the computation of such terms within three Business Days of receipt thereof, in which case the parties shall work together to determine the correct terms.

4. *Representations and Warranties of Issuer.* Issuer represents and warrants to Purchaser, as of the Issue Date and as of each Trading Day during the Reference Period for which the Daily Notional Number of Shares is greater than zero, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute this Agreement, the Certificate of Designations, any certificate of Preferred Interests and any other Transaction Document or other documentation relating to this Agreement to which it is a party, to deliver this Agreement and each other Transaction Document and other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement (including, without limitation, the issuance of the Preferred Interests) and any other Transaction Document and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance including without limitation performance of the obligation set forth in Section 6(c) do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to the execution and delivery of, the performance of its obligations under or the exercise by any Holder of Preferred Interests of any rights or remedies contained in this Agreement, the Certificate of Designations and any other Transaction Document have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement and each other Transaction Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) no Early Redemption Event with respect to the Preferred Interests has occurred and is continuing and no such event or circumstance would reasonably be expected to occur as a result of its entering into or performing its obligations under this Agreement, the Preferred Interests or any other Transaction Document;

(g) there is not pending or, to its knowledge, threatened against it or any of its affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any other Transaction Document to which it is a party or its ability to perform its obligations under this Agreement, the Preferred Interests or any other Transaction Document;

(h) it has not, nor has anyone acting on its behalf (other than Purchaser), offered or sold the Preferred Interests to, or solicited offers to buy any Preferred Interests from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser (other than Purchaser);

(i) assuming the accuracy of the representations and agreements of Purchaser in Section 5(f) hereof, it is not necessary in connection with the offer, sale and delivery of the Preferred Interests in the manner contemplated by this Agreement to register the Preferred Interests under the Securities Act;

(j) it is not and, after giving effect to the sale of the Preferred Interests and the application of the proceeds thereof, will not be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(k) it is acting for its own account, and has made its own independent decision to enter into this Agreement and each other Transaction Document to which it is a party and as to whether this Agreement and such other Transaction Documents are appropriate or proper for it based upon its own judgment and upon advice of such advisors as it deems necessary; Issuer acknowledges and agrees that it is not relying, and has not relied, upon any communication (written or oral) of Purchaser or any Affiliate of Purchaser with respect to the legal, accounting, tax or other implications of this Agreement or any other Transaction Document and that it has conducted its own analyses of the legal, accounting, tax and other implications hereof and thereof (it being understood that information and explanations related to the terms and conditions of this Agreement or any other Transaction Document shall not be considered investment advice or a recommendation to enter into this Agreement or any such Transaction Document); it further acknowledges and confirms that it has taken independent tax advice with respect to this Agreement and each other Transaction Document;

(l) it is entering into this Agreement and the other Transaction Documents to which it is a party with a full understanding of all of the terms and risks hereof and thereof (economic and otherwise) and is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks; it is also capable of assuming (financially and otherwise), and assumes, those risks;

(m) it acknowledges that neither Purchaser nor any Affiliate of Purchaser is acting as a fiduciary for or an advisor to Issuer in respect of this Agreement or any other Transaction Document;

(n) it has not made, and is not subject to, an election pursuant to Treasury Regulation Section 301.7701-3 to be treated as a corporation for U.S. federal income tax purposes;

(o) intentionally omitted;

(p) it is, at any time a Blackout is not continuing, aware of any material non-public information regarding the Company or the NRG Common Stock;

(q) it is, and shall be as of the date of any payment or delivery by it hereunder or any purchase by it of NRG Common Stock, solvent and able to pay its debts as they come due, with assets having a fair value greater than liabilities and with capital sufficient to carry on the businesses in which it engages;

(r) it (A) has timely filed, caused to be timely filed or will timely file or cause to be timely filed all material tax returns that are required to be filed by it as of the date hereof, if any, and (B) has paid all material taxes shown to be due and payable on said returns or on any assessment made against it or any of its property, if any, and all other material taxes, assessments, fees, liabilities or other charges imposed on it or any of its property by any governmental authority, unless in each case the same are being contested in good faith (for purposes of determining whether a tax return has been timely filed, any extensions shall be taken into account);

(s) all representations and warranties of Issuer under all Transaction Documents are true and correct;

(t) purchase of the Preferred Interests pursuant hereto is exempt from the registration requirements of the Act and no form of general solicitation or general advertising within the meaning of Regulation D (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) was used by Issuer or any of its representatives in connection with the sale of the Preferred Interests;

(u) other than as set forth in the Transaction Documents, it has not created or permitted to exist any Lien upon or with respect to any of its property or assets;

(v) it has all requisite power and authority to issue and sell the Preferred Interests and the Preferred Interests have been duly authorized by it and, when issued and upon delivery to Purchaser against payment therefor in accordance with the terms hereof, will be validly issued, fully paid and nonassessable, and will not be subject to any preemptive or similar rights;

(w) none of the transactions contemplated by this Agreement (including, without limitation, the use of the proceeds from the sale of the Preferred Interests), will violate or result in a violation of Section 7 of the Exchange Act, or any regulation promulgated thereunder, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System;

(x) except as set forth in the Registration Statement or Prospectus (as each such term is defined in the Underwriting Agreement), each affiliate of Issuer that is subject to regulation as a “public utility” as such term is defined in the Federal Power Act (“FPA”) has an order from the Federal Energy Regulatory Commission, not subject to any pending challenge, investigation, complaint, or other proceeding (other than generic proceedings generally applicable in the industry) (i) authorizing such subsidiary to engage in wholesale sales of electricity and, to the extent permitted under its market-based rate tariff, other transactions at market-based rates and (y) granting such waivers and blanket authorizations as are customarily granted to entities with market-based rate authority, including blanket authorizations to issue securities and to assume liabilities pursuant to Section 204 of the FPA; and

(y) it is an “eligible contract participant” as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended.

5. *Representations and Warranties of Purchaser.* Purchaser represents and warrants to Issuer, as of the Issue Date, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute this Agreement and any other documentation relating this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) it is an "Accredited Investor" as such term is defined in Rule 501(a)(3) of Regulation D under the Securities Act;

(g) it is an "eligible contract participant" as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended; and

(h) it is a "qualified purchaser" as such term is defined in Section 2(51)(A) of the Investment Company Act of 1940, as amended.

6. *Covenants of Issuer.* Issuer hereby covenants and agrees with Purchaser that:

(a) intentionally omitted;

(b) intentionally omitted;

(c) it will purchase on each Scheduled Trading Day in the Reference Period the Purchased Shares for such Scheduled Trading Day;

(d) it will cause to be delivered to Purchaser immediately upon the occurrence of any Early Redemption Event or any Potential Early Redemption Event notice of such occurrence;

(e) it will pay and discharge, and cause each of its subsidiaries (if any) to pay and discharge, as the same shall become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with generally accepted accounting principles as in effect from time to time are being maintained by Issuer or such subsidiaries (if any); (ii) all lawful claims which, if unpaid, would by law become a lien upon its property; and (iii) all indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such indebtedness;

(f) it will preserve, renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization; take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business;

(g) it will comply with the terms of all Transaction Documents to which it is a party, and with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including environmental and labor laws, rules and regulations);

(h) it will maintain proper books of record and account, in which full, true and correct entries in conformity with generally accepted accounting principals as in effect from time to time consistently applied shall be made of all financial transactions and matters involving the assets and business of Issuer and its subsidiaries (if any), and permit representatives and independent contractors of Purchaser to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Issuer;

(i) none of Issuer or any of its Affiliates or any person acting on behalf of Issuer or any such Affiliate will solicit any offer to buy or offer to sell the Preferred Interests by means of any form of general solicitation or general advertising;

(j) it will pay all transfer, excise or similar taxes (not including income or franchise taxes) in connection with the issuance, sale, delivery or transfer by Issuer to Purchaser of any Preferred Interests, and shall indemnify and save Purchaser harmless without limitation as to time against any and all liabilities with respect to such taxes and the obligations of Issuer under this Section 6(j) shall survive the termination of the Preferred Interests and the termination of this Agreement;

(k) it will take such steps as shall be necessary to ensure that Issuer does not become an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended;

(l) it will maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;

- (m) it will correct any known misunderstanding regarding its separate identity and will not identify itself as a department or division of any other Person;
- (n) it will at all times hold itself out to the public and all other Persons as a legal entity separate from its member and from any other Person; and
- (o) it shall not:
 - (i) adopt or propose any change in its constitutive documents (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
 - (ii) merge or consolidate with any other Person or acquire a material portion of any other Person's assets;
 - (iii) dissolve, liquidate, wind up, form or acquire any subsidiaries;
 - (iv) sell, lend, pledge, rehypothecate, assign or otherwise dispose of, or grant any option with respect to, any of its assets or declare, set aside or pay any dividend or other distribution with respect to any of its securities or repurchase, redeem or otherwise acquire any of its securities, in each case other than as expressly permitted pursuant to the Transaction Documents;
 - (v) directly or indirectly, incur, create or assume any indebtedness or liabilities other than Permitted Liabilities;
 - (vi) directly or indirectly, purchase or invest in any property other than Permitted Investments;
 - (vii) adopt any change to the Independent Manager Engagement Agreement (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
 - (viii) remove any Independent Manager of Issuer without duly electing a successor Independent Manager;
 - (ix) guarantee, take assignment of, become liable for or hold itself out as liable for, debts of others or hold out its credit or assets as being available to satisfy the obligations of any other Person;

- (x) commingle or otherwise fail to separate its own funds and assets from that of other Persons or fail to pay its portion of any shared expenses and costs;
- (xi) conduct its business in any manner that will mislead others as to the identity of Issuer and it will act only in its own name, maintaining a separate office, stationary, telephone, keep separate books and records, cause financial statements to be prepared in a manner that indicates the separateness of Issuer and will observe all corporate formalities and will hold meetings to authorize corporate actions;
- (xii) enter into any transaction with an Affiliate of the Company except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction other than as contemplated by the Transaction Documents;
- (xiii) engage, directly or indirectly, in any business other than as required or permitted to be performed under the Transaction Documents; or
- (xiv) be entitled to any direct or indirect credit support from the Company; and

7. *Covenants of Purchaser.* Purchaser hereby covenants and agrees that:

(a) it shall not sell or otherwise transfer any Preferred Interests except pursuant to a registration statement declared effective under, or an exemption from the registration requirements of, the Securities Act;

(b) none of it, any of its Affiliates or any person acting on behalf of it or any such Affiliate shall solicit any offer to buy or offer to sell any Preferred Interests by means of any form of general solicitation or general advertising; and

(c) it shall use any shares of NRG Common Stock it receives pursuant to the redemption and exchange of any Preferred Interests to close out open share borrowings created in the course of its hedging activities related to its exposure under the transactions contemplated by the Transaction Documents.

8. *Conditions to Purchaser's Obligations.* The obligation of Purchaser to pay any Daily Funding Amount on any Funding Date is subject to satisfaction of each of the following conditions:

- (a) each Transaction Document shall have been duly executed and delivered by the parties thereto, and each of the Company and NRG CSF shall have complied with all agreements and all conditions to be performed or satisfied by it under each Transaction Document to which it is a party on or prior to such Funding Date;
- (b) Purchaser shall have received the Preferred Interests described in Section 3 duly executed and delivered by Issuer;
- (c) each of the representations and warranties of Issuer contained in this Agreement and each Transaction Document to which it is a party shall be true and correct;
- (d) the Company shall have made a contribution in Cash to Issuer in an amount not less than \$5,000 to satisfy anticipated operating costs of Issuer;
- (e) the Company shall have paid the Structuring Fee as provided in the Fee Agreement;
- (f) without limiting the generality of Section 8(a), the Company shall have made a contribution of Cash to Issuer pursuant to the Common Equity Interest Purchase Agreement equal to the product of the Common Equity Funding Percentage and the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date, and Issuer shall have purchased on such Scheduled Trading Day the Purchased Shares for such Scheduled Trading Day;
- (g) Purchaser shall have received an opinion (in form and substance satisfactory to Purchaser and its counsel), dated as of the Issue Date, of Kirkland & Ellis LLP, counsel for Issuer, substantially in the form attached hereto as Exhibit C;
- (h) Purchaser shall have received “non-consolidation” and “true contribution” opinions, in form and substance reasonably satisfactory to Purchaser and its counsel, dated as of the Issue Date, of Kirkland & Ellis LLP, counsel for Issuer;
- (i) Issuer shall have furnished to Purchaser such further certificates and documents as Purchaser shall reasonably request (including an officer’s certificate of an officer of the Company) to the effect that, during the Reference Period, the Company could have purchased shares of NRG Common Stock with an aggregate purchase price equal to the aggregate amount of Cash contributed by the Company to Issuer pursuant to the Issuer Common Equity Interest Purchase Agreement in compliance with Delaware law;

(j) no event that constitutes an Early Termination Event or Potential Early Termination Event under the Preferred Interests shall have occurred and be continuing;

(k) Issuer shall have filed the Certificate of Designations with the Delaware Secretary of State, in the form and substance previously agreed, and such other documents as Purchaser may reasonably require, and Purchaser shall have received original copies thereof, duly executed by Issuer; and

(l) no action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would, as of the Issue Date, prevent the issuance or sale of the Preferred Interests; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued as of the Issue Date which would prevent the issuance or sale of the Preferred Interests.

9. Indemnification.

Issuer agrees to indemnify and hold harmless Purchaser, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Purchaser and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any third party claims arising out of the transaction contemplated by the Transaction Documents, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Issuer. Issuer will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense has resulted from Purchaser's breach of a material term of such Transaction Document, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Issuer shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Purchaser's breach of a material term of such Transaction Document, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Issuer also agrees that no Indemnified Party shall have any liability to Issuer or any person asserting claims on behalf of or in right of Issuer in connection with or as a result of any matter referred to in any Transaction Document except to the extent that any losses, claims, damages, liabilities or expenses incurred by Issuer result from the breach of a material term of such Transaction Document, or the Indemnified Party's gross negligence or willful misconduct.

The provisions of this Section 9 shall survive termination or completion of any Transaction Document and any assignment and delegation of any Transaction Document and shall inure to the benefit of any successor or assignee of Purchaser.

10. *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to Purchaser shall be given to it at:

Credit Suisse Capital LLC
c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

With a copy to:

Credit Suisse Securities (USA) LLC
1 Madison Avenue, 3rd Floor
New York, New York 10010

For payments and deliveries:

Attn: Ricardo Harewood
Telephone No.: (212) 538-9810
Facsimile No.: (212) 325-8175

For all other communications:

Attn: Carlos Moscoso / Debra Tageldein
Telephone No.: 212-538-4437 / 212-538-8297 / 212-325-5119
Facsimile No.: (212) 325-8173

Notices to Issuer shall be given to it at:

CT Corporation System
1209 Orange Street
Wilmington, Delaware

With a copy to:

NRG Energy, Inc.
211 Carnegie Center
Princeton, New Jersey 08540
Attention: General Counsel
Fax: (609) 524-4589

11. *Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

12. *Governing Law.*

(a) THIS AGREEMENT AND ANY PRICING CONFIRMATIONS HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF.

(b) The parties hereto irrevocably and unconditionally submit, for themselves and their property, to the nonexclusive jurisdiction of the Federal and state courts located in the Borough of Manhattan, in the City of New York in any suit or proceedings arising out of or relating to this Agreement, the transactions contemplated hereby, or for the recognition or enforcement of any judgment. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that Purchaser may otherwise have to bring any action or proceeding relating to this Agreement against Issuer or its properties in the courts of any jurisdiction.

(c) Issuer irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in clause (b) of this section. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

13. *Calculation Agent.* All calculations and determinations hereunder shall be made by the Calculation Agent. The Calculation Agent shall make all calculations and determinations hereunder in good faith and in a commercially reasonable manner. All calculations and determinations of the Calculation Agent so made shall be binding on the parties in the absence of manifest error.

14. *Matters Relating to Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.*

(a) Agent may assign or transfer any of its rights or duties hereunder without the prior written consent of the other parties hereto to any affiliate of Credit Suisse, so long as such affiliate is a broker-dealer registered with the Securities and Exchange Commission.

(b) Agent shall act as “agent” for Purchaser and Issuer in connection with the transaction contemplated by this Agreement.

(c) Agent will furnish to Purchaser upon written request a statement as to the source and amount of any remuneration received or to be received by Agent in connection herewith.

(d) Agent has no obligation hereunder, by guaranty, endorsement or otherwise, with respect to performance of Purchaser’s obligations hereunder or under the any Transaction Document.

(e) Purchaser is an “OTC derivatives dealer” as such term is defined in the Exchange Act and is an affiliate of Agent.

(f) Purchaser is not a member of the Securities Investor Protection Corporation.

15. *Integration; Amendments and Waivers.*

(a) Except as provided herein, this Agreement and the Pricing Confirmation constitute the complete agreement between the parties with respect to the subject matter hereof and thereof, supersede any previous agreement or understanding between them relating hereto or thereto and may not be modified, altered or amended except as provided therein.

(b) No amendment or waiver of any provision of this Agreement, nor consent to any departure by Issuer therefrom, shall in any event be effective unless the same shall be in writing and signed by Issuer and Purchaser.

16. *No Waiver by Purchaser.* Purchaser’s failure, at any time or times, to require strict performance by Issuer of any provision of this Agreement or the Certificate of Designations shall not waive, affect or diminish any right of Purchaser thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver by Purchaser of an Early Redemption Event under the Certificate of Designations shall not suspend, waive or affect any other default or Early Redemption Event by Issuer under the Certificate of Designations whether the same is prior or subsequent thereto and whether of the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of Issuer contained in this Agreement and no Early Redemption Event under the Certificate of Designations shall be deemed to have been suspended or waived by Purchaser unless such suspension or waiver is by an instrument in writing signed by an officer of Purchaser and directed to Issuer specifying such suspension or waiver.

17. *Waiver of Jury Trial.* The parties hereto waive all right to trial by jury in any action or proceeding to enforce or defend any rights under this Agreement or the Certificate of Designations.

18. *Non-Confidentiality.* The parties hereby agree that (i) Issuer and each of its employees, representatives, or other agents may disclose to any persons the tax treatment and tax structure of the transactions contemplated by the Transaction Documents and all materials of any kind, including opinions or other tax analyses, provided by Purchaser and its affiliates to Issuer relating to such tax treatment and tax structure; *provided* that the foregoing does not constitute an authorization to disclose the identity of Purchaser or its affiliates, agents or advisers, or, except to the extent relating to such tax structure or tax treatment, any specific pricing terms or commercial or financial information, and (ii) Purchaser does not assert any claim of proprietary ownership in respect of any description contained herein or therein relating to the use of any entities, plans or arrangements to give rise to a particular United States federal income tax treatment for Issuer.

19. *Severability.* Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

20. *Agreements Regarding the Pricing Confirmation.*

(a) This Agreement, as supplemented by the Pricing Confirmation, is a “qualified financial contract”, as such term is defined in Section 5-701(b)(2) of the General Obligations Law of New York (the “**General Obligations Law**”); (iii) the Pricing Confirmation constitutes a “confirmation in writing sufficient to indicate that a contract has been made between the parties” hereto, as set forth in Section 5-701(b)(3)(b) of the General Obligations Law; and (iv) this Agreement constitutes a prior “written contract” as set forth in Section 5-701(b)(1)(b) of the General Obligations Law, and each party hereto intends and agrees to be bound by this Agreement, as supplemented by the Pricing Confirmation.

(b) Issuer and Purchaser further agree and acknowledge that this Agreement, as supplemented by the Pricing Confirmation, constitutes a contract “for the sale or purchase of a security”, as set forth in Section 8-113 of the Uniform Commercial Code of New York.

21. *Purchaser’s Market Activities.*

(a) At any time Purchaser remains a Holder of Preferred Interests, Purchaser and its affiliates may buy or sell shares of NRG Common Stock or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to adjust its hedge position with respect to the Preferred Interests held by Purchaser.

(b) Purchaser and its affiliates also may be active in the market for shares of NRG Common Stock other than in connection with hedging activities in relation to the Preferred Interests held by Purchaser.

(c) Purchaser shall make its own determination as to whether, when or in what manner any hedging or market activities in NRG Common Stock shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Closing Price and/or the VWAP Price.

(d) Any market activities of Purchaser and its Affiliates with respect to NRG Common Stock may affect the market price and volatility of NRG Common Stock, as well as the Closing Price and/or the VWAP Price, each in a manner that may be adverse to Issuer.

22. *Survival.* The representations and warranties of Issuer and Purchaser in this Agreement shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

PURCHASER:

Credit Suisse Capital LLC

By /s/ Thomas Decker

Name: Thomas Decker

Title: Vice President, Complex Product Support

ISSUER:

NRG Common Stock Finance I LLC

By /s/ Clint Freeland

Name: Clint Freeland

Title: VP & Treasurer

AGENT:

Credit Suisse Securities (USA) LLC

By /s/ Augustine Vargetto

Name: Augustine Vargetto

Title: Director, Complex Product Support

FORM OF CERTIFICATE

SERIES 1 EXCHANGEABLE LIMITED LIABILITY COMPANY
PREFERRED INTERESTS

Certificate No. 1

CUSIP NO.: []

Series 1 Exchangeable Limited Liability Company Preferred Interests

OF
NRG COMMON STOCK FINANCE I LLC

FACE OF SECURITY

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CREDIT SUISSE CAPITAL LLC, TO NRG COMMON STOCK FINANCE I LLC (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CREDIT SUISSE CAPITAL LLC OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CREDIT SUISSE CAPITAL LLC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CREDIT SUISSE CAPITAL LLC HAS AN INTEREST HEREIN.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER OF THIS SECURITY WILL DELIVER TO THE REGISTRAR SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR MAY REASONABLY REQUIRE TO CONFIRM THAT TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THIS SECURITY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), (II) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (III) TO THE ISSUER, IN EACH OF CASES (I) THROUGH (III) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

TRANSFERS OF THIS SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF DESIGNATIONS REFERRED TO BELOW. COPIES OF SUCH CERTIFICATE OF DESIGNATIONS MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

NRG COMMON STOCK FINANCE I LLC, a Delaware limited liability company (the “Company”), hereby certifies that Credit Suisse Capital LLC (the “Holder”) is the registered owner of all the fully paid and non-assessable preferred interests designated the “Series 1 Exchangeable Limited Liability Company Preferred Interests” issued pursuant to the Purchase Agreement, dated August 4, 2006 among the Company, the Holder (the “Preferred Interests”) and Credit Suisse Securities (USA) LLC, as agent. The Preferred Interests are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Interests represented hereby are issued pursuant to and shall in all respects be subject to the provisions of the Certificate of Designations of the Company dated August 4, 2006, as the same may be amended from time to time in accordance with its terms (the “Certificate of Designations”). Capitalized terms used herein but not defined shall have the respective meanings given them in the Certificate of Designations. The Company will provide a copy of the Certificate of Designations to the Holder without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Preferred Interests set forth on the reverse hereof, and to the Certificate of Designations, which select provisions and the Certificate of Designations shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designations and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, NRG Common Stock Finance I LLC has executed this certificate as of the date set forth below.

NRG COMMON STOCK FINANCE I
LLC

By: _____

Name:

Title:

Dated: [], 2006

A-4

REVERSE OF SECURITY

NRG COMMON STOCK FINANCE I LLC

Series 1 Exchangeable Limited Liability Company Preferred Interests

The Series 1 Exchangeable Limited Liability Company Preferred Interests shall be redeemable and exchangeable into cash and/or the common stock of NRG Energy, Inc. in the manner and according to the terms set forth in the Certificate of Designations. Upon the occurrence of an Early Redemption Event or an Extraordinary Event, the Holder will have the right to require the Company to redeem all or any such interests in the manner and according to the terms set forth in the Certificate of Designations.

As required under Delaware law, the Company shall furnish to the Holder upon request and without charge, a full summary statement of the designations, voting rights preferences, limitations and special rights of the shares of each class or series authorized to be issued by the Company so far as they have been fixed and determined.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers the Series 1 Exchangeable Limited Liability Company Preferred Interests represented by the within Certificate to:

(Insert assignee's social security or tax identification number)

(Insert address and zip code of assignee)

and hereby irrevocably appoints:

Attorney to transfer the Series 1 Exchangeable Limited Liability Company Preferred Interests evidenced hereby on the books of the within-named Company with full power of substitution in the premises. The attorney may substitute another to act for him or her.

Date: _____

Signature: _____

(Sign exactly as your name appears on the other side of this Series 1 Exchangeable Limited Liability Company Preferred Interest certificate)

Signature Guarantee: _____¹

¹ Signature must be guaranteed by an "eligible guarantor institution" (i.e., a bank, stockbroker, savings and loan association or credit union) meeting the requirements of the Registrar, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

FORM OF PRICING CONFIRMATION
in respect of the
PURCHASE AGREEMENT
among
NRG COMMON STOCK FINANCE I LLC,
CREDIT SUISSE CAPITAL LLC
and
CREDIT SUISSE SECURITIES (USA) LLC
(Ref: [____])

This Pricing Confirmation (this "**Pricing Confirmation**") supplements, forms part of and is subject to, the Purchase Agreement dated as of August 4, 2006 (the "**Agreement**") among NRG Common Stock Finance I LLC, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

The final pricing terms of the Transaction are as follows:

Reference Price:	USD[____]
Threshold Price:	USD[____]
Aggregate Number of Underlying Shares:	[____]
Initial Valuation Date:	[____]

<u>Funding Date</u>	<u>Daily Funding Amount</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Confirmed as of the date first written above:

Acknowledged and Confirmed:

PURCHASER:

CREDIT SUISSE CAPITAL LLC

By: _____

Name:

Title:

ISSUER:

NRG COMMON STOCK FINANCE I LLC

By: _____

Name:

Title:

AGENT:

Credit Suisse Securities (USA) LLC

By: _____

Name:

Title:

Form of Opinion of Kirkland & Ellis LLP

PREFERRED INTEREST PURCHASE AGREEMENT

This Purchase Agreement (this "**Agreement**") is made as of this 4th day of August, 2006 among NRG Common Stock Finance II LLC, a Delaware limited liability company ("**Issuer**"), Credit Suisse Capital LLC (together with its successor and assigns, "**Purchaser**") and Credit Suisse Securities (USA) LLC ("**Agent**"), solely in its capacity as agent for Purchaser and Issuer.

WITNESSETH

WHEREAS, Issuer and Purchaser wish to sell and purchase Issuer's Series 1 Exchangeable Limited Liability Company Preferred Interests (the "**Preferred Interests**") on the terms and conditions as set forth herein; and

WHEREAS, the Preferred Interests will have the terms and provisions contained in the Certificate of Designations to be filed with the Delaware Secretary of State as of the date hereof (the "**Certificate of Designations**"); and

WHEREAS, the Preferred Interests will be redeemable and exchangeable into cash and shares of common stock, par value \$0.01, of NRG Energy, Inc. (the "**Company**"), and such common stock, the "**NRG Common Stock**") in accordance with the Certificate of Designations; and

WHEREAS, the Preferred Interests will be offered and sold to Purchaser without registration under the Securities Act of 1933, as amended (the "**Act**"), in reliance on an exemption pursuant to Section 4(2) under the Act;

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. *Definitions.* As used herein, the following terms have the meanings set forth below. Capitalized terms not defined herein shall have the meaning ascribed to them in the Certificate of Designations or, if the meaning of any such term is not specified in the Certificate of Designations, the meaning ascribed to such term in the Note Purchase Agreement.

"**Daily Funding Amount**" means, for the Preferred Interests initially issued on the Issue Date pursuant to Section 3, for any Funding Date, the product of (i) the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date and (ii) the Funding Percentage. Each Daily Funding Amount shall be allocated among all of the Preferred Interests proportionally for the purpose of determining the Initial Base Liquidation Preferences of each such Preferred Interest.

“**Daily Share Percentage**” means 45.0000%.

“**Funding Percentage**” means 6.2811%.

“**Issue Date**” means the date hereof.

“**Note Purchase Agreement**” means the Note Purchase Agreement dated as of August 4, 2006 among Issuer, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.

“**Potential Early Redemption Event**” means any event that, with the passage of time or giving of notice or both, will constitute an Early Redemption Event.

2. *Single Agreement.* All Preferred Interests are issued and sold by Issuer and purchased by Purchaser pursuant to this Agreement in reliance on the fact that this Agreement, the Pricing Confirmation and all Preferred Interests issued hereunder form a single agreement between the parties, and the parties would not otherwise issue and sell or purchase any Preferred Interests.

3. *Sale and Purchase.* (a) Upon the terms and subject to the conditions set forth herein, Issuer agrees to issue and sell to Purchaser, and Purchaser agrees to purchase from Issuer, Preferred Interests having the terms set forth in the Certificate of Designations and in the Pricing Confirmation.

(b) On the Issue Date, Issuer will deliver a certificate substantially in the form of Exhibit A hereto, duly completed, representing the Preferred Interests issued on the Issue Date to Purchaser (or an agent specified by Purchaser).

(c) Purchaser will make payment to Issuer in immediately available funds by wire transfer to an account designated by Issuer on each day that is one Settlement Cycle following each Exchange Business Day in the Reference Period (each such date of payment, a “**Funding Date**”) in an amount equal to the Daily Funding Amount for such Funding Date.

(d) On the last Exchange Business Day of the Reference Period, the Calculation Agent will deliver to the parties a pricing confirmation setting forth the final pricing terms of the Preferred Interests issued on the Issue Date (a “**Pricing Confirmation**”), duly completed and substantially in the form of Exhibit B hereto. Upon receipt of the Pricing Confirmation, the parties will each execute a copy thereof, *provided* that regardless of whether either party executes a copy of the Pricing Confirmation, the terms set forth in the Pricing Confirmation shall be binding on the parties absent manifest error, unless such party notifies the other party that it reasonably believes that an error has been made in the computation of such terms within three Business Days of receipt thereof, in which case the parties shall work together to determine the correct terms.

4. *Representations and Warranties of Issuer.* Issuer represents and warrants to Purchaser, as of the Issue Date and as of each Trading Day during the Reference Period for which the Daily Notional Number of Shares is greater than zero, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute this Agreement, the Certificate of Designations, any certificate of Preferred Interests and any other Transaction Document or other documentation relating to this Agreement to which it is a party, to deliver this Agreement and each other Transaction Document and other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement (including, without limitation, the issuance of the Preferred Interests) and any other Transaction Document and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance including without limitation performance of the obligation set forth in Section 6(c) do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to the execution and delivery of, the performance of its obligations under or the exercise by any Holder of Preferred Interests of any rights or remedies contained in this Agreement, the Certificate of Designations and any other Transaction Document have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement and each other Transaction Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) no Early Redemption Event with respect to the Preferred Interests has occurred and is continuing and no such event or circumstance would reasonably be expected to occur as a result of its entering into or performing its obligations under this Agreement, the Preferred Interests or any other Transaction Document;

(g) there is not pending or, to its knowledge, threatened against it or any of its affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any other Transaction Document to which it is a party or its ability to perform its obligations under this Agreement, the Preferred Interests or any other Transaction Document;

(h) it has not, nor has anyone acting on its behalf (other than Purchaser), offered or sold the Preferred Interests to, or solicited offers to buy any Preferred Interests from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser (other than Purchaser);

(i) assuming the accuracy of the representations and agreements of Purchaser in Section 5(f) hereof, it is not necessary in connection with the offer, sale and delivery of the Preferred Interests in the manner contemplated by this Agreement to register the Preferred Interests under the Securities Act;

(j) it is not and, after giving effect to the sale of the Preferred Interests and the application of the proceeds thereof, will not be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(k) it is acting for its own account, and has made its own independent decision to enter into this Agreement and each other Transaction Document to which it is a party and as to whether this Agreement and such other Transaction Documents are appropriate or proper for it based upon its own judgment and upon advice of such advisors as it deems necessary; Issuer acknowledges and agrees that it is not relying, and has not relied, upon any communication (written or oral) of Purchaser or any Affiliate of Purchaser with respect to the legal, accounting, tax or other implications of this Agreement or any other Transaction Document and that it has conducted its own analyses of the legal, accounting, tax and other implications hereof and thereof (it being understood that information and explanations related to the terms and conditions of this Agreement or any other Transaction Document shall not be considered investment advice or a recommendation to enter into this Agreement or any such Transaction Document); it further acknowledges and confirms that it has taken independent tax advice with respect to this Agreement and each other Transaction Document;

(l) it is entering into this Agreement and the other Transaction Documents to which it is a party with a full understanding of all of the terms and risks hereof and thereof (economic and otherwise) and is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks; it is also capable of assuming (financially and otherwise), and assumes, those risks;

(m) it acknowledges that neither Purchaser nor any Affiliate of Purchaser is acting as a fiduciary for or an advisor to Issuer in respect of this Agreement or any other Transaction Document;

(n) it has not made, and is not subject to, an election pursuant to Treasury Regulation Section 301.7701-3 to be treated as a corporation for U.S. federal income tax purposes;

(o) intentionally omitted;

(p) it is, at any time a Blackout is not continuing, aware of any material non-public information regarding the Company or the NRG Common Stock;

(q) it is, and shall be as of the date of any payment or delivery by it hereunder or any purchase by it of NRG Common Stock, solvent and able to pay its debts as they come due, with assets having a fair value greater than liabilities and with capital sufficient to carry on the businesses in which it engages;

(r) it (A) has timely filed, caused to be timely filed or will timely file or cause to be timely filed all material tax returns that are required to be filed by it as of the date hereof, if any, and (B) has paid all material taxes shown to be due and payable on said returns or on any assessment made against it or any of its property, if any, and all other material taxes, assessments, fees, liabilities or other charges imposed on it or any of its property by any governmental authority, unless in each case the same are being contested in good faith (for purposes of determining whether a tax return has been timely filed, any extensions shall be taken into account);

(s) all representations and warranties of Issuer under all Transaction Documents are true and correct;

(t) purchase of the Preferred Interests pursuant hereto is exempt from the registration requirements of the Act and no form of general solicitation or general advertising within the meaning of Regulation D (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) was used by Issuer or any of its representatives in connection with the sale of the Preferred Interests;

(u) other than as set forth in the Transaction Documents, it has not created or permitted to exist any Lien upon or with respect to any of its property or assets;

(v) it has all requisite power and authority to issue and sell the Preferred Interests and the Preferred Interests have been duly authorized by it and, when issued and upon delivery to Purchaser against payment therefor in accordance with the terms hereof, will be validly issued, fully paid and nonassessable, and will not be subject to any preemptive or similar rights;

(w) none of the transactions contemplated by this Agreement (including, without limitation, the use of the proceeds from the sale of the Preferred Interests), will violate or result in a violation of Section 7 of the Exchange Act, or any regulation promulgated thereunder, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System;

(x) except as set forth in the Registration Statement or Prospectus (as each such term is defined in the Underwriting Agreement), each affiliate of Issuer that is subject to regulation as a “public utility” as such term is defined in the Federal Power Act (“FPA”) has an order from the Federal Energy Regulatory Commission, not subject to any pending challenge, investigation, complaint, or other proceeding (other than generic proceedings generally applicable in the industry) (i) authorizing such subsidiary to engage in wholesale sales of electricity and, to the extent permitted under its market-based rate tariff, other transactions at market-based rates and (y) granting such waivers and blanket authorizations as are customarily granted to entities with market-based rate authority, including blanket authorizations to issue securities and to assume liabilities pursuant to Section 204 of the FPA; and

(y) it is an “eligible contract participant” as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended.

5. *Representations and Warranties of Purchaser.* Purchaser represents and warrants to Issuer, as of the Issue Date, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute this Agreement and any other documentation relating this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) it is an "Accredited Investor" as such term is defined in Rule 501(a)(3) of Regulation D under the Securities Act;

(g) it is an "eligible contract participant" as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended; and

(h) it is a "qualified purchaser" as such term is defined in Section 2(51)(A) of the Investment Company Act of 1940, as amended.

6. *Covenants of Issuer.* Issuer hereby covenants and agrees with Purchaser that:

(a) intentionally omitted;

(b) intentionally omitted;

(c) it will purchase on each Scheduled Trading Day in the Reference Period the Purchased Shares for such Scheduled Trading Day;

(d) it will cause to be delivered to Purchaser immediately upon the occurrence of any Early Redemption Event or any Potential Early Redemption Event notice of such occurrence;

(e) it will pay and discharge, and cause each of its subsidiaries (if any) to pay and discharge, as the same shall become due and payable, all its obligations and liabilities, including (i) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with generally accepted accounting principles as in effect from time to time are being maintained by Issuer or such subsidiaries (if any); (ii) all lawful claims which, if unpaid, would by law become a lien upon its property; and (iii) all indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such indebtedness;

(f) it will preserve, renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization; take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business;

(g) it will comply with the terms of all Transaction Documents to which it is a party, and with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including environmental and labor laws, rules and regulations);

(h) it will maintain proper books of record and account, in which full, true and correct entries in conformity with generally accepted accounting principals as in effect from time to time consistently applied shall be made of all financial transactions and matters involving the assets and business of Issuer and its subsidiaries (if any), and permit representatives and independent contractors of Purchaser to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Issuer;

(i) none of Issuer or any of its Affiliates or any person acting on behalf of Issuer or any such Affiliate will solicit any offer to buy or offer to sell the Preferred Interests by means of any form of general solicitation or general advertising;

(j) it will pay all transfer, excise or similar taxes (not including income or franchise taxes) in connection with the issuance, sale, delivery or transfer by Issuer to Purchaser of any Preferred Interests, and shall indemnify and save Purchaser harmless without limitation as to time against any and all liabilities with respect to such taxes and the obligations of Issuer under this Section 6(j) shall survive the termination of the Preferred Interests and the termination of this Agreement;

(k) it will take such steps as shall be necessary to ensure that Issuer does not become an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended;

(l) it will maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;

- (m) it will correct any known misunderstanding regarding its separate identity and will not identify itself as a department or division of any other Person;
- (n) it will at all times hold itself out to the public and all other Persons as a legal entity separate from its member and from any other Person; and
- (o) it shall not:
 - (i) adopt or propose any change in its constitutive documents (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
 - (ii) merge or consolidate with any other Person or acquire a material portion of any other Person's assets;
 - (iii) dissolve, liquidate, wind up, form or acquire any subsidiaries;
 - (iv) sell, lend, pledge, rehypothecate, assign or otherwise dispose of, or grant any option with respect to, any of its assets or declare, set aside or pay any dividend or other distribution with respect to any of its securities or repurchase, redeem or otherwise acquire any of its securities, in each case other than as expressly permitted pursuant to the Transaction Documents;
 - (v) directly or indirectly, incur, create or assume any indebtedness or liabilities other than Permitted Liabilities;
 - (vi) directly or indirectly, purchase or invest in any property other than Permitted Investments;
 - (vii) adopt any change to the Independent Manager Engagement Agreement (except any change required by mandatory provisions of applicable law, or otherwise consented to in writing by Purchaser);
 - (viii) remove any Independent Manager of Issuer without duly electing a successor Independent Manager;
 - (ix) guarantee, take assignment of, become liable for or hold itself out as liable for, debts of others or hold out its credit or assets as being available to satisfy the obligations of any other Person;

- (x) commingle or otherwise fail to separate its own funds and assets from that of other Persons or fail to pay its portion of any shared expenses and costs;
- (xi) conduct its business in any manner that will mislead others as to the identity of Issuer and it will act only in its own name, maintaining a separate office, stationary, telephone, keep separate books and records, cause financial statements to be prepared in a manner that indicates the separateness of Issuer and will observe all corporate formalities and will hold meetings to authorize corporate actions;
- (xii) enter into any transaction with an Affiliate of the Company except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction other than as contemplated by the Transaction Documents;
- (xiii) engage, directly or indirectly, in any business other than as required or permitted to be performed under the Transaction Documents; or
- (xiv) be entitled to any direct or indirect credit support from the Company; and

7. *Covenants of Purchaser.* Purchaser hereby covenants and agrees that:

- (a) it shall not sell or otherwise transfer any Preferred Interests except pursuant to a registration statement declared effective under, or an exemption from the registration requirements of, the Securities Act;
- (b) none of it, any of its Affiliates or any person acting on behalf of it or any such Affiliate shall solicit any offer to buy or offer to sell any Preferred Interests by means of any form of general solicitation or general advertising; and
- (c) it shall use any shares of NRG Common Stock it receives pursuant to the redemption and exchange of any Preferred Interests to close out open share borrowings created in the course of its hedging activities related to its exposure under the transactions contemplated by the Transaction Documents.

8. *Conditions to Purchaser's Obligations.* The obligation of Purchaser to pay any Daily Funding Amount on any Funding Date is subject to satisfaction of each of the following conditions:

(a) each Transaction Document shall have been duly executed and delivered by the parties thereto, and each of the Company and NRG CSF shall have complied with all agreements and all conditions to be performed or satisfied by it under each Transaction Document to which it is a party on or prior to such Funding Date;

(b) Purchaser shall have received the Preferred Interests described in Section 3 duly executed and delivered by Issuer;

(c) each of the representations and warranties of Issuer contained in this Agreement and each Transaction Document to which it is a party shall be true and correct;

(d) the Company shall have made a contribution in Cash to Issuer in an amount not less than \$5,000 to satisfy anticipated operating costs of Issuer;

(e) the Company shall have paid the Structuring Fee as provided in the Fee Agreement;

(f) without limiting the generality of Section 8(a), the Company shall have made a contribution of Cash to Issuer pursuant to the Common Equity Interest Purchase Agreement equal to the product of the Common Equity Funding Percentage and the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date, and Issuer shall have purchased on such Scheduled Trading Day the Purchased Shares for such Scheduled Trading Day;

(g) Purchaser shall have received an opinion (in form and substance satisfactory to Purchaser and its counsel), dated as of the Issue Date, of Kirkland & Ellis LLP, counsel for Issuer, substantially in the form attached hereto as Exhibit C;

(h) Purchaser shall have received “non-consolidation” and “true contribution” opinions, in form and substance reasonably satisfactory to Purchaser and its counsel, dated as of the Issue Date, of Kirkland & Ellis LLP, counsel for Issuer;

(i) Issuer shall have furnished to Purchaser such further certificates and documents as Purchaser shall reasonably request (including an officer’s certificate of an officer of the Company) to the effect that, during the Reference Period, the Company could have purchased shares of NRG Common Stock with an aggregate purchase price equal to the aggregate amount of Cash contributed by the Company to Issuer pursuant to the Issuer Common Equity Interest Purchase Agreement in compliance with Delaware law;

(j) no event that constitutes an Early Termination Event or Potential Early Termination Event under the Preferred Interests shall have occurred and be continuing;

(k) Issuer shall have filed the Certificate of Designations with the Delaware Secretary of State, in the form and substance previously agreed, and such other documents as Purchaser may reasonably require, and Purchaser shall have received original copies thereof, duly executed by Issuer; and

(l) no action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would, as of the Issue Date, prevent the issuance or sale of the Preferred Interests; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued as of the Issue Date which would prevent the issuance or sale of the Preferred Interests.

9. *Indemnification.*

Issuer agrees to indemnify and hold harmless Purchaser, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Purchaser and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any third party claims arising out of the transaction contemplated by the Transaction Documents, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Issuer. Issuer will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense has resulted from Purchaser's breach of a material term of such Transaction Document, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Issuer shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Purchaser's breach of a material term of such Transaction Document, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Issuer also agrees that no Indemnified Party shall have any liability to Issuer or any person asserting claims on behalf of or in right of Issuer in connection with or as a result of any matter referred to in any Transaction Document except to the extent that any losses, claims, damages, liabilities or expenses incurred by Issuer result from the breach of a material term of such Transaction Document, or the Indemnified Party's gross negligence or willful misconduct. The provisions of this Section 9 shall survive termination or completion of any Transaction Document and any assignment and delegation of any Transaction Document and shall inure to the benefit of any successor or assignee of Purchaser.

10. *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to Purchaser shall be given to it at:

Credit Suisse Capital LLC
c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

With a copy to:

Credit Suisse Securities (USA) LLC
1 Madison Avenue, 3rd Floor
New York, New York 10010

For payments and deliveries:

Attn: Ricardo Harewood
Telephone No.: (212) 538-9810
Facsimile No.: (212) 325-8175

For all other communications:

Attn: Carlos Moscoso / Debra Tageldein
Telephone No.: 212-538-4437 / 212-538-8297 / 212-325-5119
Facsimile No.: (212) 325-8173

Notices to Issuer shall be given to it at:

CT Corporation System
1209 Orange Street
Wilmington, Delaware

With a copy to:

NRG Energy, Inc.
211 Carnegie Center
Princeton, New Jersey 08540
Attention: General Counsel
Fax: (609) 524-4589

11. *Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

12. *Governing Law.*

(a) THIS AGREEMENT AND ANY PRICING CONFIRMATIONS HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF.

(b) The parties hereto irrevocably and unconditionally submit, for themselves and their property, to the nonexclusive jurisdiction of the Federal and state courts located in the Borough of Manhattan, in the City of New York in any suit or proceedings arising out of or relating to this Agreement, the transactions contemplated hereby, or for the recognition or enforcement of any judgment. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that Purchaser may otherwise have to bring any action or proceeding relating to this Agreement against Issuer or its properties in the courts of any jurisdiction.

(c) Issuer irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in clause (b) of this section. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

13. *Calculation Agent.* All calculations and determinations hereunder shall be made by the Calculation Agent. The Calculation Agent shall make all calculations and determinations hereunder in good faith and in a commercially reasonable manner. All calculations and determinations of the Calculation Agent so made shall be binding on the parties in the absence of manifest error.

14. *Matters Relating to Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.*

(a) Agent may assign or transfer any of its rights or duties hereunder without the prior written consent of the other parties hereto to any affiliate of Credit Suisse, so long as such affiliate is a broker-dealer registered with the Securities and Exchange Commission.

(b) Agent shall act as “agent” for Purchaser and Issuer in connection with the transaction contemplated by this Agreement.

(c) Agent will furnish to Purchaser upon written request a statement as to the source and amount of any remuneration received or to be received by Agent in connection herewith.

(d) Agent has no obligation hereunder, by guaranty, endorsement or otherwise, with respect to performance of Purchaser’s obligations hereunder or under the any Transaction Document.

(e) Purchaser is an “OTC derivatives dealer” as such term is defined in the Exchange Act and is an affiliate of Agent.

(f) Purchaser is not a member of the Securities Investor Protection Corporation.

15. *Integration; Amendments and Waivers.*

(a) Except as provided herein, this Agreement and the Pricing Confirmation constitute the complete agreement between the parties with respect to the subject matter hereof and thereof, supersede any previous agreement or understanding between them relating hereto or thereto and may not be modified, altered or amended except as provided therein.

(b) No amendment or waiver of any provision of this Agreement, nor consent to any departure by Issuer therefrom, shall in any event be effective unless the same shall be in writing and signed by Issuer and Purchaser.

16. *No Waiver by Purchaser.* Purchaser’s failure, at any time or times, to require strict performance by Issuer of any provision of this Agreement or the Certificate of Designations shall not waive, affect or diminish any right of Purchaser thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver by Purchaser of an Early Redemption Event under the Certificate of Designations shall not suspend, waive or affect any other default or Early Redemption Event by Issuer under the Certificate of Designations whether the same is prior or subsequent thereto and whether of the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of Issuer contained in this Agreement and no Early Redemption Event under the Certificate of Designations shall be deemed to have been suspended or waived by Purchaser unless such suspension or waiver is by an instrument in writing signed by an officer of Purchaser and directed to Issuer specifying such suspension or waiver.

17. *Waiver of Jury Trial.* The parties hereto waive all right to trial by jury in any action or proceeding to enforce or defend any rights under this Agreement or the Certificate of Designations.

18. *Non-Confidentiality.* The parties hereby agree that (i) Issuer and each of its employees, representatives, or other agents may disclose to any persons the tax treatment and tax structure of the transactions contemplated by the Transaction Documents and all materials of any kind, including opinions or other tax analyses, provided by Purchaser and its affiliates to Issuer relating to such tax treatment and tax structure; *provided* that the foregoing does not constitute an authorization to disclose the identity of Purchaser or its affiliates, agents or advisers, or, except to the extent relating to such tax structure or tax treatment, any specific pricing terms or commercial or financial information, and (ii) Purchaser does not assert any claim of proprietary ownership in respect of any description contained herein or therein relating to the use of any entities, plans or arrangements to give rise to a particular United States federal income tax treatment for Issuer.

19. *Severability.* Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

20. *Agreements Regarding the Pricing Confirmation.*

(a) This Agreement, as supplemented by the Pricing Confirmation, is a “qualified financial contract”, as such term is defined in Section 5-701(b)(2) of the General Obligations Law of New York (the “**General Obligations Law**”); (iii) the Pricing Confirmation constitutes a “confirmation in writing sufficient to indicate that a contract has been made between the parties” hereto, as set forth in Section 5-701(b)(3)(b) of the General Obligations Law; and (iv) this Agreement constitutes a prior “written contract” as set forth in Section 5-701(b)(1)(b) of the General Obligations Law, and each party hereto intends and agrees to be bound by this Agreement, as supplemented by the Pricing Confirmation.

(b) Issuer and Purchaser further agree and acknowledge that this Agreement, as supplemented by the Pricing Confirmation, constitutes a contract “for the sale or purchase of a security”, as set forth in Section 8-113 of the Uniform Commercial Code of New York.

21. *Purchaser’s Market Activities.*

(a) At any time Purchaser remains a Holder of Preferred Interests, Purchaser and its affiliates may buy or sell shares of NRG Common Stock or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to adjust its hedge position with respect to the Preferred Interests held by Purchaser.

(b) Purchaser and its affiliates also may be active in the market for shares of NRG Common Stock other than in connection with hedging activities in relation to the Preferred Interests held by Purchaser.

(c) Purchaser shall make its own determination as to whether, when or in what manner any hedging or market activities in NRG Common Stock shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Closing Price and/or the VWAP Price.

(d) Any market activities of Purchaser and its Affiliates with respect to NRG Common Stock may affect the market price and volatility of NRG Common Stock, as well as the Closing Price and/or the VWAP Price, each in a manner that may be adverse to Issuer.

22. *Survival.* The representations and warranties of Issuer and Purchaser in this Agreement shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

PURCHASER:

Credit Suisse Capital LLC

By /s/ Thomas Decker
Name: Thomas Decker
Title: Vice President, Complex Product Support

ISSUER:

NRG Common Stock Finance II LLC

By /s/ Clint Freeland
Name: Clint Freeland
Title: VP & Treasurer

AGENT:

Credit Suisse Securities (USA) LLC

By /s/ Augustine Vargetto

Name: Augustine Vargetto

Title: Director, Complex Product Support

FORM OF CERTIFICATE

SERIES 1 EXCHANGEABLE LIMITED LIABILITY COMPANY
PREFERRED INTERESTS

Certificate No. 1

CUSIP NO.: []]

Series 1 Exchangeable Limited Liability Company Preferred Interests

OF
NRG COMMON STOCK FINANCE II LLC

FACE OF SECURITY

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CREDIT SUISSE CAPITAL LLC, TO NRG COMMON STOCK FINANCE II LLC (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CREDIT SUISSE CAPITAL LLC OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CREDIT SUISSE CAPITAL LLC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CREDIT SUISSE CAPITAL LLC HAS AN INTEREST HEREIN.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER OF THIS SECURITY WILL DELIVER TO THE REGISTRAR SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR MAY REASONABLY REQUIRE TO CONFIRM THAT TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THIS SECURITY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), (II) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (III) TO THE ISSUER, IN EACH OF CASES (I) THROUGH (III) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

TRANSFERS OF THIS SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF DESIGNATIONS REFERRED TO BELOW. COPIES OF SUCH CERTIFICATE OF DESIGNATIONS MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

NRG COMMON STOCK FINANCE II LLC, a Delaware limited liability company (the “Company”), hereby certifies that Credit Suisse Capital LLC (the “Holder”) is the registered owner of all the fully paid and non-assessable preferred interests designated the “Series 1 Exchangeable Limited Liability Company Preferred Interests” issued pursuant to the Purchase Agreement, dated August 4, 2006 among the Company, the Holder (the “Preferred Interests”) and Credit Suisse Securities (USA) LLC, as agent. The Preferred Interests are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Interests represented hereby are issued pursuant to and shall in all respects be subject to the provisions of the Certificate of Designations of the Company dated August 4, 2006, as the same may be amended from time to time in accordance with its terms (the “Certificate of Designations”). Capitalized terms used herein but not defined shall have the respective meanings given them in the Certificate of Designations. The Company will provide a copy of the Certificate of Designations to the Holder without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Preferred Interests set forth on the reverse hereof, and to the Certificate of Designations, which select provisions and the Certificate of Designations shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designations and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, NRG Common Stock Finance II LLC has executed this certificate as of the date set forth below.

NRG COMMON STOCK FINANCE II
LLC

By: _____

Name:

Title:

Dated: [], 2006

A-4

REVERSE OF SECURITY

NRG COMMON STOCK FINANCE II LLC

Series 1 Exchangeable Limited Liability Company Preferred Interests

The Series 1 Exchangeable Limited Liability Company Preferred Interests shall be redeemable and exchangeable into cash and/or the common stock of NRG Energy, Inc. in the manner and according to the terms set forth in the Certificate of Designations. Upon the occurrence of an Early Redemption Event or an Extraordinary Event, the Holder will have the right to require the Company to redeem all or any such interests in the manner and according to the terms set forth in the Certificate of Designations.

As required under Delaware law, the Company shall furnish to the Holder upon request and without charge, a full summary statement of the designations, voting rights preferences, limitations and special rights of the shares of each class or series authorized to be issued by the Company so far as they have been fixed and determined.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers the Series 1 Exchangeable Limited Liability Company Preferred Interests represented by the within Certificate to:

(Insert assignee's social security or tax identification number)

(Insert address and zip code of assignee)

and hereby irrevocably appoints:

Attorney to transfer the Series 1 Exchangeable Limited Liability Company Preferred Interests evidenced hereby on the books of the within-named Company with full power of substitution in the premises. The attorney may substitute another to act for him or her.

Date: _____

Signature: _____

(Sign exactly as your name appears on the other side of this Series 1 Exchangeable Limited Liability Company Preferred Interest certificate)

Signature Guarantee: _____¹

¹ Signature must be guaranteed by an "eligible guarantor institution" (i.e., a bank, stockbroker, savings and loan association or credit union) meeting the requirements of the Registrar, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Confirmed as of the date first written above:

Acknowledged and Confirmed:

PURCHASER:

CREDIT SUISSE CAPITAL LLC

By: _____

Name:

Title:

ISSUER:

NRG COMMON STOCK FINANCE II LLC

By: _____

Name:

Title:

AGENT:

Credit Suisse Securities (USA) LLC

By: _____

Name:

Title:

Form of Opinion of Kirkland & Ellis LLP

NRG COMMON STOCK FINANCE I LLC
CERTIFICATE OF DESIGNATIONS

establishing the

Voting Powers, Designations, Preferences, Limitations,
Restrictions, and Relative Rights of

Series 1 Exchangeable Limited Liability Company Preferred Interests

Pursuant to Section 18-215 of the
Limited Liability Company Act of the State of Delaware

NRG COMMON STOCK FINANCE I LLC, a limited liability company organized and existing under the Limited Liability Company Act of the State of Delaware (“**Issuer**”), does hereby certify that (i) pursuant to authority conferred upon the directors of Issuer (the “**Directors**”) by its Limited Liability Company Agreement and pursuant to the provisions of Section 18-215 of the Limited Liability Company Act of the State of Delaware, the Directors authorized the creation and issuance of Issuer’s Series 1 Exchangeable Limited Liability Company Preferred Interests (the “**Preferred Interests**”), and (ii) the following resolution fixing the designations, preferences and rights of such Preferred Interests, which was duly adopted by the Directors, on August 4, 2006, remains in full force and effect. Certain capitalized terms used herein are defined in Article 10.

NOW THEREFORE IT IS RESOLVED, that pursuant to Section 18-215 of the Limited Liability Company Act of Delaware and the authority expressly granted to and vested in the Directors by the provisions of the Limited Liability Company Agreement of NRG Common Stock Finance I LLC, the Directors hereby create a series of preferred limited liability company interests with the designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions as set forth in this Certificate of Designations:

1. Designation; Components

1.1 The series will be known as the Series 1 Exchangeable Limited Liability Company Preferred Interests.

1.2 Each Preferred Interest issued hereunder shall consist of 30 separate components (each, a “**Component**”). The payments and deliveries by Issuer in respect of any Preferred Interest shall be made as if each Component were a separate Preferred Interest.

2. Dividends

2.1 The Preferred Interests will not pay dividends and the Holders will not be entitled to receive dividends.

3. Ranking

3.1 The Preferred Interests will, with respect to distributions upon the liquidation, winding up or dissolution of Issuer, rank:

(a) senior to all classes of common equity interests in Issuer, including without limitation the common equity limited liability company interests in Issuer (collectively, the “**Junior Interests**”); and

(b) junior to Issuer's debt obligations, including without limitation the Notes issued by Issuer pursuant to the Note Purchase Agreement (collectively referred to as the "**Senior Obligations**").

4. Redemption and Exchange

4.1 Redemption

On the Redemption Date for each Component of each Preferred Interest, such Component shall be redeemed and Issuer shall make a payment to the Holder of such Preferred Interest in Cash equal to the Base Liquidation Preference for such Component as of such Redemption Date.

4.2 Exchange

In addition to payment of the Base Liquidation Preference as provided in Section 4.1, each Holder shall have the right to exchange each Component of each Preferred Interest held by such Holder for the Preferred Net Settlement Amount for such Component by giving notice to Issuer on or prior to the fifth Scheduled Trading Day immediately prior to the Initial Valuation Date. On the Redemption Date for each Component of each Preferred Interest so exchanged, Issuer shall (in addition to paying the Base Liquidation Preference as set forth in Section 4.1) make a payment and/or a delivery to such Holder of (i) an amount in cash equal to the product of the Preferred Net Settlement Amount for such Component and the Cash Settlement Percentage and (ii) a number of shares of NRG Common Stock equal to (x) the product of (A) such Preferred Net Settlement Amount and (B) one *minus* the Cash Settlement Percentage *divided by* (y) the VWAP Price on the Valuation Date for such Component; *provided* that such number of shares so delivered in respect of any Component of any Preferred Interest shall not exceed 86.7661% of the Number of Underlying Shares for such Component.

Issuer may, by written notice to all Holders on or prior to the third Scheduled Trading Day immediately prior to the Initial Valuation Date, specify a cash settlement percentage (a "**Cash Settlement Percentage**") for all Preferred Interests. For the avoidance of doubt, if Issuer does not so specify a Cash Settlement Percentage, the Cash Settlement Percentage shall be zero.

Payment of Cash and/or delivery of shares of NRG Common Stock in accordance with the provisions of Section 4.1 and Section 4.2 shall be deemed to satisfy Issuer's obligation to pay the Liquidation Preference for the relevant Preferred Interests.

4.3 Optional Redemption

Issuer may, by not less than 10 nor more than 30 Business Days' prior written notice to all Holders, and subject to the execution by Issuer of such documentation as may be reasonably required based on advice of counsel to such Holders, designate an early redemption date (an "**Optional Early Redemption Date**") for any or all of the Components comprising all or part of any Preferred Interest outstanding at the time (each, a "**Relevant Component**").

If Issuer elects to redeem any Relevant Component in part, it shall also designate a percentage (the “**Redemption Percentage**”) representing the portion of such Relevant Component to be redeemed, and such Relevant Component shall be deemed to be two Preferred Interests with terms identical to those of the Relevant Component, except that the first such Component (the “**Redeemed Component**”) shall have an Initial Base Liquidation Preference equal to the product of the Redemption Percentage and the Initial Base Liquidation Preference for such Relevant Component, and the second such Component (the “**Surviving Component**”) shall have an Initial Base Liquidation Preference equal to the product of (x) one *minus* the Redemption Percentage and (y) the Initial Base Liquidation Preference for such Relevant Component. Issuer shall pay the Termination Amount for all Relevant Components (or, in the case of a partial redemption, all Redeemed Components) on the Optional Early Redemption Date. In the case of a partial redemption, each Surviving Component shall survive and continue to be outstanding with the rights and preferences set forth herein.

Except as expressly set forth herein, upon payment of the Termination Amount for any Component for which an Optional Early Redemption Date has so been declared, all of Issuer’s obligations in respect of the payment and/or delivery pursuant to Section 4.1 and Section 4.2 shall be deemed satisfied with respect to such Component.

4.4 Adjustment Events

(a) If the Calculation Agent has reasonably determined that an Adjustment Event either has occurred or is reasonably likely to occur, then the Calculation Agent will determine whether such Adjustment Event has or is reasonably likely to have a diluting or concentrative effect on the theoretical value of the shares of NRG Common Stock or options on NRG Common Stock and, if so, will make the corresponding adjustment to the Threshold Price (and, in the case of an Adjustment Event of the type described in clause (i) or clause (ii)(A) or (B) of Section 4.4(b), to the Notional Number of Shares) to compensate the Holders on account of such an Adjustment Event.

(b) “**Adjustment Event**” means any of the following:

(i) a subdivision, consolidation or reclassification of the NRG Common Stock, or a free distribution or dividend of any shares of NRG Common Stock to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of NRG Common Stock of (A) such shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as reasonably determined by the Calculation Agent;

(iii) any cash dividend or distribution on NRG Common Stock;

(iv) a repurchase by the Company or any of its subsidiaries of NRG Common Stock (other than the repurchase of the Notional Number of Shares) whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(v) in respect of the Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as reasonably determined by the Calculation Agent, *provided* that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vi) any other event that may have a diluting or concentrative effect on the theoretical value of the NRG Common Stock or options on NRG Common Stock, as reasonably determined by the Calculation Agent.

4.5 Increased Cost Of Hedging and Increased Costs.

The Calculation Agent may reduce the Threshold Price for any Preferred Interests to account for any period in which it reasonably determines that an Increased Cost of Hedging or an Increased Cost exists in respect of such Preferred Interests.

4.6 Blackout Adjustments.

If a Blackout or Suspension Day occurs pursuant to the Underwriting Agreement during the Double Print Period, then the Calculation Agent will make such adjustments to any of the Notional Number of Shares, the Threshold Price, any Preferred Net Settlement Amount or any other term of the Preferred Interests as it reasonably determines are appropriate to preserve the economic value of the transactions contemplated hereby to the Holders due to potential risks under applicable securities laws relating to such Holder's ability to adjust their hedges in respect of the transactions contemplated by the Transaction Documents as a result of such a Blackout, and, if the Calculation Agent reasonably determines that such adjustments would be insufficient to preserve such economic value to the Holders, then the Holders shall have a right to accelerate such a portion of the Preferred Interests that would preserve such economic value to such Holders (and such an acceleration shall be treated as the designation of an Extraordinary Redemption Date).

4.7 Use of Cash.

Issuer shall not make any payment in respect of any Preferred Interest on or after the Initial Valuation Date using Cash not held in the Note Collateral Account as of 8:00AM, New York City time, on the Initial Valuation Date.

5. Early Redemption Events

5.1 The occurrence of any of the following events shall constitute an Early Redemption Event (an "**Early Redemption Event**") hereunder:

(a) failure by Issuer to make, when due, any payment (including, without limitation, of any Base Liquidation Preference) or delivery under this Certificate or any other Transaction Document to which it is a party;

(b) failure by Issuer to perform when due its obligations set forth in Section 6(c) of the Preferred Interest Purchase Agreement;

(c) failure by Issuer to comply with or perform any agreement or obligation (other than an obligation to make any payment or delivery referred to in clause (a) immediately above or an obligation referred to in Section 6(c) of the Preferred Interest Purchase Agreement) under this Certificate or any other Transaction Document to be complied with or performed by it in accordance with this Certificate or any other Transaction Document if such failure is not remedied on or before the third Business Day after notice of such failure is given to Issuer;

(d) this Certificate or any other Transaction Document ceases to be in full force and effect, or is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable in any material respect, or Issuer or any Affiliate of Issuer party to any Transaction Document disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, this Certificate or any other Transaction Document;

(e) a representation made or repeated by Issuer or any Affiliate of Issuer party to any Transaction Document in any Transaction Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(f) Issuer or the Company is (1) dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(g) due to the adoption of, or any change in, any applicable law after the date hereof, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for Issuer or any Affiliate of Issuer party to any Transaction Document (i) to perform any absolute or contingent obligation to make a payment or delivery, or to receive a payment or delivery in respect of this Certificate or any other Transaction Document or to comply with any other material provision of this Certificate or any other Transaction Document or (2) to perform any contingent or other obligation which Issuer or such Affiliate has under this Certificate or any other Transaction Document; and

(h) any legal proceeding shall have been instituted or any other event shall have occurred or condition shall exist that would reasonably be expected to have a material adverse effect on (i) the ability of Issuer or any Affiliate of Issuer party to any Transaction Document to perform its obligations under this Certificate, the Preferred Interest Purchase Agreement or any other Transaction Document, or (ii) the validity or binding effect of any agreement of Issuer or such Affiliate under this Certificate, the Preferred Interest Purchase Agreement or any other Transaction Document.

5.2 Upon the occurrence, and during the continuance of, any Early Redemption Event, the Holder of any Preferred Interests may redeem any or all of the Components comprising any or all of such Preferred Interests for payment of the Termination Amount for such Components on any day notified by such Holder to Issuer (the "**Early Redemption Date**").

5.3 Except as expressly set forth herein, upon payment of the Termination Amount for any Component for which an Extraordinary Redemption Date has so been designated, all of Issuer's obligations in respect of the payment and/or delivery pursuant to Section 4.1 and Section 4.2 shall be deemed satisfied with respect to such Component.

6. Extraordinary Events

6.1 If the Calculation Agent has reasonably determined that an Extraordinary Event has occurred, then it shall so notify the parties, and the Holder of such Preferred Interest may, in its sole discretion, require Issuer to redeem any or all of the Components comprising such Preferred Interest (each, a "**Relevant Component**") in whole or in part on any Trading Day (an "**Extraordinary Redemption Date**") for the Termination Amount for such Relevant Component. If such Holder exercises its right to require Issuer to redeem any Relevant Component in part, it shall also designate a percentage (the "**Extraordinary Redemption Percentage**") representing the portion of such Relevant Component being redeemed, and such Relevant Component shall be deemed to be two Components with terms identical to those of such Relevant Component, except that the first such Component (the "**Redeemed Component**") shall have an Initial Base Liquidation Preference equal to the product of the Extraordinary Redemption Percentage and the Initial Base Liquidation Preference for such Relevant Component, and the second such Component (the "**Surviving Component**") shall have an Initial Base Liquidation Preference equal to the product of (x) one *minus* the Extraordinary Redemption Percentage and (y) the Initial Base Liquidation Preference for such Relevant Component. Issuer shall pay the Termination Amount for all Relevant Components (or, in the case of a partial redemption, all Redeemed Components) on the Extraordinary Redemption Date. In the case of a partial redemption, each Surviving Component shall survive and continue to be outstanding with the rights and preferences set forth herein.

6.2 Except as expressly set forth herein, upon payment of the Termination Amount for any Component being redeemed early, all of Issuer's obligations in respect of the payment and/or delivery pursuant to Section 4.1 and Section 4.2 shall be deemed satisfied with respect to such Component.

7. Liquidation Preference

7.1 Upon any voluntary or involuntary liquidation, dissolution or winding up of Issuer or reduction or decrease in the Capital Stock resulting in a distribution of assets to the holders of any class of Junior Interests or the Preferred Interests, the Holders will be entitled to be paid, out of assets of Issuer available for distribution, the Liquidation Preference per share to the date fixed for liquidation, dissolution or winding up, before any distribution is made on any Junior Interests, including, without limitation, the common equity limited liability company interests in Issuer, but after any distribution is made on any Senior Obligations.

7.2 If, upon any voluntary liquidation, dissolution or winding up of Issuer, the amounts payable with respect to the Liquidation Preference for the Preferred Interests are not paid in full, the Holders will share pro rata in proportion to the full distribution to which each is entitled.

7.3 After payment of the full amount of the Liquidation Preference to which any Holder is entitled, such Holder will have no right or claim to any of the remaining assets of Issuer.

7.4 Neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of Issuer nor the consolidation, merger or amalgamation of Issuer with or into one or more entities or the consolidation, merger or amalgamation of one or more entities with or into Issuer will be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of Issuer, unless such sale, conveyance, exchange or transfer shall be in connection with a liquidation, dissolution or winding up of the business of Issuer.

7.5 Notwithstanding the foregoing, except as provided in the Transaction Documents, Issuer is not required to set aside any funds to protect the Liquidation Preference for the Preferred Interests.

8. Voting Rights

8.1 The affirmative vote or consent of the Holders of at least 66 2/3% of the outstanding Preferred Interests (with one vote for \$1,000 in Initial Base Liquidation Preference for Preferred Interests held), voting separately as a class, will be required to (i) amend, alter or repeal the Limited Liability Company Agreement or this Certificate of Designations, whether by merger, consolidation or otherwise, in a manner that would amend, alter or affect adversely the rights of the Holders; (ii) enter into voluntary bankruptcy, (iii) sell all or substantially all of Issuer's assets, (iv) enter into transactions that would result in a Merger Event or a change of control of Issuer, (v) issue any class of limited liability company interest that is senior to the Preferred Interests or any Senior Obligations other than pursuant to the Transaction Documents.

8.2 In addition to the rights set forth in Section 5, if Issuer fails to make when due any delivery or payment in respect of any redemption or exchange of any Preferred Interest, then the Holders of at least 50% of the outstanding Preferred Interests (with one vote for \$1,000 in Initial Base Liquidation Preference held) may vote to cause Issuer to be immediately liquidated, dissolved and wound up pursuant to the terms of Issuer's Limited Liability Company Agreement.

9. Amendment, Supplement and Waiver

9.1 Without the consent of any Holder, subject to the requirements of the Delaware Limited Liability Company Act, Issuer may amend or supplement this Certificate of Designations to cure any ambiguity, defect or inconsistency, to provide for uncertificated Preferred Interests in addition to or in place of certificated Preferred Interests, to provide for the assumption of Issuer's obligations to the Holders in the case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights or duties under this Certificate of Designations of any such Holder.

10. Certain Definitions

Set forth below are certain defined terms used in this Certificate of Designations.

10.1 "**Accretion Rate**" means 12.6500% per annum.

10.2 "**Adjustment Event**" has the meaning set forth in Section 4.4.

10.3 "**Affiliate**" means, with respect to any Person, any Person who controls, is controlled by or is under common control with such Person. "**Control**" means, for these purposes, the power to direct the management and policies of such Person, whether by stock ownership, contract or otherwise.

10.4 "**Aggregate Number of Underlying Shares**" means the product of the Notional Number of Shares and the Underlying Share Percentage.

10.5 "**Base Liquidation Preference**" means, in respect of any Component or Preferred Interest at any time, the Initial Base Liquidation Preference for such Component or Preferred Interests accreted from the final Funding Date to such time at the Accretion Rate, as reasonably determined by the Calculation Agent. Prior to the final Funding Date, the Base Liquidation Preference for any Component or Preferred Interest at any time shall be the Initial Base Liquidation Preference for such Preferred Interest determined as of such time.

10.6 "**Blackout**" has the meaning set forth in the Underwriting Agreement.

10.7 "**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

10.8 "**Calculation Agent**" means Credit Suisse Securities (USA) LLC.

10.9 "**Cash**" means United States dollars.

- 10.10 “**Cash Condition**” has the meaning set forth in the Note Purchase Agreement.
- 10.11 “**Cash Condition Percentage**” has the meaning set forth in the Note Purchase Agreement.
- 10.12 “**Cash Settlement Percentage**” has the meaning set forth in Section 4.2.
- 10.13 “**Change in Law**” means, in respect of any Preferred Interest, that, on or after the date of this Certificate (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in either case, the Calculation Agent reasonably determines that it has become illegal to hold, acquire or dispose of shares of NRG Common Stock.
- 10.14 “**Common Equity Interest Purchase Agreement**” means the Common Equity Interest Purchase Agreement dated as of August 4, 2006 between the Company and Issuer.
- 10.15 “**Company**” means NRG Energy, Inc.
- 10.16 “**Component**” has the meaning set forth in Section 1.2.
- 10.17 “**Daily Funding amount**” has the meaning set forth in the Preferred Interest Purchase Agreement.
- 10.18 “**Daily Notional Number of Shares**” has the meaning set forth in the Note Purchase Agreement.
- 10.19 “**Delisting**” means that the Exchange announces that pursuant to the rules of such Exchange, NRG Common Stock has ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on the New York Stock Exchange or Nasdaq Stock Exchange.
- 10.20 “**Directors**” has the meaning set forth in the first paragraph hereof.
- 10.21 “**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.
- 10.22 “**Double Print Period**” means the period beginning on the first Exchange Business Day of the Reference Period on which the Daily Notional Number of Shares is greater than zero and ending on the day on or following the last Exchange Business Day of the Reference Period on which Purchaser and its affiliates have completed registered sales of a number of shares of NRG Common Stock, in the manner contemplated by the Underwriting Agreement, equal to the Notional Number of Shares.
- 10.23 “**Early Closure**” means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its scheduled weekday closing time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day.
- 10.24 “**Early Redemption Date**” has the meaning set forth in Section 5.2.
- 10.25 “**Early Redemption Event**” has the meaning set forth in Section 5.1.
- 10.26 “**Exchange**” means at any time, the principal securities exchange or automated quotation system on which NRG Common Stock is listed or traded at such time.
- 10.27 “**Exchange Business Day**” means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any Related Exchange closing prior to its scheduled weekday closing time.
- 10.28 “**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as reasonably determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the NRG Common Stock on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to NRG Common Stock on any Related Exchange.
- 10.29 “**Extraordinary Event**” means, in respect of any Preferred Interest, any of (i) a determination by the Calculation Agent that an Adjustment Event or an Increased Cost of Hedging is reasonably likely to require an adjustment to the Threshold Price for such Preferred Interest that would result in such Threshold Price being equal to or less than the Reference Price, (ii) a Change in Law in respect of such Preferred Interest, (iii) a Hedging Disruption in respect of such Preferred Interest, (iv) a Loss of Stock Borrow in respect of such Preferred Interest, (v) a Merger Event, (vi) a Tender Offer, (vii) a Nationalization or (viii) a Delisting.
- 10.30 “**Extraordinary Redemption Date**” has the meaning set forth in Section 6.1.
- 10.31 “**Extraordinary Redemption Percentage**” has the meaning set forth in Section 6.1.

10.32 “**Fee Agreement**” means the letter agreement dated the date hereof among the Company, Purchaser, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

10.33 “**Final Settlement Date**” means the Exchange Business Day immediately following the last Valuation Date.

10.34 “**Funding Date**” has the meaning set forth in the Note Purchase Agreement.

10.35 “**Hedging Disruption**” means, in respect of any Preferred Interest, that the Calculation Agent reasonably determines that the Holder of such Preferred Interest is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it reasonably deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the transactions contemplated by the Transaction Documents (including purchasing and holding of such Preferred Interest).

10.36 “**Holder**” means a Person in whose name Preferred Interests are registered.

10.37 “**Increased Cost**” means, in respect of any Preferred Interest, that the Holder of such Preferred Interest reasonably determines that compliance with any law or regulation enacted or introduced after the date hereof or any guideline or request of any central bank or other governmental authority adopted or made after the date hereof (whether or not having the force of law) affects the amount of capital required to be maintained by such Holder or any corporation controlling such Holder and that the amount of such capital is increased by or based upon the ownership of such Preferred Interest.

10.38 “**Increased Cost of Hedging**” means, in respect of any Preferred Interest, that the Calculation Agent reasonably determines that the Holder of such Preferred Interest or its Affiliates would incur an amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the transactions contemplated by the Transaction Documents to which it is a party (including purchasing and holding of Preferred Interests), in excess of 0.75% per annum.

10.39 “**Independent Manager Engagement Agreement**” means that Staffing Agreement with an effective date of August 4, 2006 by Issuer, NRG Common Stock Finance II LLC and CT Corporation Staffing, Inc., a Delaware corporation (“CT”), related to the provision by CT of certain management staffing services to Issuer and NRG Common Stock Finance II LLC.

10.40 “**Initial Base Liquidation Preference**” means, for any Preferred Interest, the sum of the Daily Funding Amounts for such Preferred Interests, each accreted from the applicable Funding Date to the final Funding Date at the Accretion Rate, as determined by the Calculation Agent, and, for any Component of such Preferred Interest, one thirtieth of such amount.

10.41 “**Initial Valuation Date**” means, for any Preferred Interests, the date that follows the Exchange Business Day corresponding to the final Funding Date by two years; *provided* that if such date is not an Exchange Business Day, the Initial Valuation Date shall be the immediately following Exchange Business Day.

10.42 “**Issuer**” means NRG Common Stock Finance I LLC, a Delaware limited liability company.

10.43 “**Junior Interests**” has the meaning set forth in Section 3.1(a).

10.44 “**Limited Liability Company Agreement**” means the Limited Liability Company Agreement of NRG Common Stock Finance I LLC.

10.45 “**Liquidation Preference**” means, for any Component of any Preferred Interest at any time, the sum of (i) the Base Liquidation Preference for the Initial Liquidation Preference for such Component at such time and (ii) the Preferred Net Settlement Amount for such Component; *provided* that in the event an Optional Early Redemption Date, an Early Redemption Date or an Extraordinary Redemption Date occurs with respect to such Component, the Liquidation Preference for such Preferred Interest shall be the Termination Amount for such Component; and *provided further* that if the Redemption Date for such Component has occurred and Issuer has not made all or any part of the Cash payment required by Section 4.1 or Section 4.2 in respect of such Component, the portion of the Liquidation Preference for such Component described in clause (i) above corresponding to the amount of such Cash so not paid shall be replaced with a number of shares of NRG Common Stock equal to the amount of such Cash divided by the VWAP Price on the Valuation Date for such Component.

10.46 “**Loss of Stock Borrow**” means, in respect of any Preferred Interest, that the Calculation Agent reasonably determines that the Holder of such Preferred Interest is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) shares of NRG Common Stock in an amount equal to the number of shares of NRG Common Stock that the Calculation Agent reasonably determines is necessary to hedge the equity price risk of purchasing and holding of such Preferred Interests (not to exceed the Number of Underlying Shares for such Preferred Interest) or is otherwise unable to hedge the equity price risk of purchasing and holding such Preferred Interest (not to exceed the Number of Underlying Shares for such Preferred Interest).

10.47 “**Market Disruption Event**” means, on any Scheduled Trading Day, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent reasonably determines is material, or (iii) an Early Closure.

10.48 “**Members**” has the meaning set forth in the first paragraph hereof.

10.49 “**Merger Event**” means any (i) reclassification or change of the shares of NRG Common Stock that results in a transfer of all of such shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Company is the continuing entity and which does not result in a reclassification or change of all of such shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding shares of NRG Common Stock that actually results in a transfer of all such shares (other than such shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such shares outstanding but results in the outstanding shares of the Company (other than shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding shares immediately following such event.

10.50 “**Nationalization**” means that all the shares of NRG Common Stock or all or substantially all the assets of the Company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

10.51 “**Note**” has the meaning set forth in the Note Purchase Agreement.

10.52 “**Note Collateral Account**” means the Collateral Account as defined in the Note Purchase Agreement.

10.53 “**Note Purchase Agreement**” means the Note Purchase Agreement dated as of August 4, 2006 among Issuer, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.

10.54 “**Notional Number of Shares**” has the meaning set forth in the Note Purchase Agreement.

10.55 “**NRG Common Stock**” means common stock, par value \$0.01 per share, of the Company.

10.56 “**NRG CSF II Common Equity Interest Purchase Agreement**” means the Common Equity Interest Purchase Agreement dated as of August 4, 2006 between the Company and NRG Common Stock Finance II LLC.

10.57 “**NRG CSF II Note Purchase Agreement**” means the Note Purchase Agreement dated the date hereof among NRG Common Stock Finance II LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.

10.58 “**NRG CSF II Preferred Interest Purchase Agreement**” means the Preferred Interest Purchase Agreement among NRG Common Stock Finance II LLC, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.

10.59 “**Number of Underlying Shares**” means, for any Component of any Preferred Interest, the product of the Aggregate Number of Underlying Shares and a fraction the numerator of which is the Initial Base Liquidation Preference for such Component and the denominator of which is the aggregate Initial Base Liquidation Preference for all Components of all Preferred Interests issued under the Preferred Interest Purchase Agreement (subject to rounding by the Calculation Agent to the nearest whole number).

10.60 “**Optional Early Redemption Date**” has the meaning set forth in Section 4.3.

10.61 “**Person**” means any individual, corporation, partnership, joint venture, association, joint-stock issuer, interest, trust or unincorporated organization (including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business).

10.62 “**Preferred Interests**” means the Preferred Interests authorized in this Certificate of Designations.

10.63 “**Preferred Interest Purchase Agreement**” means the Preferred Interest Purchase Agreement dated as of August 4, 2006 among Issuer, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.

10.64 “**Preferred Net Settlement Amount**” means, for any Component of any Preferred Interest, the greater of zero and (i) the Number of Underlying Shares for such Component *multiplied by* (ii) the VWAP Price on the Valuation Date for such Component *minus* the Threshold Price for such Preferred Interest.

10.65 “**Redeemed Component**” has the meaning set forth in Sections 4.3 and 6.1, in each case as used therein.

10.66 “**Redemption Date**” means for any Component of any Preferred Interest, if the Cash Condition is satisfied, the Final Settlement Date, or, if the Cash Condition is not satisfied, the Exchange Business Day immediately following the Valuation Date for such Component.

If the Cash Condition is satisfied in part but not in whole, then each Component of each Preferred Interest (each, a “**Relevant Component**”) shall be deemed to be two Preferred Interests with terms identical to those of the Relevant Component, except that the first such Component (the “**Cash Condition Satisfied Component**”) shall have an Initial Base Liquidation Preference equal to the product of the Cash Condition Percentage and the Initial Base Liquidation Preference for the Relevant Component, and the second such Component (the “**Cash Condition Not Satisfied Component**”) shall have an Initial Base Liquidation Preference equal to the product of (i) one *minus* the Cash Condition Percentage and (y) the Initial Base Liquidation Preference for the Relevant Component. In the alternative, the parties may agree to a different allocation and identification of Cash Condition Satisfied Components and Cash Condition Not Satisfied Components. The Redemption Date for all Cash Condition Satisfied Components shall be determined as if the Cash Condition were satisfied and the Redemption Date for all Cash Condition Not Satisfied Components shall be determined as if the Cash Condition were not satisfied.

10.67 “**Redemption Percentage**” has the meaning set forth in Section 4.3.

10.68 “**Reference Period**” has the meaning set forth in the Note Purchase Agreement.

10.69 “**Reference Price**” has the meaning set forth in the Note Purchase Agreement.

10.70 “**Related Exchange**” means, at any time, any exchange on which futures or options contracts relating to NRG Common Stock are traded at such time.

10.71 “**Relevant Component**” has the meaning set forth in the definition of Redemption Date and in Sections 4.3 and 6.1, in each case as used therein.

10.72 “**Scheduled Trading Day**” means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

10.73 “**Senior Obligations**” has the meaning set forth in Section 3.1(c).

10.74 “**Settlement Cycle**” means the period following a trade in shares of NRG Common Stock on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

10.75 “**Surviving Component**” has the meaning set forth in Sections 4.3 and 6.1, in each case as used therein.

10.76 “**Suspension Day**” has the meaning set forth in the Underwriting Agreement.

10.77 “**Taxes**” has the meaning set forth in Section 12.6.

10.78 “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that actually results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by exchange or other means (it being understood that a mere offer does not give rise to any such right), greater than 30% and less than 100% of the outstanding voting shares of the Company, as reasonably determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

10.79 “**Termination Amount**” means, for any Component of any Preferred Interest, an amount, reasonably determined by the Calculation Agent in connection with an Extraordinary Event for which an Extraordinary Redemption Date has been designated, an optional redemption pursuant to Section 4.3 for which an Optional Early Redemption Date has been designated or an Early Redemption Event pursuant to which the Termination Amount has become due and payable on an Early Redemption Date, in each case in respect of such Component, to be appropriate to compensate the Holder of such Preferred Interest for its total losses and costs in connection with such Component, including any loss of bargain, loss of funding or, at the election of such Holder but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position, including losses and costs in respect of any payment or delivery in respect of such Component that would, but for the occurrence of such Extraordinary Redemption Date, Optional Early Redemption Date or Early Redemption Event, as the case may be, have been made after such Extraordinary Redemption Date, Optional Early Redemption Date or Early Redemption Date, as applicable.

10.80 “**Threshold Price**” means, for any Preferred Interests, the price defined as such in the Preferred Interest Purchase Agreement.

10.81 “**Trading Day**” means any Exchange Business Day that is not a Disrupted Day.

10.82 “**Trading Disruption**” means any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limited permitted by the Exchange or Related Exchange or otherwise (i) relating to NRG Common Stock on the Exchange or (ii) in futures or options contracts relating to NRG Common Stock on any Related Exchange.

10.83 “**Transaction Documents**” means (i) the Preferred Interest Purchase Agreement; (ii) the NRG CSF II Preferred Interest Purchase Agreement (iii) the Note Purchase Agreement (including the Pricing Confirmation thereunder); (iv) any Notes issued under the Note Purchase Agreement; (v) the NRG CSF II Note Purchase Agreement (including the pricing confirmations thereunder) (vi) any Notes issued under the NRG CSF II Note Purchase Agreement; (vii) the Limited Liability Company Agreement of Issuer, including this Certificate; (viii) the Limited Liability Company Agreement of NRG Common Stock Finance II LLC, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Limited Liability Company Preferred Interests issued by NRG Common Stock Finance II LLC, (ix) the Underwriting Agreement and the Fee Agreement; (x) the Common Equity Interest Purchase Agreement; (xi) the NRG CSF II Common Equity Interest Purchase Agreement; (xii) the letter agreement dated as of August 4, 2006 between Issuer and Credit Suisse Securities (USA) LLC relating to the purchase of NRG Common Stock; (xiii) the letter agreement dated as of August 4, 2006 between NRG Common Stock Finance II and Credit Suisse Securities (USA) LLC relating to the purchase of NRG Common Stock; and (xiv) the Independent Manager Engagement Agreement.

10.84 “**Underlying Share Percentage**” means 15.2763%.

10.85 “**Underwriting Agreement**” means that Underwriting Agreement dated as of August 4, 2006 among Issuer, Credit Suisse International, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

10.86 “**Valuation Date**” means, for the first Component of each Preferred Interest, the Initial Valuation Date, and, for each subsequent Component of such Preferred Interest, the Exchange Business Day immediately following the Valuation Day for the previous Component; *provided* that if any such Exchange Business Day is a Disrupted Day, then such Exchange Business Day shall not be a Valuation Date, and such Valuation Date shall be the first succeeding Exchange Business Day that is not a Disrupted Day and on which another Valuation Date does not or is not deemed to occur. If such first succeeding Exchange Business Day has not occurred as of the eighth Exchange Business Day immediately following the day that, but for the occurrence of another Valuation Date or Disrupted Day, would have been the final Valuation Date, then (1) that eighth Exchange Business Day shall be deemed the Valuation Date for all Components for which the Valuation Date has not occurred, and (2) the VWAP Price on that Valuation Date shall be deemed to be the prevailing market value of the NRG Common Stock as reasonably determined by the Calculation Agent.

10.87 “**VWAP Price**” means, on any Scheduled Trading Day, the Rule 10b-18 “Volume Weighted Average Price” per share of NRG Common Stock on such day, as displayed on Bloomberg Page “NRG.N <Equity> AQR SEC” (or any successor thereto) for the Company on such day or, if such price is not so displayed on such day, the Rule 10b-18 volume weighted average price per share of NRG Common Stock on such day as reasonably determined by the Calculation Agent.

11. Register

(a) Issuer shall cause to be kept a register (the “**Register**”) for the Preferred Interests in which, subject to such reasonable regulations as it may prescribe, Issuer shall provide for the registration of the Preferred Interests and the registration of transfers of the Preferred Interests. Issuer shall initially be the registrar (in such capacity, the “**Registrar**”) for the purpose of registering the Preferred Interests and transfers of Preferred Interests as herein provided and may appoint a successor to itself, subject to the last sentence of this Section 11(a). Upon any resignation of any Registrar, Issuer shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of the Registrar. If a person other than Issuer is appointed as Registrar, Issuer will give Purchaser prompt written notice of the appointment of such Registrar and of the location, and any change in the location of the Register.

(b) Upon surrender for registration of transfer of any certificate representing any Preferred Interest at an office or agency of Issuer where the Base Liquidation Preference of the Preferred Interests is payable, Issuer shall execute, and the relevant Holder shall obtain from Issuer, in the name of the designated transferee or transferees, one or more new certificates of a like aggregate Base Liquidation Preference.

(c) At the option of a Holder, certificates with respect to any Preferred Interests may be exchanged for other certificates of a like aggregate Base Liquidation Preference upon surrender of the certificates to be exchanged at the office or agency of Issuer where the Base Liquidation Preference of the Preferred Interests are payable.

(d) All Preferred Interests issued upon any registration of transfer or exchange of Preferred Interests shall be the valid obligations of Issuer, evidencing the same rights, and entitled to the same benefits under this Agreement, as the Preferred Interests surrendered upon such registration of transfer or exchange.

(e) No service charge shall be made by Issuer for any registration of transfer or exchange of any Preferred Interest, but Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Preferred Interests.

(f) Subject to Section 7 of the Preferred Interest Purchase Agreement, the Preferred Interests shall be freely transferable at any time without the consent of Issuer to any Person that (i) makes the representations and warranties set forth in Sections 5(f), (g) and (h) of the Preferred Interest Purchase Agreement as of the date of the relevant transfer, (ii) agrees to be bound by the covenants set forth in Section 7 of the Preferred Interest Purchase Agreement and (iii) becomes the Holder of Preferred Interests with an aggregate Initial Base Liquidation Preference of 10% or more of the aggregate Initial Base Liquidation Amount of all Preferred Interests outstanding at the time of such transfer; *provided* that the Preferred Interests shall not be transferable prior to the payment by the Holder of the Daily Funding Amount for the Funding Date corresponding to the last Exchange Business Day in the Reference Period. The Transfer Agent and registrar will duly record the transfer of any Preferred Interests.

12. Other Provisions

12.1 With respect to any notice to a Holder required to be provided hereunder, neither failure to mail such notice, nor any defect therein or in the mailing thereof, to any particular Holder shall affect the sufficiency of the notice or the validity of the proceedings referred to in such notice with respect to the other Holders or affect the legality or validity of any distribution, rights, warrant, reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any such action. Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Holder receives the notice.

12.2 Preferred Interests issued and reacquired will be retired and canceled promptly after reacquisition thereof and, upon compliance with the applicable requirements of Delaware law, have the status of authorized but unissued Preferred Interests of Issuer undesignated as to series and may with any and all other authorized but unissued Preferred Interests of Issuer be designated or redesignated and issued or reissued, as the case may be, as part of any series of Preferred Interests of Issuer except that any issuance or reissuance of Preferred Interests must be in compliance with this Certificate of Designations.

12.3 No fractional shares of NRG Common Stock or securities representing fractional shares of NRG Common Stock will be issued upon exchange of the Preferred Interests. Any fractional interest in a share of NRG Common Stock resulting from the exchange of the aggregate amount of a Holder's Preferred Interests exchanged will be paid in Cash based on the VWAP of the NRG Common Stock on the Valuation Date corresponding to the relevant Redemption Date.

12.4 All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to Issuer shall be given to it at CT Corporation System, 1209 Orange Street, Wilmington, Delaware, with a copy to NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540, Attention: General Counsel, Fax: (609) 524-4589.

12.5 Calculation Agent

All calculations and determinations hereunder shall be made by the Calculation Agent. The Calculation Agent shall make all calculations and determinations hereunder in good faith and in a commercially reasonable manner. All calculations and determinations of the Calculation Agent so made shall be binding on the parties in the absence of manifest error.

12.6 Payments

All payments of, or in respect of, redemption amounts, liquidation preference or any other payment on any Preferred Interest shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts by wire transfer of immediately available funds to an account designated by the Holder of such Preferred Interest.

All payments of, or in respect of, redemption amounts, liquidation preference or any other payment on the Preferred Interests made by Issuer hereunder will be made without withholding or deduction for, or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature (or interest on any taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature) imposed, levied, collected, withheld or assessed by, within or on behalf of any jurisdiction in which Issuer is organized, deemed to reside or engaged in business for tax purposes, or any jurisdiction from or through which any amount is paid by Issuer or any political subdivision or governmental authority thereof or therein having power to tax (collectively "**Taxes**"), unless such withholding or deduction is required by law. If any such Taxes shall at any time be required in respect of the payment of any amounts by Issuer with respect to any Preferred Interest, Issuer will pay to the Holder of such Preferred Interest such additional amounts as may be necessary to ensure that the amounts received by such Holder after such withholding or deduction shall equal the amounts of principal and interest which would have been receivable in respect of such Preferred Interest in the absence of such withholding or deduction.

IN WITNESS WHEREOF, NRG Common Stock Finance I LLC caused this Certificate to be signed this 4th day of August 2006.

NRG COMMON STOCK
FINANCE I LLC

By: /s/ Clint Freeland
Name: Clint Freeland
Title: VP & Treasurer

NRG COMMON STOCK FINANCE II LLC
CERTIFICATE OF DESIGNATIONS

establishing the
Voting Powers, Designations, Preferences, Limitations,
Restrictions, and Relative Rights of
Series 1 Exchangeable Limited Liability Company Preferred Interests

Pursuant to Section 18-215 of the
Limited Liability Company Act of the State of Delaware

NRG COMMON STOCK FINANCE II LLC, a limited liability company organized and existing under the Limited Liability Company Act of the State of Delaware (“**Issuer**”), does hereby certify that (i) pursuant to authority conferred upon the directors of Issuer (the “**Directors**”) by its Limited Liability Company Agreement and pursuant to the provisions of Section 18-215 of the Limited Liability Company Act of the State of Delaware, the Directors authorized the creation and issuance of Issuer’s Series 1 Exchangeable Limited Liability Company Preferred Interests (the “**Preferred Interests**”), and (ii) the following resolution fixing the designations, preferences and rights of such Preferred Interests, which was duly adopted by the Directors, on August 4, 2006, remains in full force and effect. Certain capitalized terms used herein are defined in Article 10.

NOW THEREFORE IT IS RESOLVED, that pursuant to Section 18-215 of the Limited Liability Company Act of Delaware and the authority expressly granted to and vested in the Directors by the provisions of the Limited Liability Company Agreement of NRG Common Stock Finance II LLC, the Directors hereby create a series of preferred limited liability company interests with the designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions as set forth in this Certificate of Designations:

1. Designation; Components

1.1 The series will be known as the Series 1 Exchangeable Limited Liability Company Preferred Interests.

1.2 Each Preferred Interest issued hereunder shall consist of 30 separate components (each, a “**Component**”). The payments and deliveries by Issuer in respect of any Preferred Interest shall be made as if each Component were a separate Preferred Interest.

2. Dividends

2.1 The Preferred Interests will not pay dividends and the Holders will not be entitled to receive dividends.

3. Ranking

3.1 The Preferred Interests will, with respect to distributions upon the liquidation, winding up or dissolution of Issuer, rank:

(a) senior to all classes of common equity interests in Issuer, including without limitation the common equity limited liability company interests in Issuer (collectively, the “**Junior Interests**”); and

(b) junior to Issuer's debt obligations, including without limitation the Notes issued by Issuer pursuant to the Note Purchase Agreement (collectively referred to as the "**Senior Obligations**").

4. Redemption and Exchange

4.1 Redemption

On the Redemption Date for each Component of each Preferred Interest, such Component shall be redeemed and Issuer shall make a payment to the Holder of such Preferred Interest in Cash equal to the Base Liquidation Preference for such Component as of such Redemption Date.

4.2 Exchange

In addition to payment of the Base Liquidation Preference as provided in Section 4.1, each Holder shall have the right to exchange each Component of each Preferred Interest held by such Holder for the Preferred Net Settlement Amount for such Component by giving notice to Issuer on or prior to the fifth Scheduled Trading Day immediately prior to the Initial Valuation Date. On the Redemption Date for each Component of each Preferred Interest so exchanged, Issuer shall (in addition to paying the Base Liquidation Preference as set forth in Section 4.1) make a payment and/or a delivery to such Holder of (i) an amount in cash equal to the product of the Preferred Net Settlement Amount for such Component and the Cash Settlement Percentage and (ii) a number of shares of NRG Common Stock equal to (x) the product of (A) such Preferred Net Settlement Amount and (B) one *minus* the Cash Settlement Percentage *divided by* (y) the VWAP Price on the Valuation Date for such Component; *provided* that such number of shares so delivered in respect of any Component of any Preferred Interest shall not exceed 93.7214% of the Number of Underlying Shares for such Component.

Issuer may, by written notice to all Holders on or prior to the third Scheduled Trading Day immediately prior to the Initial Valuation Date, specify a cash settlement percentage (a "**Cash Settlement Percentage**") for all Preferred Interests. For the avoidance of doubt, if Issuer does not so specify a Cash Settlement Percentage, the Cash Settlement Percentage shall be zero.

Payment of Cash and/or delivery of shares of NRG Common Stock in accordance with the provisions of Section 4.1 and Section 4.2 shall be deemed to satisfy Issuer's obligation to pay the Liquidation Preference for the relevant Preferred Interests.

4.3 Optional Redemption

Issuer may, by not less than 10 nor more than 30 Business Days' prior written notice to all Holders, and subject to the execution by Issuer of such documentation as may be reasonably required based on advice of counsel to such Holders, designate an early redemption date (an "**Optional Early Redemption Date**") for any or all of the Components comprising all or part of any Preferred Interest outstanding at the time (each, a "**Relevant Component**").

If Issuer elects to redeem any Relevant Component in part, it shall also designate a percentage (the “**Redemption Percentage**”) representing the portion of such Relevant Component to be redeemed, and such Relevant Component shall be deemed to be two Preferred Interests with terms identical to those of the Relevant Component, except that the first such Component (the “**Redeemed Component**”) shall have an Initial Base Liquidation Preference equal to the product of the Redemption Percentage and the Initial Base Liquidation Preference for such Relevant Component, and the second such Component (the “**Surviving Component**”) shall have an Initial Base Liquidation Preference equal to the product of (x) one *minus* the Redemption Percentage and (y) the Initial Base Liquidation Preference for such Relevant Component. Issuer shall pay the Termination Amount for all Relevant Components (or, in the case of a partial redemption, all Redeemed Components) on the Optional Early Redemption Date. In the case of a partial redemption, each Surviving Component shall survive and continue to be outstanding with the rights and preferences set forth herein.

Except as expressly set forth herein, upon payment of the Termination Amount for any Component for which an Optional Early Redemption Date has so been declared, all of Issuer’s obligations in respect of the payment and/or delivery pursuant to Section 4.1 and Section 4.2 shall be deemed satisfied with respect to such Component.

4.4 Adjustment Events

(a) If the Calculation Agent has reasonably determined that an Adjustment Event either has occurred or is reasonably likely to occur, then the Calculation Agent will determine whether such Adjustment Event has or is reasonably likely to have a diluting or concentrative effect on the theoretical value of the shares of NRG Common Stock or options on NRG Common Stock and, if so, will make the corresponding adjustment to the Threshold Price (and, in the case of an Adjustment Event of the type described in clause (i) or clause (ii)(A) or (B) of Section 4.4(b), to the Notional Number of Shares) to compensate the Holders on account of such an Adjustment Event.

(b) “**Adjustment Event**” means any of the following:

(i) a subdivision, consolidation or reclassification of the NRG Common Stock, or a free distribution or dividend of any shares of NRG Common Stock to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of NRG Common Stock of (A) such shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as reasonably determined by the Calculation Agent;

(iii) any cash dividend or distribution on NRG Common Stock;

(iv) a repurchase by the Company or any of its subsidiaries of NRG Common Stock (other than the repurchase of the Notional Number of Shares) whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(v) in respect of the Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as reasonably determined by the Calculation Agent, *provided* that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vi) any other event that may have a diluting or concentrative effect on the theoretical value of the NRG Common Stock or options on NRG Common Stock, as reasonably determined by the Calculation Agent.

4.5 Increased Cost Of Hedging and Increased Costs.

The Calculation Agent may reduce the Threshold Price for any Preferred Interests to account for any period in which it reasonably determines that an Increased Cost of Hedging or an Increased Cost exists in respect of such Preferred Interests.

4.6 Blackout Adjustments.

If a Blackout or Suspension Day occurs pursuant to the Underwriting Agreement during the Double Print Period, then the Calculation Agent will make such adjustments to any of the Notional Number of Shares, the Threshold Price, any Preferred Net Settlement Amount or any other term of the Preferred Interests as it reasonably determines are appropriate to preserve the economic value of the transactions contemplated hereby to the Holders due to potential risks under applicable securities laws relating to such Holder's ability to adjust their hedges in respect of the transactions contemplated by the Transaction Documents as a result of such a Blackout, and, if the Calculation Agent reasonably determines that such adjustments would be insufficient to preserve such economic value to the Holders, then the Holders shall have a right to accelerate such a portion of the Preferred Interests that would preserve such economic value to such Holders (and such an acceleration shall be treated as the designation of an Extraordinary Redemption Date).

4.7 Use of Cash.

Issuer shall not make any payment in respect of any Preferred Interest on or after the Initial Valuation Date using Cash not held in the Note Collateral Account as of 8:00AM, New York City time, on the Initial Valuation Date.

5. Early Redemption Events

5.1 The occurrence of any of the following events shall constitute an Early Redemption Event (an “**Early Redemption Event**”) hereunder:

- (a) failure by Issuer to make, when due, any payment (including, without limitation, of any Base Liquidation Preference) or delivery under this Certificate or any other Transaction Document to which it is a party;
- (b) failure by Issuer to perform when due its obligations set forth in Section 6(c) of the Preferred Interest Purchase Agreement;
- (c) failure by Issuer to comply with or perform any agreement or obligation (other than an obligation to make any payment or delivery referred to in clause (a) immediately above or an obligation referred to in Section 6(c) of the Preferred Interest Purchase Agreement) under this Certificate or any other Transaction Document to be complied with or performed by it in accordance with this Certificate or any other Transaction Document if such failure is not remedied on or before the third Business Day after notice of such failure is given to Issuer;
- (d) this Certificate or any other Transaction Document ceases to be in full force and effect, or is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable in any material respect, or Issuer or any Affiliate of Issuer party to any Transaction Document disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, this Certificate or any other Transaction Document;
- (e) a representation made or repeated by Issuer or any Affiliate of Issuer party to any Transaction Document in any Transaction Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(f) Issuer or the Company is (1) dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(g) due to the adoption of, or any change in, any applicable law after the date hereof, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for Issuer or any Affiliate of Issuer party to any Transaction Document (i) to perform any absolute or contingent obligation to make a payment or delivery, or to receive a payment or delivery in respect of this Certificate or any other Transaction Document or to comply with any other material provision of this Certificate or any other Transaction Document or (2) to perform any contingent or other obligation which Issuer or such Affiliate has under this Certificate or any other Transaction Document; and

(h) any legal proceeding shall have been instituted or any other event shall have occurred or condition shall exist that would reasonably be expected to have a material adverse effect on (i) the ability of Issuer or any Affiliate of Issuer party to any Transaction Document to perform its obligations under this Certificate, the Preferred Interest Purchase Agreement or any other Transaction Document, or (ii) the validity or binding effect of any agreement of Issuer or such Affiliate under this Certificate, the Preferred Interest Purchase Agreement or any other Transaction Document.

5.2 Upon the occurrence, and during the continuance of, any Early Redemption Event, the Holder of any Preferred Interests may redeem any or all of the Components comprising any or all of such Preferred Interests for payment of the Termination Amount for such Components on any day notified by such Holder to Issuer (the "**Early Redemption Date**").

5.3 Except as expressly set forth herein, upon payment of the Termination Amount for any Component for which an Extraordinary Redemption Date has so been designated, all of Issuer's obligations in respect of the payment and/or delivery pursuant to Section 4.1 and Section 4.2 shall be deemed satisfied with respect to such Component.

6. Extraordinary Events

6.1 If the Calculation Agent has reasonably determined that an Extraordinary Event has occurred, then it shall so notify the parties, and the Holder of such Preferred Interest may, in its sole discretion, require Issuer to redeem any or all of the Components comprising such Preferred Interest (each, a "**Relevant Component**") in whole or in part on any Trading Day (an "**Extraordinary Redemption Date**") for the Termination Amount for such Relevant Component. If such Holder exercises its right to require Issuer to redeem any Relevant Component in part, it shall also designate a percentage (the "**Extraordinary Redemption Percentage**") representing the portion of such Relevant Component being redeemed, and such Relevant Component shall be deemed to be two Components with terms identical to those of such Relevant Component, except that the first such Component (the "**Redeemed Component**") shall have an Initial Base Liquidation Preference equal to the product of the Extraordinary Redemption Percentage and the Initial Base Liquidation Preference for such Relevant Component, and the second such Component (the "**Surviving Component**") shall have an Initial Base Liquidation Preference equal to the product of (x) one *minus* the Extraordinary Redemption Percentage and (y) the Initial Base Liquidation Preference for such Relevant Component. Issuer shall pay the Termination Amount for all Relevant Components (or, in the case of a partial redemption, all Redeemed Components) on the Extraordinary Redemption Date. In the case of a partial redemption, each Surviving Component shall survive and continue to be outstanding with the rights and preferences set forth herein.

6.2 Except as expressly set forth herein, upon payment of the Termination Amount for any Component being redeemed early, all of Issuer's obligations in respect of the payment and/or delivery pursuant to Section 4.1 and Section 4.2 shall be deemed satisfied with respect to such Component.

7. Liquidation Preference

7.1 Upon any voluntary or involuntary liquidation, dissolution or winding up of Issuer or reduction or decrease in the Capital Stock resulting in a distribution of assets to the holders of any class of Junior Interests or the Preferred Interests, the Holders will be entitled to be paid, out of assets of Issuer available for distribution, the Liquidation Preference per share to the date fixed for liquidation, dissolution or winding up, before any distribution is made on any Junior Interests, including, without limitation, the common equity limited liability company interests in Issuer, but after any distribution is made on any Senior Obligations.

7.2 If, upon any voluntary liquidation, dissolution or winding up of Issuer, the amounts payable with respect to the Liquidation Preference for the Preferred Interests are not paid in full, the Holders will share pro rata in proportion to the full distribution to which each is entitled.

7.3 After payment of the full amount of the Liquidation Preference to which any Holder is entitled, such Holder will have no right or claim to any of the remaining assets of Issuer.

7.4 Neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of Issuer nor the consolidation, merger or amalgamation of Issuer with or into one or more entities or the consolidation, merger or amalgamation of one or more entities with or into Issuer will be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of Issuer, unless such sale, conveyance, exchange or transfer shall be in connection with a liquidation, dissolution or winding up of the business of Issuer.

7.5 Notwithstanding the foregoing, except as provided in the Transaction Documents, Issuer is not required to set aside any funds to protect the Liquidation Preference for the Preferred Interests.

8. Voting Rights

8.1 The affirmative vote or consent of the Holders of at least 66 2/3% of the outstanding Preferred Interests (with one vote for \$1,000 in Initial Base Liquidation Preference for Preferred Interests held), voting separately as a class, will be required to (i) amend, alter or repeal the Limited Liability Company Agreement or this Certificate of Designations, whether by merger, consolidation or otherwise, in a manner that would amend, alter or affect adversely the rights of the Holders; (ii) enter into voluntary bankruptcy, (iii) sell all or substantially all of Issuer's assets, (iv) enter into transactions that would result in a Merger Event or a change of control of Issuer, (v) issue any class of limited liability company interest that is senior to the Preferred Interests or any Senior Obligations other than pursuant to the Transaction Documents.

8.2 In addition to the rights set forth in Section 5, if Issuer fails to make when due any delivery or payment in respect of any redemption or exchange of any Preferred Interest, then the Holders of at least 50% of the outstanding Preferred Interests (with one vote for \$1,000 in Initial Base Liquidation Preference held) may vote to cause Issuer to be immediately liquidated, dissolved and wound up pursuant to the terms of Issuer's Limited Liability Company Agreement.

9. Amendment, Supplement and Waiver

9.1 Without the consent of any Holder, subject to the requirements of the Delaware Limited Liability Company Act, Issuer may amend or supplement this Certificate of Designations to cure any ambiguity, defect or inconsistency, to provide for uncertificated Preferred Interests in addition to or in place of certificated Preferred Interests, to provide for the assumption of Issuer's obligations to the Holders in the case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights or duties under this Certificate of Designations of any such Holder.

10. Certain Definitions

Set forth below are certain defined terms used in this Certificate of Designations.

10.1 "**Accretion Rate**" means 13.2300% per annum.

10.2 "**Adjustment Event**" has the meaning set forth in Section 4.4.

10.3 "**Affiliate**" means, with respect to any Person, any Person who controls, is controlled by or is under common control with such Person.

"**Control**" means, for these purposes, the power to direct the management and policies of such Person, whether by stock ownership, contract or otherwise.

10.4 "**Aggregate Number of Underlying Shares**" means the product of the Notional Number of Shares and the Underlying Share Percentage.

10.5 "**Base Liquidation Preference**" means, in respect of any Component or Preferred Interest at any time, the Initial Base Liquidation Preference for such Component or Preferred Interests accreted from the final Funding Date to such time at the Accretion Rate, as reasonably determined by the Calculation Agent. Prior to the final Funding Date, the Base Liquidation Preference for any Component or Preferred Interest at any time shall be the Initial Base Liquidation Preference for such Preferred Interest determined as of such time.

10.6 "**Blackout**" has the meaning set forth in the Underwriting Agreement.

10.7 "**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

10.8 "**Calculation Agent**" means Credit Suisse Securities (USA) LLC.

10.9 "**Cash**" means United States dollars.

- 10.10 “**Cash Condition**” has the meaning set forth in the Note Purchase Agreement.
- 10.11 “**Cash Condition Percentage**” has the meaning set forth in the Note Purchase Agreement.
- 10.12 “**Cash Settlement Percentage**” has the meaning set forth in Section 4.2.
- 10.13 “**Change in Law**” means, in respect of any Preferred Interest, that, on or after the date of this Certificate (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in either case, the Calculation Agent reasonably determines that it has become illegal to hold, acquire or dispose of shares of NRG Common Stock.
- 10.14 “**Common Equity Interest Purchase Agreement**” means the Common Equity Interest Purchase Agreement dated as of August 4, 2006 between the Company and Issuer.
- 10.15 “**Company**” means NRG Energy, Inc.
- 10.16 “**Component**” has the meaning set forth in Section 1.2.
- 10.17 “**Daily Funding amount**” has the meaning set forth in the Preferred Interest Purchase Agreement.
- 10.18 “**Daily Notional Number of Shares**” has the meaning set forth in the Note Purchase Agreement.
- 10.19 “**Delisting**” means that the Exchange announces that pursuant to the rules of such Exchange, NRG Common Stock has ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on the New York Stock Exchange or Nasdaq Stock Exchange.
- 10.20 “**Directors**” has the meaning set forth in the first paragraph hereof.
- 10.21 “**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.
- 10.22 “**Double Print Period**” means the period beginning on the first Exchange Business Day of the Reference Period on which the Daily Notional Number of Shares is greater than zero and ending on the day on or following the last Exchange Business Day of the Reference Period on which Purchaser and its affiliates have completed registered sales of a number of shares of NRG Common Stock, in the manner contemplated by the Underwriting Agreement, equal to the Notional Number of Shares.

10.23 “**Early Closure**” means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its scheduled weekday closing time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day.

10.24 “**Early Redemption Date**” has the meaning set forth in Section 5.2.

10.25 “**Early Redemption Event**” has the meaning set forth in Section 5.1.

10.26 “**Exchange**” means at any time, the principal securities exchange or automated quotation system on which NRG Common Stock is listed or traded at such time.

10.27 “**Exchange Business Day**” means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any Related Exchange closing prior to its scheduled weekday closing time.

10.28 “**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as reasonably determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the NRG Common Stock on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to NRG Common Stock on any Related Exchange.

10.29 “**Extraordinary Event**” means, in respect of any Preferred Interest, any of (i) a determination by the Calculation Agent that an Adjustment Event or an Increased Cost of Hedging is reasonably likely to require an adjustment to the Threshold Price for such Preferred Interest that would result in such Threshold Price being equal to or less than the Reference Price, (ii) a Change in Law in respect of such Preferred Interest, (iii) a Hedging Disruption in respect of such Preferred Interest, (iv) a Loss of Stock Borrow in respect of such Preferred Interest, (v) a Merger Event, (vi) a Tender Offer, (vii) a Nationalization or (viii) a Delisting.

10.30 “**Extraordinary Redemption Date**” has the meaning set forth in Section 6.1.

10.31 “**Extraordinary Redemption Percentage**” has the meaning set forth in Section 6.1.

10.32 “**Fee Agreement**” means the letter agreement dated the date hereof among the Company, Purchaser, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

10.33 “**Final Settlement Date**” means the Exchange Business Day immediately following the last Valuation Date.

10.34 “**Funding Date**” has the meaning set forth in the Note Purchase Agreement.

10.35 “**Hedging Disruption**” means, in respect of any Preferred Interest, that the Calculation Agent reasonably determines that the Holder of such Preferred Interest is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it reasonably deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the transactions contemplated by the Transaction Documents (including purchasing and holding of such Preferred Interest).

10.36 “**Holder**” means a Person in whose name Preferred Interests are registered.

10.37 “**Increased Cost**” means, in respect of any Preferred Interest, that the Holder of such Preferred Interest reasonably determines that compliance with any law or regulation enacted or introduced after the date hereof or any guideline or request of any central bank or other governmental authority adopted or made after the date hereof (whether or not having the force of law) affects the amount of capital required to be maintained by such Holder or any corporation controlling such Holder and that the amount of such capital is increased by or based upon the ownership of such Preferred Interest.

10.38 “**Increased Cost of Hedging**” means, in respect of any Preferred Interest, that the Calculation Agent reasonably determines that the Holder of such Preferred Interest or its Affiliates would incur an amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the transactions contemplated by the Transaction Documents to which it is a party (including purchasing and holding of Preferred Interests), in excess of 0.75% per annum.

10.39 “**Independent Manager Engagement Agreement**” means that Staffing Agreement with an effective date of August 4, 2006 by Issuer, NRG Common Stock Finance I LLC and CT Corporation Staffing, Inc., a Delaware corporation (“CT”), related to the provision by CT of certain management staffing services to Issuer and NRG Common Stock Finance I LLC.

10.40 “**Initial Base Liquidation Preference**” means, for any Preferred Interest, the sum of the Daily Funding Amounts for such Preferred Interests, each accreted from the applicable Funding Date to the final Funding Date at the Accretion Rate, as determined by the Calculation Agent, and, for any Component of such Preferred Interest, one thirtieth of such amount.

10.41 “**Initial Valuation Date**” means, for any Preferred Interests, the date that follows the Exchange Business Day corresponding to the final Funding Date by three years; *provided* that if such date is not an Exchange Business Day, the Initial Valuation Date shall be the immediately following Exchange Business Day.

10.42 “**Issuer**” means NRG Common Stock Finance II LLC, a Delaware limited liability company.

10.43 “**Junior Interests**” has the meaning set forth in Section 3.1(a).

10.44 “**Limited Liability Company Agreement**” means the Limited Liability Company Agreement of NRG Common Stock Finance II LLC.

10.45 “**Liquidation Preference**” means, for any Component of any Preferred Interest at any time, the sum of (i) the Base Liquidation Preference for the Initial Liquidation Preference for such Component at such time and (ii) the Preferred Net Settlement Amount for such Component; *provided* that in the event an Optional Early Redemption Date, an Early Redemption Date or an Extraordinary Redemption Date occurs with respect to such Component, the Liquidation Preference for such Preferred Interest shall be the Termination Amount for such Component; and *provided further* that if the Redemption Date for such Component has occurred and Issuer has not made all or any part of the Cash payment required by Section 4.1 or Section 4.2 in respect of such Component, the portion of the Liquidation Preference for such Component described in clause (i) above corresponding to the amount of such Cash so not paid shall be replaced with a number of shares of NRG Common Stock equal to the amount of such Cash divided by the VWAP Price on the Valuation Date for such Component.

10.46 “**Loss of Stock Borrow**” means, in respect of any Preferred Interest, that the Calculation Agent reasonably determines that the Holder of such Preferred Interest is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) shares of NRG Common Stock in an amount equal to the number of shares of NRG Common Stock that the Calculation Agent reasonably determines is necessary to hedge the equity price risk of purchasing and holding of such Preferred Interests (not to exceed the Number of Underlying Shares for such Preferred Interest) or is otherwise unable to hedge the equity price risk of purchasing and holding such Preferred Interest (not to exceed the Number of Underlying Shares for such Preferred Interest).

10.47 “**Market Disruption Event**” means, on any Scheduled Trading Day, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent reasonably determines is material, or (iii) an Early Closure.

10.48 “**Members**” has the meaning set forth in the first paragraph hereof.

10.49 “**Merger Event**” means any (i) reclassification or change of the shares of NRG Common Stock that results in a transfer of all of such shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Company is the continuing entity and which does not result in a reclassification or change of all of such shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding shares of NRG Common Stock that actually results in a transfer of all such shares (other than such shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such shares outstanding but results in the outstanding shares of the Company (other than shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding shares immediately following such event.

10.50 “**Nationalization**” means that all the shares of NRG Common Stock or all or substantially all the assets of the Company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

10.51 “**Note**” has the meaning set forth in the Note Purchase Agreement.

10.52 “**Note Collateral Account**” means the Collateral Account as defined in the Note Purchase Agreement.

10.53 “**Note Purchase Agreement**” means the Note Purchase Agreement dated as of August 4, 2006 among Issuer, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.

10.54 “**Notional Number of Shares**” has the meaning set forth in the Note Purchase Agreement.

10.55 “**NRG Common Stock**” means common stock, par value \$0.01 per share, of the Company.

10.56 “**NRG CSF I Common Equity Interest Purchase Agreement**” means the Common Equity Interest Purchase Agreement dated as of August 4, 2006 between the Company and NRG Common Stock Finance I LLC.

10.57 “**NRG CSF I Note Purchase Agreement**” means the Note Purchase Agreement dated the date hereof among NRG Common Stock Finance I LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC, as agent.

10.58 “**NRG CSF I Preferred Interest Purchase Agreement**” means the Preferred Interest Purchase Agreement among NRG Common Stock Finance I LLC, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.

10.59 “**Number of Underlying Shares**” means, for any Component of any Preferred Interest, the product of the Aggregate Number of Underlying Shares and a fraction the numerator of which is the Initial Base Liquidation Preference for such Component and the denominator of which is the aggregate Initial Base Liquidation Preference for all Components of all Preferred Interests issued under the Preferred Interest Purchase Agreement (subject to rounding by the Calculation Agent to the nearest whole number).

10.60 “**Optional Early Redemption Date**” has the meaning set forth in Section 4.3.

10.61 “**Person**” means any individual, corporation, partnership, joint venture, association, joint-stock issuer, interest, trust or unincorporated organization (including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business).

10.62 “**Preferred Interests**” means the Preferred Interests authorized in this Certificate of Designations.

10.63 “**Preferred Interest Purchase Agreement**” means the Preferred Interest Purchase Agreement dated as of August 4, 2006 among Issuer, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent.

10.64 “**Preferred Net Settlement Amount**” means, for any Component of any Preferred Interest, the greater of zero and (i) the Number of Underlying Shares for such Component *multiplied by* (ii) the VWAP Price on the Valuation Date for such Component *minus* the Threshold Price for such Preferred Interest.

10.65 “**Redeemed Component**” has the meaning set forth in Sections 4.3 and 6.1, in each case as used therein.

10.66 “**Redemption Date**” means for any Component of any Preferred Interest, if the Cash Condition is satisfied, the Final Settlement Date, or, if the Cash Condition is not satisfied, the Exchange Business Day immediately following the Valuation Date for such Component.

If the Cash Condition is satisfied in part but not in whole, then each Component of each Preferred Interest (each, a “**Relevant Component**”) shall be deemed to be two Preferred Interests with terms identical to those of the Relevant Component, except that the first such Component (the “**Cash Condition Satisfied Component**”) shall have an Initial Base Liquidation Preference equal to the product of the Cash Condition Percentage and the Initial Base Liquidation Preference for the Relevant Component, and the second such Component (the “**Cash Condition Not Satisfied Component**”) shall have an Initial Base Liquidation Preference equal to the product of (i) one *minus* the Cash Condition Percentage and (y) the Initial Base Liquidation Preference for the Relevant Component. In the alternative, the parties may agree to a different allocation and identification of Cash Condition Satisfied Components and Cash Condition Not Satisfied Components. The Redemption Date for all Cash Condition Satisfied Components shall be determined as if the Cash Condition were satisfied and the Redemption Date for all Cash Condition Not Satisfied Components shall be determined as if the Cash Condition were not satisfied.

10.67 “**Redemption Percentage**” has the meaning set forth in Section 4.3.

10.68 “**Reference Period**” has the meaning set forth in the Note Purchase Agreement.

10.69 “**Reference Price**” has the meaning set forth in the Note Purchase Agreement.

10.70 “**Related Exchange**” means, at any time, any exchange on which futures or options contracts relating to NRG Common Stock are traded at such time.

10.71 “**Relevant Component**” has the meaning set forth in the definition of Redemption Date and in Sections 4.3 and 6.1, in each case as used therein.

10.72 “**Scheduled Trading Day**” means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

10.73 “**Senior Obligations**” has the meaning set forth in Section 3.1(c).

10.74 “**Settlement Cycle**” means the period following a trade in shares of NRG Common Stock on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

10.75 “**Surviving Component**” has the meaning set forth in Sections 4.3 and 6.1, in each case as used therein.

10.76 “**Suspension Day**” has the meaning set forth in the Underwriting Agreement.

10.77 “**Taxes**” has the meaning set forth in Section 12.6.

10.78 “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that actually results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by exchange or other means (it being understood that a mere offer does not give rise to any such right), greater than 30% and less than 100% of the outstanding voting shares of the Company, as reasonably determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

10.79 “**Termination Amount**” means, for any Component of any Preferred Interest, an amount, reasonably determined by the Calculation Agent in connection with an Extraordinary Event for which an Extraordinary Redemption Date has been designated, an optional redemption pursuant to Section 4.3 for which an Optional Early Redemption Date has been designated or an Early Redemption Event pursuant to which the Termination Amount has become due and payable on an Early Redemption Date, in each case in respect of such Component, to be appropriate to compensate the Holder of such Preferred Interest for its total losses and costs in connection with such Component, including any loss of bargain, loss of funding or, at the election of such Holder but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position, including losses and costs in respect of any payment or delivery in respect of such Component that would, but for the occurrence of such Extraordinary Redemption Date, Optional Early Redemption Date or Early Redemption Event, as the case may be, have been made after such Extraordinary Redemption Date, Optional Early Redemption Date or Early Redemption Date, as applicable.

10.80 “**Threshold Price**” means, for any Preferred Interests, the price defined as such in the Preferred Interest Purchase Agreement.

10.81 “**Trading Day**” means any Exchange Business Day that is not a Disrupted Day.

10.82 “**Trading Disruption**” means any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limited permitted by the Exchange or Related Exchange or otherwise (i) relating to NRG Common Stock on the Exchange or (ii) in futures or options contracts relating to NRG Common Stock on any Related Exchange.

10.83 “**Transaction Documents**” means (i) the Preferred Interest Purchase Agreement; (ii) the NRG CSF I Preferred Interest Purchase Agreement (iii) the Note Purchase Agreement (including the Pricing Confirmation thereunder); (iv) any Notes issued under the Note Purchase Agreement; (v) the NRG CSF I Note Purchase Agreement (including the pricing confirmations thereunder) (vi) any Notes issued under the NRG CSF I Note Purchase Agreement; (vii) the Limited Liability Company Agreement of Issuer, including this Certificate; (viii) the Limited Liability Company Agreement of NRG Common Stock Finance I LLC, including the Certificate of Designations thereunder specifying the terms of the Exchangeable Limited Liability Company Preferred Interests issued by NRG Common Stock Finance I LLC, (ix) the Underwriting Agreement and the Fee Agreement; (x) the Common Equity Interest Purchase Agreement; (xi) the NRG CSF I Common Equity Interest Purchase Agreement; (xii) the letter agreement dated as of August 4, 2006 between Issuer and Credit Suisse Securities (USA) LLC relating to the purchase of NRG Common Stock; (xiii) the letter agreement dated as of August 4, 2006 between NRG Common Stock Finance I and Credit Suisse Securities (USA) LLC relating to the purchase of NRG Common Stock; and (xiv) the Independent Manager Engagement Agreement.

10.84 “**Underlying Share Percentage**” means 9.8207%.

10.85 “**Underwriting Agreement**” means that Underwriting Agreement dated as of August 4, 2006 among Issuer, Credit Suisse International, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC.

10.86 “**Valuation Date**” means, for the first Component of each Preferred Interest, the Initial Valuation Date, and, for each subsequent Component of such Preferred Interest, the Exchange Business Day immediately following the Valuation Day for the previous Component; *provided* that if any such Exchange Business Day is a Disrupted Day, then such Exchange Business Day shall not be a Valuation Date, and such Valuation Date shall be the first succeeding Exchange Business Day that is not a Disrupted Day and on which another Valuation Date does not or is not deemed to occur. If such first succeeding Exchange Business Day has not occurred as of the eighth Exchange Business Day immediately following the day that, but for the occurrence of another Valuation Date or Disrupted Day, would have been the final Valuation Date, then (1) that eighth Exchange Business Day shall be deemed the Valuation Date for all Components for which the Valuation Date has not occurred, and (2) the VWAP Price on that Valuation Date shall be deemed to be the prevailing market value of the NRG Common Stock as reasonably determined by the Calculation Agent.

10.87 “**VWAP Price**” means, on any Scheduled Trading Day, the Rule 10b-18 “Volume Weighted Average Price” per share of NRG Common Stock on such day, as displayed on Bloomberg Page “NRG.N <Equity> AQR SEC” (or any successor thereto) for the Company on such day or, if such price is not displayed on such day, the Rule 10b-18 volume weighted average price per share of NRG Common Stock on such day as reasonably determined by the Calculation Agent.

11. Register

(a) Issuer shall cause to be kept a register (the “**Register**”) for the Preferred Interests in which, subject to such reasonable regulations as it may prescribe, Issuer shall provide for the registration of the Preferred Interests and the registration of transfers of the Preferred Interests. Issuer shall initially be the registrar (in such capacity, the “**Registrar**”) for the purpose of registering the Preferred Interests and transfers of Preferred Interests as herein provided and may appoint a successor to itself, subject to the last sentence of this Section 11(a). Upon any resignation of any Registrar, Issuer shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of the Registrar. If a person other than Issuer is appointed as Registrar, Issuer will give Purchaser prompt written notice of the appointment of such Registrar and of the location, and any change in the location of the Register.

(b) Upon surrender for registration of transfer of any certificate representing any Preferred Interest at an office or agency of Issuer where the Base Liquidation Preference of the Preferred Interests is payable, Issuer shall execute, and the relevant Holder shall obtain from Issuer, in the name of the designated transferee or transferees, one or more new certificates of a like aggregate Base Liquidation Preference.

(c) At the option of a Holder, certificates with respect to any Preferred Interests may be exchanged for other certificates of a like aggregate Base Liquidation Preference upon surrender of the certificates to be exchanged at the office or agency of Issuer where the Base Liquidation Preference of the Preferred Interests are payable.

(d) All Preferred Interests issued upon any registration of transfer or exchange of Preferred Interests shall be the valid obligations of Issuer, evidencing the same rights, and entitled to the same benefits under this Agreement, as the Preferred Interests surrendered upon such registration of transfer or exchange.

(e) No service charge shall be made by Issuer for any registration of transfer or exchange of any Preferred Interest, but Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Preferred Interests.

(f) Subject to Section 7 of the Preferred Interest Purchase Agreement, the Preferred Interests shall be freely transferable at any time without the consent of Issuer to any Person that (i) makes the representations and warranties set forth in Sections 5(f), (g) and (h) of the Preferred Interest Purchase Agreement as of the date of the relevant transfer, (ii) agrees to be bound by the covenants set forth in Section 7 of the Preferred Interest Purchase Agreement and (iii) becomes the Holder of Preferred Interests with an aggregate Initial Base Liquidation Preference of 10% or more of the aggregate Initial Base Liquidation Amount of all Preferred Interests outstanding at the time of such transfer; *provided* that the Preferred Interests shall not be transferable prior to the payment by the Holder of the Daily Funding Amount for the Funding Date corresponding to the last Exchange Business Day in the Reference Period. The Transfer Agent and registrar will duly record the transfer of any Preferred Interests.

12. Other Provisions

12.1 With respect to any notice to a Holder required to be provided hereunder, neither failure to mail such notice, nor any defect therein or in the mailing thereof, to any particular Holder shall affect the sufficiency of the notice or the validity of the proceedings referred to in such notice with respect to the other Holders or affect the legality or validity of any distribution, rights, warrant, reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any such action. Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Holder receives the notice.

12.2 Preferred Interests issued and reacquired will be retired and canceled promptly after reacquisition thereof and, upon compliance with the applicable requirements of Delaware law, have the status of authorized but unissued Preferred Interests of Issuer undesignated as to series and may with any and all other authorized but unissued Preferred Interests of Issuer be designated or redesignated and issued or reissued, as the case may be, as part of any series of Preferred Interests of Issuer except that any issuance or reissuance of Preferred Interests must be in compliance with this Certificate of Designations.

12.3 No fractional shares of NRG Common Stock or securities representing fractional shares of NRG Common Stock will be issued upon exchange of the Preferred Interests. Any fractional interest in a share of NRG Common Stock resulting from the exchange of the aggregate amount of a Holder's Preferred Interests exchanged will be paid in Cash based on the VWAP of the NRG Common Stock on the Valuation Date corresponding to the relevant Redemption Date.

12.4 All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to Issuer shall be given to it at CT Corporation System, 1209 Orange Street, Wilmington, Delaware, with a copy to NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540, Attention: General Counsel, Fax: (609) 524-4589.

12.5 Calculation Agent

All calculations and determinations hereunder shall be made by the Calculation Agent. The Calculation Agent shall make all calculations and determinations hereunder in good faith and in a commercially reasonable manner. All calculations and determinations of the Calculation Agent so made shall be binding on the parties in the absence of manifest error.

12.6 Payments

All payments of, or in respect of, redemption amounts, liquidation preference or any other payment on any Preferred Interest shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts by wire transfer of immediately available funds to an account designated by the Holder of such Preferred Interest.

All payments of, or in respect of, redemption amounts, liquidation preference or any other payment on the Preferred Interests made by Issuer hereunder will be made without withholding or deduction for, or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature (or interest on any taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature) imposed, levied, collected, withheld or assessed by, within or on behalf of any jurisdiction in which Issuer is organized, deemed to reside or engaged in business for tax purposes, or any jurisdiction from or through which any amount is paid by Issuer or any political subdivision or governmental authority thereof or therein having power to tax (collectively "**Taxes**"), unless such withholding or deduction is required by law. If any such Taxes shall at any time be required in respect of the payment of any amounts by Issuer with respect to any Preferred Interest, Issuer will pay to the Holder of such Preferred Interest such additional amounts as may be necessary to ensure that the amounts received by such Holder after such withholding or deduction shall equal the amounts of principal and interest which would have been receivable in respect of such Preferred Interest in the absence of such withholding or deduction.

IN WITNESS WHEREOF, NRG Common Stock Finance II LLC caused this Certificate to be signed this 4th day of August 2006.

NRG COMMON STOCK FINANCE II LLC

By: /s/ Clint Freeland

Name: Clint Freeland

Title: VP & Treasurer

COMMON EQUITY PURCHASE AGREEMENT

This Purchase Agreement (this "**Agreement**") is made as of this 4th day of August, 2006 (the "**Issue Date**") between NRG Common Stock Finance I LLC, a Delaware limited liability company ("**Issuer**"), and NRG Energy, Inc., a Delaware corporation and sole member of the Issuer (together with its successor and assigns, "**NRG**").

WITNESSETH

WHEREAS, Issuer wishes to sell to NRG, and NRG wishes to purchase, 100% of Issuer's limited liability company membership interests (the "**Membership Interests**") on the terms and conditions as set forth herein.

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. *Definitions.* Capitalized terms not defined herein shall have the meaning ascribed to them in the limited liability company agreement dated August 4, 2006 by NRG and Lisa A. DeDonato, as Springing Member (the "**LLC Agreement**") or the Note Purchase Agreement dated August 4, 2006 among the Issuer, Credit Suisse International and Credit Suisse Securities (USA) LLC (the "**Note Agreement**"), as applicable.

2. *Sale and Purchase.*

(a) Upon the terms and subject to the conditions set forth herein, Issuer agrees to issue and sell to NRG, and NRG agrees to purchase from Issuer, the Membership Interests.

(b) NRG will make payment to Issuer in immediately available funds, by wire transfer to an account designated by Issuer on each Funding Date, an amount equal to the product of (i) the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date and (ii) 16.9245% (each such amount, the "**Daily NRG Funding Amount**" for such Funding Date).

3. *Representations and Warranties of NRG.* NRG represents and warrants to Issuer, as of the date hereof, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute this Agreement and any other documentation relating this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) it is an "Accredited Investor" as such term is defined in Rule 501(a)(3) of Regulation D under the Securities Act;

(g) it is an "eligible contract participant" as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended; and

(g) it is a "qualified purchaser" as such term is defined in Section 2(51)(A) of the Investment Company Act of 1940, as amended.

4. *Procedure for Funding of Issuer.* The satisfaction of Issuer's obligations under the Transaction Documents with respect to any Funding Date shall be preceded by the following actions, in the following order:

(a) NRG shall have issued with respect to such Funding Date a valid notice pursuant to Section 3(c) of the Note Purchase Agreement with respect to the Daily Notional Number of Shares;;

(b) NRG shall pay the Daily NRG Funding Amount with respect to such Funding Date; and

(c) the Daily Funding Amount (as defined in the Note Purchase Agreement) and the Daily Funding Amount (as defined in the Preferred Interest Purchase Agreement) shall be paid, in each case pursuant to the terms of the relevant Transaction Document.

5. *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to NRG shall be given to it at NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540, Attention: General Counsel, Fax: (609) 524-4589. Notices to Issuer shall be given to it at CT Corporation System, 1209 Orange Street, Wilmington, Delaware, copy to NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540, Attention: General Counsel, Fax: (609) 524-4589.

6. *Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

7. *Governing Law.*

(a) THIS AGREEMENT AND ANY PRICING CONFIRMATIONS HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF.

(b) The parties hereto irrevocably and unconditionally submit, for themselves and their property, to the nonexclusive jurisdiction of the Federal and state courts located in the Borough of Manhattan, in the City of New York in any suit or proceedings arising out of or relating to this Agreement, the transactions contemplated hereby, or for the recognition or enforcement of any judgment. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that NRG may otherwise have to bring any action or proceeding relating to this Agreement against Issuer or its properties in the courts of any jurisdiction.

(c) Issuer irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in clause (b) of this section. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

8. *Integration; Amendments and Waivers.*

(a) Except as provided herein, this Agreement constitutes the complete agreement between the parties with respect to the subject matter hereof and thereof, supersede any previous agreement or understanding between them relating hereto or thereto and may not be modified, altered or amended except as provided therein.

(b) No amendment or waiver of any provision of this Agreement, nor consent to any departure by Issuer therefrom, shall in any event be effective unless the same shall be in writing and signed by Issuer and NRG.

9. *Waiver of Jury Trial.* The parties hereto waive all right to trial by jury in any action or proceeding to enforce or defend any rights under this Agreement.

10. *Severability.* Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

NRG:

NRG Energy, inc.

By /s/ Robert C. Flexon

Name: Robert C. Flexon

Title: Executive Vice President, CFO

ISSUER:

NRG Common Stock Finance I LLC

By /s/ Clint Freeland

Name: Clint Freeland

Title: VP & Treasurer

COMMON EQUITY PURCHASE AGREEMENT

This Purchase Agreement (this "**Agreement**") is made as of this 4th day of August, 2006 (the "**Issue Date**") between NRG Common Stock Finance II LLC, a Delaware limited liability company ("**Issuer**"), and NRG Energy, Inc., a Delaware corporation and sole member of the Issuer (together with its successor and assigns, "**NRG**").

WITNESSETH

WHEREAS, Issuer wishes to sell to NRG, and NRG wishes to purchase, 100% of Issuer's limited liability company membership interests (the "**Membership Interests**") on the terms and conditions as set forth herein.

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1. *Definitions.* Capitalized terms not defined herein shall have the meaning ascribed to them in the limited liability company agreement dated August 4, 2006 by NRG and Lisa A. DeDonato, as Springing Member (the "**LLC Agreement**") or the Note Purchase Agreement dated August 4, 2006 between the Issuer, Credit Suisse International and Credit Suisse Securities (USA) LLC (the "**Note Agreement**"), as applicable.

2. *Sale and Purchase.*

(a) Upon the terms and subject to the conditions set forth herein, Issuer agrees to issue and sell to NRG, and NRG agrees to purchase from Issuer, the Membership Interests.

(b) NRG will make payment to Issuer in immediately available funds, by wire transfer to an account designated by Issuer on each Funding Date, an amount equal to the product of (i) the Daily Notional Amount for the Scheduled Trading Day in the Reference Period corresponding to such Funding Date and (ii) 16.2189% (each such amount, the "**Daily NRG Funding Amount**" for such Funding Date).

3. *Representations and Warranties of NRG.* NRG represents and warrants to Issuer, as of the date hereof, that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute this Agreement and any other documentation relating this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(c) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) all governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general equitable principles;

(f) it is an "Accredited Investor" as such term is defined in Rule 501(a)(3) of Regulation D under the Securities Act;

(g) it is an "eligible contract participant" as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended; and

(g) it is a "qualified purchaser" as such term is defined in Section 2(51)(A) of the Investment Company Act of 1940, as amended.

4. *Procedure for Funding of Issuer.* The satisfaction of Issuer's obligations under the Transaction Documents with respect to any Funding Date shall be preceded by the following actions, in the following order:

(a) NRG shall have issued with respect to such Funding Date a valid notice pursuant to Section 3(c) of the Note Purchase Agreement with respect to the Daily Notional Number of Shares;;

(b) NRG shall pay the Daily NRG Funding Amount with respect to such Funding Date; and

(c) the Daily Funding Amount (as defined in the Note Purchase Agreement) and the Daily Funding Amount (as defined in the Preferred Interest Purchase Agreement) shall be paid, in each case pursuant to the terms of the relevant Transaction Document.

5. *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to NRG shall be given to it at NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540, Attention: General Counsel, Fax: (609) 524-4589.

Notices to Issuer shall be given to it at CT Corporation System, 1209 Orange Street, Wilmington, Delaware, copy to NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540, Attention: General Counsel, Fax: (609) 524-4589.

6. *Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

7. *Governing Law.*

(a) THIS AGREEMENT AND ANY PRICING CONFIRMATIONS HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF.

(b) The parties hereto irrevocably and unconditionally submit, for themselves and their property, to the nonexclusive jurisdiction of the Federal and state courts located in the Borough of Manhattan, in the City of New York in any suit or proceedings arising out of or relating to this Agreement, the transactions contemplated hereby, or for the recognition or enforcement of any judgment. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that NRG may otherwise have to bring any action or proceeding relating to this Agreement against Issuer or its properties in the courts of any jurisdiction.

(c) Issuer irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in clause (b) of this section. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

8. *Integration; Amendments and Waivers.*

(a) Except as provided herein, this Agreement constitutes the complete agreement between the parties with respect to the subject matter hereof and thereof, supersedes any previous agreement or understanding between them relating hereto or thereto and may not be modified, altered or amended except as provided therein.

(b) No amendment or waiver of any provision of this Agreement, nor consent to any departure by Issuer therefrom, shall in any event be effective unless the same shall be in writing and signed by Issuer and NRG.

9. *Waiver of Jury Trial.* The parties hereto waive all right to trial by jury in any action or proceeding to enforce or defend any rights under this Agreement.

10. *Severability.* Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

NRG:

NRG Energy, inc.

By /s/ Robert C. Flexon
Name: Robert C. Flexon
Title: Executive Vice President, CFO

ISSUER:

NRG Common Stock Finance II LLC

By /s/ Clint Freeland
Name: Clint Freeland
Title: VP & Treasurer

NRG ENERGY, INC.
Common Shares, Par Value \$0.01 Per Share
UNDERWRITING AGREEMENT

August 8, 2006

UNDERWRITING AGREEMENT

THIS UNDERWRITING AGREEMENT (this "**Agreement**") is entered into as of August 8, 2006, by and among NRG Energy, Inc. a Delaware corporation (the "**Company**"), Credit Suisse International ("**International**"), Credit Suisse Capital LLC ("**CS**") and Credit Suisse Securities (USA) LLC ("**CSS**" and, together with International and CS, the "**CS Purchasers**").

W I T N E S S E T H:

WHEREAS, pursuant to (i) a Note Purchase Agreement, dated August 8, 2006 (the "**Finance I Note Purchase Agreement**"), between International, CSS and NRG Common Stock Finance I, a Delaware limited liability company and a wholly-owned subsidiary of the Company ("**Finance I**"), and (ii) a Note Purchase Agreement, dated August 8, 2006 (the "**Finance II Note Purchase Agreement**" and, together with the Finance I Note Purchase Agreement, the "**Note Purchase Agreements**"), between International, CSS and NRG Common Stock Finance II, a Delaware limited liability company and a wholly-owned subsidiary of the Company ("**Finance II**" and, together with Finance I, the "**Finance Subsidiaries**"), International and CSS have agreed to purchase from each Finance Subsidiary, and each Finance Subsidiary has agreed to sell to International and CSS, notes (the "**Notes**") having the terms set forth in the Note Purchase Agreements;

WHEREAS, pursuant to (i) a Preferred Interest Purchase Agreement, dated August 8, 2006 (the "**Finance I Preferred Purchase Agreement**"), between CS, CSS and Finance I, and (ii) a Preferred Interest Purchase Agreement, dated August 8, 2006 (the "**Finance II Preferred Purchase Agreement**" and, together with the Finance I Preferred Purchase Agreement, the "**Preferred Purchase Agreements**"), between CS, CSS and Finance II, CS and CSS have agreed to purchase from each Finance Subsidiary, and each Finance Subsidiary has agreed to sell to CS and CSS, preferred membership interests (the "**Preferred Interests**") on each date on which an extension of credit is made under the applicable Note (the sale of Preferred Interests and Notes is referred to herein as, the "**Transactions**");

WHEREAS, pursuant to (i) a Common Interest Purchase Agreement, dated August 8, 2006 (the "**Finance I Common Purchase Agreement**"), between the Company and Finance I, and (ii) a Common Interest Purchase Agreement, dated August 8, 2006 (the "**Finance II Common Purchase Agreement**" and, together with the Finance I Common Purchase Agreement, the "**Common Purchase Agreements**"), between the Company and Finance II, the Company has agreed to purchase from each Finance Subsidiary, and each Finance Subsidiary has agreed to sell to the Company, common membership interests (the "**Common Interests**") on each date on which an extension of credit is made under the applicable Note;

WHEREAS, each Finance Subsidiary will use the proceeds from extensions of credit under the Note and from the issuance and sale of the Preferred Interests and Common Interests to purchase shares of the Company's common stock, par value \$0.01 per share ("**Common Stock**"), in open market transactions or privately negotiated transactions;

WHEREAS, the shares of Common Stock purchased by each Finance Subsidiary (the “**Collateral**”) will be pledged by such Finance Subsidiary to secure the obligations of such Finance Subsidiary under its Note;

WHEREAS, to hedge its equity exposure in relation to the Transactions, each CS Purchaser anticipates (a) borrowing shares of Common Stock (the “**Shares**”) from one or more unrelated third parties, (b) selling such Shares through CSS in connection with a registered public offering of such Shares, and (c) repurchasing a lesser number of Shares in open market transactions (each in the manner contemplated by the Goldman, Sachs & Co. no action letter (available October 9, 2003));

WHEREAS, the Company has determined that it is in its the best interest to assist the CS Purchasers in connection with a registered sale of the Shares as set forth herein; and

WHEREAS, the Company has filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement, including a prospectus, on Form S-3 (File No. 333-130549), relating to the registration of certain securities described therein, including the Shares;

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

1. *Defined Terms.*

(a) As used herein, the following terms have the following meanings:

“**Base Prospectus**”: the prospectus included in the Registration Statement, effective December 21, 2005, in the form first used to confirm sales of Shares (or in the form first made available to CSS by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act).

“**Daily Notional Number of Shares**”: has the meaning set forth in the Note Purchase Agreements.

“**Exchange Act**”: Securities Exchange Act of 1934, as amended.

“**Existing Debt Documents**”: the Credit Agreement, dated February 2, 2006, among the Company, the lenders from time to time party hereto, Morgan Stanley Senior Funding, Inc. and Citigroup Global Markets Inc., as joint lead book runners, joint lead arrangers and as co-documentation agents, Morgan Stanley Senior Funding, Inc., as administrative agent, Morgan Stanley & Co. Incorporated, as collateral agent, and Citigroup Global Markets Inc., as syndication agent, and the Indentures, each dated February 2, 2006, between the Company, the Guarantors named therein, and Law Debenture Trust Company of New York, governing the Company’s 7.250% Senior Notes due 2014 and 7.375% Senior Notes due 2016, in each case as amended or supplemented from time to time.

“**free writing prospectus**”: has the meaning set forth in Rule 405 under the Securities Act.

“**Investor Rights Agreement**”: the Investor Rights Agreement, dated as of February 2, 2006, by and among the Company and certain stockholders of the Company.

“**Prospectus**”: the Base Prospectus, as supplemented by the prospectus supplement specifically relating to the Shares in the form first used to confirm sales of the Shares (or in the form first made available to CSS by the Company to meet requests of Purchasers pursuant to Rule 173 under the Securities Act). For purposes of this definition, information contained in a form of prospectus (including a prospectus supplement) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Prospectus as of the actual time that form of prospectus (including a prospectus supplement) is filed with the Commission pursuant to Rule 424(b) under the Securities Act.

“**Purchase Agreements**”: the Note Purchase Agreements, the Preferred Purchase Agreements and the Common Purchase Agreements.

“**Reference Period**”: has the meaning set forth in the Note Purchase Agreements.

“**Registration Statement**”: the registration statement on Form S-3 (File No. 333-130549), as filed with the Securities and Exchange Commission on December 21, 2005 and, as amended to the date of this Agreement (for purposes of this definition, information contained in a form of prospectus or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B).

“**Sale Date**”: any Exchange Business Day (as defined in the Note Purchase Agreements) on which the Daily Notional Number of Shares under a Note Purchase Agreement is greater than zero.

“**Securities Act**”: the Securities Act of 1933, as amended.

“**Structuring Fee**”: the fee payable to CSS pursuant to the Fee Letter dated August 8, 2006, between the Company and CSS.

“**Time of Sale Prospectus**”: the Base Prospectus and the preliminary prospectus, if any, together with the free writing prospectuses, if any, as of each applicable Sale Date.

(b) Other Definitional Provisions:

(i) As used herein, the terms “Registration Statement,” “preliminary prospectus,” “Time of Sale Prospectus” and Prospectus shall include the documents, if any, incorporated by reference therein. The terms “supplement” and “amendment” and “amend” as used in this Agreement with respect to the Registration Statement, the Base Prospectus, the Time of Sale Prospectus, the preliminary prospectus, if any, or any free writing prospectus shall include all documents subsequently filed by the Company with the Commission pursuant to the Exchange Act, that are incorporated by reference therein. If the Company has filed an abbreviated registration statement to register additional Shares pursuant to Rule 462(b) under the Securities Act (the “**Rule 462 Registration Statement**”), then any reference herein to the term “Registration Statement” shall be deemed to include such Rule 462 Registration Statement.

(ii) As used herein, the words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. *Representations and Warranties of the Company.* The Company represents and warrants to, and agrees with, CSS and each CS Purchaser that, on the date hereof and at all times during the Reference Period (subject to the notice provisions of Section 6(d)):

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before, or to the knowledge of the Company, threatened by the Commission. The Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) eligible to use the Registration Statement as an automatic shelf registration statement, and the Company has not received notice that the Commission objects to the use of the Registration Statement as an automatic shelf registration statement pursuant to Rule 401(g)(2) of the Securities Act.

(b) (i) Each document, if any, filed or to be filed pursuant to the Exchange Act and incorporated by reference in the Time of Sale Prospectus or the Prospectus complied or will during the Reference Period comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder, (ii) each part of the Registration Statement, when such part became effective, did not contain, and each such part, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) the Registration Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (iv) the Registration Statement and the Prospectus comply, and as amended or supplemented, if applicable, will comply at all times during the Reference Period in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (v) the Time of Sale Prospectus does not, and at the time of each sale of the Shares on a Sale Date, the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (vi) the Prospectus does not contain and, as amended or supplemented, if applicable, will not at any time during the Reference Period contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus, each as amended or supplemented, based upon information relating to CSS furnished to the Company in writing by CSS.

(c) The Company is not an “ineligible issuer” in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Each free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will at all times during the Reference Period comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule I hereto, and electronic road shows, if any, each furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the state of Delaware, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus, Prospectus and Registration Statement and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except (i) to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the business or result of operations of the Company and its subsidiaries, taken as a whole (a “**Material Adverse Effect**”), and (ii) for jurisdictions not recognizing the legal concepts of good standing or qualification.

(e) Each domestic subsidiary of the Company has been duly organized, is validly existing in good standing under the laws of the jurisdiction of its organization, has the power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus, Prospectus and Registration Statement and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except (i) to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect on the Company and its subsidiaries, taken as a whole, and (ii) for jurisdictions not recognizing the legal concepts of good standing or qualification. Except as set forth in the Registration Statement, Time of Sale Prospectus and Prospectus, all of the issued shares of capital stock, or equity interests, as applicable of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and (except (i) for directors’ qualifying share or foreign national qualifying capital stock, and (ii) as pledged to secure indebtedness of the Company and/or its subsidiaries pursuant to credit facilities, indentures and other instruments evidencing indebtedness as set forth in the Exchange Act Reports of the Company, Registration Statement, Time of Sale Prospectus and Prospectus and existing on the date hereof) are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in each of the Time of Sale Prospectus, the Prospectus, and the Registration Statement.

(h) The shares of Common Stock outstanding prior to each issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

(i) The Shares have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, against payment of the consideration set forth herein will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement, the consummation of the transactions contemplated by this Agreement and the Purchase Agreements, and the use of the proceeds from each extension of credit under the Note and the issuance and sale of the Preferred Interests and Common Interests will not contravene (i) any provision of the amended and restated certificate of incorporation or the amended and restated by-laws of the Company, (ii) or any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, (iii) or any applicable law (including Regulation M promulgated under the Securities Act) or judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary except that, in the case of clauses (ii) and (iii), for any contravention that would not have a Material Adverse Effect on the Company. No consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, consummation of the transactions contemplated by this Agreement and the Purchase Agreements, or the use of the proceeds from each extension of credit under the Note and the issuance and sale of the Preferred Interests and Common Interests, except (x) for such consents, approvals, authorizations, orders or qualifications that have been obtained or where failure to do so would not have a Material Adverse Effect on the Company and (y) for the registration of the Shares under the Securities Act and such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares. The Company is not aware of any change to the position of the Commission set forth in the Goldman, Sachs & Co. no action letter (available October 9, 2003).

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus, the Prospectus, and the Registration Statement.

(l) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject other than proceedings that are disclosed or described in all material respects in the Registration Statement, Time of Sale Prospectus, or the Prospectus and proceedings that are not expected to have a Material Adverse Effect, and there are no statutes, regulations, contracts or other documents that are required to be described in the Registration Statement, Time of Sale Prospectus, or the Prospectus or to be filed as exhibits to the Registration Statement that are not described in all material respects or filed, or incorporated by reference as required.

(m) Each preliminary prospectus supplement, if any, filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(n) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus will not be, required to register as an “investment company” as such term is defined in the Investment Company Act of 1940, as amended.

(o) Except as set forth in the Registration Statement, the Time of Sale Prospectus, or Prospectus, each subsidiary of the Company that is subject to regulation as a “public utility” as such term is defined in the Federal Power Act (“FPA”) has an order from the Federal Energy Regulatory Commission, not subject to any pending challenge, investigation, complaint, or other proceeding (other than generic proceedings generally applicable in the industry) (i) authorizing such subsidiary to engage in wholesale sales of electricity and, to the extent permitted under its market-based rate tariff, other transactions at market-based rates and (y) granting such waivers and blanket authorizations as are customarily granted to entities with market-based rate authority, including blanket authorizations to issue securities and to assume liabilities pursuant to Section 204 of the FPA.

(p) With respect to any subsidiary that purports to own a “Qualifying Facility” (“QF”) as defined under the Public Utility Regulatory Policies Act and the current rules and regulations promulgated thereunder (“PURPA”), such facility is a QF under PURPA.

(q) Except as disclosed in the Registration Statement, the Time of Sale Prospectus, or Prospectus, and except for such matters as would not, individually or in the aggregate, result in a Material Adverse Effect, the Company or any of its subsidiaries (1) are conducting and have conducted their businesses, operations and facilities in compliance with Environmental Laws (as defined below); (2) have duly obtained, possess, maintain in full force and effect, and have fulfilled and performed all of their obligations under any and all permits, licenses or registrations required under Environmental Law; (3) have not received any notice from a governmental authority or any other third party alleging any violation of Environmental Law or liability thereunder; (4) are not subject to any pending or, to the best knowledge of the Company or any of its subsidiaries, threatened claim in writing or other legal proceeding under any Environmental Laws against the Company or any of its subsidiaries; and (5) do not have knowledge of any applicable Environmental Laws, or any unsatisfied conditions in an Environmental Permit, that, individually or in the aggregate, can reasonably be expected to require any material capital expenditures for either the installation of new pollution control equipment, or a switch in a project’s fuel or any other material modification of current operations in order to maintain the Company’s or the subsidiaries’ compliance with Environmental Law.

As used in this paragraph, “**Environmental Laws**” means any and all applicable foreign, federal, state and local laws and regulations, or any enforceable administrative or judicial interpretation thereof, relating to pollution or the protection of human health or the environment, including, without limitation, those relating to (i) emissions, discharges or releases of Hazardous Substances into ambient air, surface water, groundwater or land, (ii) the generation, manufacture, processing, distribution, use, treatment, storage, disposal, release, transport or handling of, or exposure to, Hazardous Substances, (iii) the protection of wildlife or endangered or threatened species, or (iv) the investigation, remediation or cleanup of any Hazardous Substances. As used in this paragraph, “**Hazardous Substances**” means pollutants, contaminants, hazardous substances, materials or wastes, petroleum, petroleum products and their breakdown constituents, or any other chemical substance regulated under Environmental Laws.

(r) Except as described in the Time of Sale Prospectus, the Prospectus, and the Registration Statement, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(s) Each Finance Subsidiary (i) has been duly designated as, and is, an “Unrestricted Subsidiary” under the Existing Debt Documents, and (ii) at all times since its formation complied with the covenants set forth in Sections 6(k)(ii) and 6(k)(iii) as if such covenant had been applicable to such Finance Subsidiary on and after its date of formation. The representations and warranties of the Company’s subsidiaries contained in the Purchase Agreements are correct; the Company and its subsidiaries have complied with each of its covenants in each of the Purchase Agreements; and, no default or event of default exists under any of the Purchase Agreements.

(t) The Company is eligible to use free writing prospectuses in connection with this offering pursuant to Rules 164 and 433 under the Securities Act; any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act; and each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used by the Company complies or will comply in all material respects with the requirements of the Securities Act.

3. *Agreements to Sell and Purchase.* The CS Purchasers agree to sell through CSS, on each Sale Date, and CSS, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees to sell on behalf of each CS Purchaser, on each Sale Date, the Shares. The Company agrees that it will not have any rights arising from the provisions of this first paragraph of Section 3.

The Company hereby agrees that, without the prior written consent of CSS, it will not, during the period ending 60 days after the date of each Sale Date, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise. Each of the parties hereto hereby acknowledges that the foregoing sentence does not apply to repurchases of shares by a Finance Subsidiary or any other share repurchase program by the Company for its Common Stock.

The restrictions contained in the preceding paragraph shall not apply to (A) repurchases of Shares by a CS Purchaser or one of its affiliates, (B) the issuance by the Company of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof of which CSS has been advised in writing, (C) grants by the Company of employee stock options or other equity-based compensation pursuant to the terms of a plan in effect on the date of this Agreement, (D) transactions by persons other than the Company relating to Common Stock, (E) the filing by the Company of a shelf registration statement with respect to Common Stock or securities convertible into or exercisable or exchangeable for Common Stock or (F) actions undertaken by the Company to comply with the terms of the Investors Rights Agreement.

4. *Payment and Delivery.* The Shares shall be registered in such names and in such denominations as CSS shall request in writing not later than one full business day prior to the appropriate Sale Date. The Shares shall be delivered on each Sale Date for the account of CSS or to the account of a third party identified by CSS, with any transfer taxes payable in connection with the transfer of the Shares duly paid, against payment of the purchase price therefor. The Company agrees that it shall not have any rights arising from this Section 4.

5. *Conditions to CSS' Obligations.* The obligations of CSS on each Sale Date are subject to the following conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to such Sale Date there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or results of operations of the Company and its combined subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in the judgment of CSS, is material and adverse and that makes it, in the judgment of CSS, impracticable to market the Shares on the terms and in the manner contemplated in this Agreement and the Time of Sale Prospectus.

(b) CSS and each CS Purchaser shall have received on the first Sale Date a certificate, dated such Sale Date and signed by the Chief Executive Officer or Chief Financial Officer of the Company, to the effect set forth in Section 5(a) and to the effect that the representations and warranties of the Company contained in this Agreement that are not qualified by materiality are true and correct in all material respects, and that the representations and warranties of the Company contained in this Agreement that are qualified by materiality are true and correct, in each case, as of such Sale Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before such Sale Date (including, without limitation, the delivery of the letters contemplated by Section 6(h)).

(c) CSS and each CS Purchaser shall have received on the first Sale Date an opinion and a negative assurance letter from Kirkland & Ellis LLP, outside counsel for the Company, dated the first Sale Date, covering the matters referred to in Exhibit A-1. Additionally, Tim O'Brien, General Counsel of the Company shall provide opinions, dated the first Sale Date, as CSS and each CS Purchaser shall reasonably request. The opinion and a negative assurance letter of Kirkland & Ellis LLP shall be rendered to CSS and each CS Purchaser at the request of the Company and shall so state therein.

(d) CSS shall have received on the first Sale Date an opinion and a negative assurance letter of Latham & Watkins LLP, counsel for CSS, dated the first Sale Date, covering the matters referred to in the last paragraph of Exhibit A-2.

(e) CSS and each CS Purchaser shall have received, on each of the date of this Agreement and on the first Sale Date, letters dated the respective dates of delivery thereof, in form and substance satisfactory to CSS and each CS Purchaser, from KPMG LLP and PricewaterhouseCoopers LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Time of Sale Prospectus and the Prospectus; *provided* that the letters delivered on the first Sale Date shall use a "cut-off date" not earlier than the date hereof.

(f) The delivery to CSS on such Sale Date of such documents as CSS may reasonably request with respect to the good standing of the Company and each Finance Subsidiary and other matters related to the delivery of the Shares.

6. *Covenants of the Company.* In consideration of the agreements of CSS and each CS Purchaser herein contained, the Company covenants with CSS and each CS Purchaser as follows:

(a) To furnish to CSS, without charge, five conformed copies of the Registration Statement (including exhibits thereto and documents incorporated by reference) and to furnish to CSS, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(d) below, as many copies of the Time of Sale Prospectus, the Prospectus, any documents incorporated therein by reference and any supplements and amendments thereto or to the Registration Statement as CSS may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus (including by causing an additional document to be incorporated by reference into the Registration Statement, the Time of Sale Prospectus or the Prospectus), to furnish to CSS a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which CSS reasonably objects, unless in each case at such time all of the Shares have been sold as contemplated in this Agreement, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to CSS a copy of each proposed free writing prospectus prepared by or on behalf of, used by, or referred to by the Company during the Reference Period and not to use or refer to any proposed free writing prospectus which CSS has not consented to in advance, which consent shall not be unreasonably withheld, and to file with the Commission within the applicable period specified in Rule 433(d) under the Securities Act any free writing prospectus required to be filed pursuant to such rule.

(d) If:

(i) at a time when a prospectus relating to the Shares is required to be delivered under the Securities Act, any representation or warranty made pursuant to Section 2 ceases to be true and correct or any event occurs as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or

(ii) it shall be necessary to amend the Registration Statement or supplement the Prospectus to comply with the Securities Act or the Exchange Act or the respective rules thereunder,

(iii) the Company shall have received notice under Section 3.1(d) of the Investors Rights Agreement or otherwise that a stockholder of the Company will conduct a registered offering of Common Stock,

(iv) the Company shall, at any time, determine that the CS Purchasers and CSS should stop selling shares pursuant to this Agreement,

then, the Company promptly will notify CSS and each CS Purchaser of such event, and either (A) (1) prepare and file with the Commission an amendment or supplement which will correct any such statement or omission or effect any such compliance and (2) at its own expense, supply any supplemented Prospectus to CSS in such quantities as CSS may reasonably request or (B) inform CSS and each CS Purchaser that a blackout period (a “**Blackout**”) has commenced and instruct each such person to discontinue offers and sales of the Shares until such time as the Company informs CSS and each CS Purchaser that offers and sales may be resumed (such days during which offers and sales of the Shares are so discontinued, “**Suspension Days**”) and, if the Company elects to so instruct CSS and each CS Purchaser, CSS and each CS Purchaser shall follow such instructions.

(e) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as CSS shall reasonably request, *provided*, that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to material taxation or service of process in suits, other than those arising out of the offering or sale of the Shares, in any jurisdiction where it is not now so subject.

(f) To make generally available to the Company's security holders and to CSS as soon as practicable an earnings statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement and the last day of the Reference Period which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(g) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, the preliminary prospectus, if any, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to CSS, CS Purchaser and dealers, if any, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to CSS, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(e) hereof, including filing fees and the reasonable fees and disbursements of counsel for CSS in connection with such qualification and in connection with the Blue Sky memorandum, which shall not exceed \$25,000, (iv) all filing fees and the reasonable fees and disbursements of counsel to CSS incurred in connection with the review and qualification of the offering of the Shares by the National Association of Securities Dealers, Inc., (v) the cost of printing certificates representing the Shares, (vi) the costs and charges of any transfer agent, registrar or depository, and (vii) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 8 entitled "Indemnity and Contribution," and the last paragraph of Section 10 below, CSS will pay all of its costs and expenses, including fees and disbursements of its counsel, stock transfer taxes payable on resale of any of the Shares by it and any advertising expenses connected with any offers it may make.

(h) Upon (i) the date of the filing by the Company with the SEC of a Quarterly Report on Form 10-Q or a Current Report on Form 8-K, (ii) the date that is 30 days after the last date on which the letters described in this Section (h) have been delivered, and (iii) at the request of CSS or any CS Purchaser, the date of the furnishing by the Company with the SEC of a Current Report on Form 8-K, unless at such time all of the Shares have been sold as contemplated in this Agreement, the Company shall deliver, or cause to be delivered, to CSS and each CS Purchaser:

- (a) A negative assurance letter dated such date from Kirkland & Ellis LLP and addressed to the CS Purchasers and CSS confirming as of such date the statements contained in the negative assurance letter of Kirkland & Ellis LLP set forth on Exhibit A-1 hereto. (The negative assurance letter of Kirkland & Ellis LLP shall be rendered to CSS and each CS Purchaser at the request of the Company and shall so state therein.)
- (b) A negative assurance letter dated such date from Latham & Watkins LLP and addressed to CSS confirming as of such date the statements contained in the negative assurance letter of Latham & Watkins LLP set forth on Exhibit A-2 hereto.
- (c) Letters dated such date, in form and substance satisfactory to CSS and each CS Purchaser, from KPMG LLP and (if requested by CSS or any CS Purchaser) PricewaterhouseCoopers LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Time of Sale Prospectus and the Prospectus; *provided* that the letters delivered on the first Sale Date shall use a "cut-off date" not earlier than such date; *provided* that in connection with a filing on Form 8-K (other than a filing pursuant to Item 1.03, Section 2, and Section 4 thereof) any such letter from KPMG LLP will only need to be delivered upon request.
- (d) An officers certificate dated such date confirming that the conditions set forth in Section 5 have been satisfied with respect to each Sale Date occurring since the date hereof or since the date of the most recent officers certificate delivered pursuant to this Section (h), if later.

In the event that the Company does not satisfy such request, then CSS may instruct the Company that each subsequent day, to the date of delivery, be deemed a Suspension Day.

(i) The Company shall cause each of the conditions set forth in Section 5 to be satisfied on or before the first Sale Date.

(j) To afford CSS, each CS Purchaser and any affiliates of CSS or any CS Purchaser on reasonable notice, a reasonable opportunity to conduct a due diligence investigation with respect to the Company customary in scope for transactions pursuant to which CSS, any CS Purchaser or any affiliates of CSS acts as an underwriter of equity securities (including, without limitation, the availability of the chief financial officer and general counsel to respond to questions regarding the business and financial condition of the Company and the right to have made available to them for inspection such records and other information as they may reasonably request).

(k) The Company agrees to take all actions necessary (i) to cause each Finance Subsidiary to remain an “Unrestricted Subsidiary” under the Company’s Existing Debt Documents, (ii) to cause each Finance Subsidiary to comply with its organizational documents and not to amend, modify or supplement (or cause to be amended, modified or supplemented) any provision of, terminate or otherwise change any provision of its organizational documents, (iii) to cause each Finance Subsidiary not to take any action or cause any action to be taken that shall submit NRG or any of its other subsidiaries to any proceeding under any applicable law involving bankruptcy, insolvency, reorganization or other laws affecting the rights of creditors generally, and (iv) to cause each Finance Subsidiary to (A) maintain its own books and records and bank accounts separate from those of the Company and any other person, (B) maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets, (C) cause its managers to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities, (D) hold itself out to creditors and the public as a legal entity separate and distinct from the Company and any other person, (E) prepare separate financial statements and separate tax returns, if separate returns for the Company are required under applicable tax law, or if part of a consolidated group, then it will be shown as a separate member of such group, and pay any taxes required to be paid under applicable tax law, (F) pay the salaries of its own employees, if any, (G) allocate and charge fairly and reasonably any common employee or overhead shared with affiliates, (H) transact all business with affiliates on an arm’s-length basis and pursuant to enforceable agreements, (I) conduct business in its own name, use separate invoices, stationery and checks and strictly comply with all organizational formalities to maintain its separate existence, (J) not commingle its assets or funds with those of any other person, (K) not hold out its credit or assets as being available to satisfy the obligations of others, (L) not assume, guarantee or pay the debts or obligations of any other person or otherwise pledge its assets for the benefit of any other person, (M) correct any known misunderstanding regarding its separate identity, (N) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities, (O) pay its own liabilities only out of its own funds, (P) cause the managers and any officers, managers, agents and other representatives of such Finance Subsidiary to act at all times with respect to such Finance Subsidiary and the Company consistently and in furtherance of the foregoing and in the best interests of such Finance Subsidiary, and (Q) to reflect the transactions by each Finance Subsidiary on its financial statements in accordance with GAAP and provide footnote disclosure in such financial statements to indicate that the assets of a Finance Subsidiary are not available to the general creditors of the Company or its subsidiaries (other than such Finance Subsidiary).

(l) The Company agrees that no portion of the proceeds of the Note or Preferred Interests shall be used in any manner that causes or might cause an extension of credit under the Note or the application of such proceeds to violate any provision of the Exchange Act or to violate Regulation T, Regulation U, or Regulation X of the Board of Governors of the Federal Reserve System.

7. *Covenants of CSS.* CSS hereby represents and agrees that:

(a) It has not made, and will not make any offer relating to the Shares that would constitute a free writing prospectus, without the prior consent of the Company, which consent shall not be unreasonably withheld.

(b) Any free writing prospectus used or referred to by it will not be subject to broad unrestricted dissemination and will not be required to be filed with the Commission, in accordance with Rule 433 under the Securities Act, as a result of any action taken or caused to be taken by CSS, without the prior written consent of the Company, which consent shall not be unreasonably withheld.

(c) Any free writing prospectus used or referred to by it, except any “issuer free writing prospectus” as defined in Rule 433 under the Securities Act, as to which CSS makes no representation or warranty, complied in all material respects with the Securities Act.

8. *Indemnity and Contribution.*

(a) The Company agrees to indemnify and hold harmless CSS and each CS Purchaser and each person, if any, who controls CSS or any CS Purchaser within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of CSS or any CS Purchaser within the meaning of Rule 405 under the Securities Act (provided that the Company’s indemnification obligation shall not extend to any free writing prospectus required to be filed by the Company due to CSS’ breach of the covenants set forth in Section 7), from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, the preliminary prospectus, if any, the Time of Sale Prospectus, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, or the Prospectus or any amendment or supplement thereto (if the Company furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, (i) with respect to the Registration Statement or any amendment thereof, not misleading, and (ii) with respect to any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, or the Prospectus or any amendment or supplement thereto (if the Company furnished any amendments or supplements thereto), not misleading in the light of the circumstances under which they were made, except in each case insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to CSS or a CS Purchaser furnished to the Company in writing by CSS or CS Purchaser expressly for use therein.

(b) CSS agrees to indemnify and hold harmless the Company, each CS Purchaser, the directors of the Company and each CS Purchaser, the officers of the Company who sign the Registration Statement and each person, if any, who controls the Company or any CS Purchaser within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to CSS and the CS Purchasers, but only with reference to information relating to CSS furnished to the Company in writing by CSS expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any other free writing prospectus that the Company has filed or is required to file pursuant to Rule 433(d) of the Securities Act, or the Prospectus or any amendment or supplement thereto.

(c) Each CS Purchaser agrees to indemnify and hold harmless the Company, CSS, the directors of the Company and CSS, the officers of the Company who sign the Registration Statement and each person, if any, who controls the Company or CSS within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity in subsection (a) above from the Company to CSS and the CS Purchasers, but only with reference to information relating to such CS Purchaser furnished to the Company in writing by such CS Purchaser expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any other free writing prospectus that the Company has filed or is required to file pursuant to Rule 433(d) of the Securities Act, or the Prospectus or any amendment or supplement thereto.

(d) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b), such person (the “**indemnified party**”) shall promptly notify the person against whom such indemnity may be sought (the “**indemnifying party**”) in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel chosen by the indemnifying party and reasonably satisfactory to the indemnified party to represent the indemnified party and any others entitled to indemnification pursuant to this Section 8 the indemnifying party may designate in such proceeding and shall pay the reasonably incurred fees and expenses of such counsel related to such proceeding as incurred. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the reasonably incurred fees and expenses of such counsel shall be at the expense of such indemnified party unless 1) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or 2) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them.

It is understood and agreed that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonably incurred fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such reasonably incurred fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by CSS, in the case of parties indemnified pursuant to Section 8(a), by the Company, in the case of parties indemnified pursuant to Section 8(b), and by the CS Purchaser, in the case of parties indemnified pursuant to Section 8(c). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(e) To the extent the indemnification provided for in Section 8(a), 8(b) or 8(c) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 8(e)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(e)(i) above but also the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and CSS and the CS Purchaser, as applicable, on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the sale of the Notes and Preferred Interests (before deducting expenses) received by the Finance Subsidiaries, on the one hand, and the Structuring Fee received by CSS, on the other hand, bear to the aggregate public offering price of the Shares. The relative fault of the Company on the one hand and CSS and the CS Purchaser, as applicable, on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, by CSS, by the CS Purchaser, as applicable, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(f) The Company, CSS and each CS Purchaser, agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(e) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, neither CSS nor any CS Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten and distributed to the public were offered to the public exceeds the amount of any damages that CSS has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(g) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of CSS or any person controlling CSS or any affiliate of CSS or by or on behalf of the Company, the officers or directors of the Company or any person controlling the Company, (iii) any investigation made by or on behalf of the CS Purchaser or any person controlling the CS Purchaser or any affiliate of the CS Purchaser or by or on behalf of the Company, the officers or directors of the Company or any person controlling the Company and (iv) acceptance of and payment for any of the Shares.

9. *Termination.* CSS may terminate this Agreement at any time by notice to the Company and each CS Purchaser if after the execution and delivery of this Agreement and prior to any Sale Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in the securities settlement, payment or clearance services in the United States shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in CSS' judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in CSS' judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus and the Prospectus. CSS shall not be obligated to close the purchase and sale of any shares pursuant to this Agreement on any date on which this Agreement is terminated pursuant to this Section 9.

CSS may terminate this Agreement for any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement. If this Agreement shall be terminated by CSS because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse CSS for all out-of-pocket expenses (including the fees and disbursements of their counsel, but without duplication of any reimbursement obligation pursuant to any other agreement) reasonably incurred by CSS in connection with this Agreement or the offering contemplated hereunder. In the event that the this Agreement is terminated pursuant to this Section 9, each day subsequent to such termination shall be deemed a Suspension Day.

10. *Effectiveness.* This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

11. *Successors and Assigns.* This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from CSS shall be deemed a successor or assign solely by reason of such purchase.

12. *Counterparts.* This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

13. *Applicable Law; Submission to Jurisdiction; Appointment of Agent for Service.* This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

14. *Headings.* The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

15. *No Fiduciary Duty.* The Company acknowledges and agrees that in connection with this offering, sale of the Shares or any other services CSS or any CS Purchaser may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by CSS or any CS Purchaser: (i) no fiduciary or agency relationship between the Company and any other person, on the one hand, and CSS and any CS Purchaser, on the other, exists; (ii) neither CSS nor any CS Purchaser is acting as advisor, expert or otherwise, to the Company, and such relationship between the Company on the one hand, and CSS and each CS Purchaser, on the other, is entirely and solely commercial, based on arms-length negotiations; (iii) any duties and obligations that CSS or any CS Purchaser may have to the Company shall be limited to those duties and obligations specifically stated herein; and (iv) CSS and each CS Purchaser and their affiliates may have interests that differ from those of the Company. The Company hereby waives any claims that the Company may have against CSS or any CS Purchaser with respect to any breach of fiduciary duty in connection with the sale of the Shares.

16. *Covenant of the CS Purchaser.* Each CS Purchaser agrees to provide a report to the Company promptly upon completion of its sale of the Shares under this Agreement, which report shall include the date of such completion and the price or prices at which the Shares were sold to the public by CSS or such CS Purchaser, as the case may be.

NRG Energy, Inc.

By: /s/ Robert C. Flexon

Name: Robert C. Flexon

Title: Executive Vice President, CFO

Accepted as of the date hereof

Credit Suisse Securities (USA) LLC

By: /s/ Timothy Block
Name: Timothy Block
Title: Managing Director

Credit Suisse International

By: /s/ Laura Muir
Name: Laura Muir
Title: Authorized Signatory

By: /s/ Christian Bettley
Name: Christian Bettley
Title: Authorized Signatory

Credit Suisse Capital LLC

By: /s/ Sean T. Brady

Name: Sean T. Brady

Title: Managing Director

**FORM OF OPINION OF KIRKLAND & ELLIS LLP
TO BE DELIVERED PURSUANT
TO SECTION 5(C)**

(attached)

**FORM OF OPINION OF LATHAM & WATKINS LLP
TO BE DELIVERED PURSUANT
TO SECTION 5(D)**

(attached)