

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

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CLECO CORP

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Mailing Address
*PO BOX 5000
PINEVILLE LA 71361-5000*

Business Address
*2020 DONAHUE FERRY ROAD
PINEVILLE LA 71360-5226
3184847400*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

CLECO CORPORATION
(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction of
incorporation or organization)

72-1445282
(I.R.S. Employer
Identification No.)

2030 Donahue Ferry Road
Pineville, Louisiana
(Address of principal executive offices)

71360-5226
(Zip Code)

CLECO POWER LLC
401(k) SAVINGS AND INVESTMENT PLAN
(Full title of the plan)

R. O'Neal Chadwick, Jr.
Senior Vice President and General Counsel
2030 Donahue Ferry Road
Pineville, Louisiana 71360-5226
(Name and address of agent for service)

Telephone number, including area code, of agent for service: **(318) 484-7400**

copy to:
Timothy S. Taylor
Baker Botts L.L.P.
One Shell Plaza
910 Louisiana Street
Houston, Texas 77002
(713) 229-1234

CALCULATION OF REGISTRATION FEE

<u>Title of securities to be registered</u>	<u>Amount to be registered</u> (1)	<u>Proposed maximum offering price per share</u> (2)	<u>Proposed maximum aggregate offering price</u>	<u>Amount of registration fee</u>
Common Stock (par value \$1.00 per share) (3)	1,500,000	\$21.84	\$32,760,000	\$3,856

- (1) In addition, pursuant to Rule 416(c) under the Securities Act of 1933, this registration statement also covers an indeterminate amount of interests to be offered or sold pursuant to the employee benefit plan described herein.
- (2) Estimated in accordance with Rule 457(c) and (h) solely for the purpose of calculating the registration fee and based upon the average of the high and low sales price per share of Common Stock ("Common Stock") of Cleco Corporation reported on the New York Stock Exchange on August 9, 2005.
- (3) Each share of Common Stock includes an associated preferred stock purchase right. No separate consideration is payable for the preferred stock purchase rights. The registration fee for these securities is included in the fee for the Common Stock.

PART I

The information required by Part I of Form S-8 to be contained in the Section 10(a) prospectus is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933 and the Note to Part I of Form S-8.

PART II

Item 3. Incorporation of Documents by Reference.

The following documents have been filed by Cleco Corporation (the "Company") (File No. 1-15759) with the Securities and Exchange Commission (the "SEC") and are hereby incorporated by reference into this Registration Statement:

- The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, filed with the SEC on March 14, 2005, as amended by Amendment No. 1 thereto on Form 10-K/A, filed with the SEC on March 30, 2005,
- The Annual Report of the Cleco Power LLC 401(k) Savings and Investment Plan (the "Plan") on Form 11-K for the fiscal year ended December 31, 2004, filed with the SEC on June 17, 2005,
- The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, filed with the SEC on August 2, 2005,
- The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, filed with the SEC on May 3, 2005,
- The Company's Proxy Statement and Notice of Annual Meeting of Shareholders on Schedule 14A filed with the SEC on March 29, 2005,
- The Company's Current Report on Form 8-K dated August 9, 2005, filed with the SEC on August 11, 2005,
- The Company's Current Report on Form 8-K dated July 22, 2005, filed with the SEC on July 28, 2005,
- The Company's Current Report on Form 8-K dated June 30, 2005 (other than Exhibit 99.1), filed with the SEC on July 7, 2005,

- The Company's Current Report on Form 8-K dated June 28, 2005, filed with the SEC on June 28, 2005,
- The Company's Current Report on Form 8-K dated May 27, 2005, filed with the SEC on June 1, 2005,
- The Company's Current Report on Form 8-K dated May 5, 2005 (other than Exhibit 99.1), filed with the SEC on May 6, 2005,
- The Company's Current Report on Form 8-K dated April 25, 2005, filed with the SEC on April 29, 2005,
- The Company's Current Report on Form 8-K dated April 12, 2005, filed with the SEC on April 13, 2005,
- The Company's Current Report on Form 8-K dated March 22, 2005 (other than the information under Item 7.01 and the related exhibit), filed with the SEC on March 23, 2005,
- The Company's Current Report on Form 8-K dated March 18, 2005, filed with the SEC on March 30, 2005,
- The Company's Current Report on Form 8-K dated January 28, 2005, filed with the SEC on February 22, 2005,
- The description of the Company's common stock contained in the Company's registration statement on Form 8-A, filed with the SEC on March 22, 2000, as may be amended from time to time to update that description, and

-
- The description of the rights associated with the Company's common stock contained in the Company's registration statement on Form 8-A, filed with the SEC on August 8, 2000, as may be amended from time to time to update the description.

In addition, all documents subsequently filed with the SEC by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold, or which deregisters all such securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of the filing of such documents.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 83 of the Business Corporation Law of the State of Louisiana (the "LBCL") provides that a corporation may indemnify any person against whom an action, suit or proceeding is brought or threatened, by reason of the fact that he is or was a director, officer, employee or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another business, corporation, partnership or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. In the case of actions by or in the right of the corporation, the indemnity is limited to expenses, including attorneys' fees and amounts paid in settlement not exceeding, in the judgment of the board of directors, the estimated expense of litigating the action to conclusion, actually and reasonably incurred in connection with a defense or settlement; provided that no

indemnity may be made in respect of any matter in which the person shall have been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for willful or intentional misconduct in performance of his duty to the corporation unless and only to the extent that the court determines upon application that such person is fairly and reasonably entitled to such indemnity. To the extent a person has been successful on the merits or otherwise in defense of any action, the statute provides that he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith. Section 83 also provides for, among other things, procedures for indemnification; advancement of expenses; non-exclusivity of the provisions of Section 83 with respect to indemnification and advancement of expenses; and insurance, including self-insurance, with respect to liabilities incurred by directors, officers and others.

Article IV of the Bylaws of the Company provides that the Company shall indemnify any person who was or is, or is threatened to be made, a party to or otherwise involved in any pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative or investigative (any such threatened, pending or completed proceeding being hereinafter called a "Proceeding") by reason of the fact that he is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another business, foreign or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise (whether the basis of his involvement in such Proceeding is alleged action in an official capacity or in any other capacity while serving as such), to the fullest extent permitted by applicable law, from and against expenses, including attorney's fees, judgments, fines, amounts paid or to be paid in settlement, liability and loss, ERISA excise taxes, actually and reasonably incurred by him or on his behalf or suffered in connection with such Proceeding or any claim, issue or matter therein; provided, however, that, subject to certain exceptions set forth therein, the Company shall indemnify any such person claiming indemnity in connection with a Proceeding initiated by such person only if such Proceeding was authorized by the board of directors.

The Bylaws further provide that (i) the Company shall from time to time pay, in advance of final disposition, all Expenses (as therein defined) incurred by or on behalf of any person claiming indemnity thereunder in respect of any Proceeding, (ii) the right to indemnification provided therein is a contract right and no amendment, alteration or repeal of the Bylaws shall restrict the indemnification rights granted by the Bylaws as to any person claiming indemnification with respect to acts, events and circumstances that occurred, in whole or in part, before such amendment, alteration or repeal, (iii) any such indemnification shall continue as to any person who has ceased to be a director, officer, employee or agent and may inure to the benefit of the heirs, executors and legal representative of such person and (iv) the right of indemnification and to

receive advancement of expenses contemplated by Section 1 of Article IV of the Bylaws shall not be deemed exclusive of any other rights to which any person may at any time be otherwise entitled, provided that such other indemnification may not apply to a person's willful or intentional misconduct. The Bylaws also set forth certain procedural and evidentiary standards applicable to the enforcement of a claim thereunder.

The Bylaws also provide that the Company (i) may procure or maintain insurance or other similar arrangement, at its expense, to protect itself and any director, officer, employee or agent of the Company or other corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss asserted against or incurred by such person, whether or not the Company would have the power to indemnify such person against such expense or liability and (ii) shall indemnify officers and directors of the Company to the extent they are not covered by the insurance, whether or not such persons would otherwise be entitled to indemnification under the Bylaws, as provided in policies covering liabilities up to \$100 million incurred by directors and officers in their capacities as such, and has fiduciary and employee benefit liability insurance policies covering liabilities up to \$60 million incurred by directors, officers and certain other employees of the Company in connection with the administration of the Company's employee benefit plans.

Section 24(C)(4) of the LBCL provides that a corporation may eliminate or limit the liability of a director or officer to the corporation or its shareholders for monetary damages for breach of fiduciary duty, except for liability (i) for any breach of the director's or officer's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 92(D) of the LBCL relating to unlawful dividends and other unlawful distributions, payments or returns of assets and (iv) for any transaction from which the director or officer derived an improper personal benefit. The Company's Articles of Incorporation include a provision consistent with Section 24(C)(4) of the LBCL. Such provision further provides that (a) if the LBCL is subsequently amended to authorize action further eliminating or limiting a director's or officer's liability, such liability will be eliminated or limited to the fullest extent permitted by such law, as so amended, and (b) if such provision limiting or eliminating liability is repealed or

modified, the right or protection of a director or officer of the Company existing at the time of such repeal or modification will not be affected thereby.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

See Index to Exhibits beginning on page 8.

The Registrant hereby undertakes to submit the Plan and any amendment thereto to the Internal Revenue Service in a timely manner and will make all changes required by the Internal Revenue Service in order to qualify the Plan under Section 401 of the Internal Revenue Code.

Item 9. Undertakings.

A. The undersigned Registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

i. To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

ii. To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement;

iii. To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

Provided, however, that paragraphs A(1)(i) and A(1)(ii) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's Annual Report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or

proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

The Registrant. Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pineville, the State of Louisiana, on August 12, 2005.

CLECO CORPORATION
(Registrant)

By: /s/ Kathleen F. Nolen
Kathleen F. Nolen
Senior Vice President and Chief Financial Officer

The Plan. Pursuant to the requirements of the Securities Act of 1933, the trustees (or other persons who administer the employee benefit plan) have duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pineville, the State of Louisiana, on August 12, 2005.

CLECO POWER LLC 401(k) SAVINGS AND INVESTMENT PLAN
(Plan)

By: /s/ Kathleen F. Nolen
Kathleen F. Nolen, Chairman of the Retirement Committee
of Cleco Corporation, Plan Administrator

POWER OF ATTORNEY

Each person whose signature appears below appoints R. O'Neal Chadwick, Jr., Keith D. Crump and Judy P. Miller, and each of them, each of whom may act without the joinder of the other, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto and all other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully and for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on the 12th day of August, 2005.

Signature	Title
<u>/s/ Michael H. Madison</u> Michael H. Madison	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Kathleen F. Nolen</u> Kathleen F. Nolen	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/s/ R. Russell Davis</u> R. Russell Davis	Vice President and Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Sherian G. Cadoria</u> Sherian G. Cadoria	Director
<u>/s/ Richard B. Crowell</u> Richard B. Crowell	Director
<u>/s/ J. Patrick Garrett</u> J. Patrick Garrett	Director
<u>/s/ F. Ben James, Jr.</u> F. Ben James, Jr.	Director
<u>/s/ Elton R. King</u> Elton R. King	Director
<u>/s/ William L. Marks</u> William L. Marks	Director
<u>/s/ Ray B. Nesbitt</u> Ray B. Nesbitt	Director
<u>/s/ Robert T. Ratcliff, Sr.</u> Robert T. Ratcliff, Sr.	Director
<u>/s/ William H. Walker, Jr.</u> William H. Walker, Jr.	Director
<u>/s/ W. Larry Westbrook</u> W. Larry Westbrook	Director

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
4.1* --	Amended and Restated Articles of Incorporation of the Company (restated effective July 1, 1999) (filed as Exhibit A to Post-Effective Amendment No. 1 to the Registration Statement on Form S-4 filed on June 30, 1999, SEC File No. 333-71643-01).
4.2* --	Articles of Amendment to the Amended and Restated Articles of Incorporation of the Company setting forth the terms of a series of \$25 Preferred Stock (filed as Exhibit 1 to the Company's Current Report on Form 8-K filed on July 28, 2000, SEC File No. 1-15759).

4.3*	--	Articles of Amendment to the Amended and Restated Articles of Incorporation of the Company to increase the amount of authorized Common Stock and to effect a two-for-one split of the Common Stock (filed as Exhibit B to the Proxy Statement filed on March 14, 2001, SEC File No. 1-15759).
4.4*	--	Bylaws of the Company (revised effective October 24, 2003) (filed as Exhibit 3(a) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003, SEC File No. 1-15759).
4.5*	--	Rights Agreement between the Company and EquiServe Trust Company, as Rights Agent (filed as Exhibit 1 to the Company's Current Report on Form 8-K filed on July 28, 2000, SEC File No. 1-15759).
5	--	Opinion of R. O'Neal Chadwick, Jr., Senior Vice President and General Counsel of the Company.
10.1*	--	Term Loan Agreement dated as of April 2, 1991, among the 401(k) Savings and Investment Plan ESOP Trust, the Company, as Guarantor, the Banks listed therein and The Bank of New York, as Agent (filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1991, SEC File No. 1-5663).
10.2*	--	Assignment and Assumption Agreement, effective as of May 6, 1991, between the Bank of New York and the Canadian Imperial Bank of Commerce, relating to Exhibit 10.6 (filed as Exhibit 4(c) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1991, SEC File No. 1-5663).
10.3*	--	Assignment and Assumption Agreement dated as of July 3, 1991, between The Bank of New York and Rapides Bank and Trust Company in Alexandria, relating to Exhibit 10.6 (filed as Exhibit 10(y)(3) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, SEC File No. 1-5663).
10.4*	--	Assignment and Assumption Agreement dated as of July 6, 1992, between The Bank of New York, CIBC, Inc., and Rapides Bank and Trust Company in Alexandria, as Assignors, the 401(k) Savings and Investment Plan ESOP Trust, as Borrower, and the Company, as Guarantor, relating to Exhibit 10.1 (filed as Exhibit 10(bb)(4) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, SEC File No. 1-5663).
10.5*	--	401(k) Savings and Investment Plan ESOP Trust Agreement dated as of August 1, 1997, between UMB Bank, N.A. and the Company (filed as Exhibit 10(m) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997, SEC File No. 1-5663).
10.6*	--	First Amendment to 401(k) Savings and Investment Plan ESOP Trust Agreement dated as of October 1, 1997, between UMB Bank, N.A. and the Company (filed as Exhibit 10(m)(1) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997, SEC File No. 1-5663).
10.7*	--	401(k) Savings and Investment Plan, Stock Trust Agreement, Amendment Number 2, Effective January 1, 2004 (filed as Exhibit 10(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, SEC File No. 1-5663).
10.8	--	Cleco Power LLC 401(k) Savings and Investment Plan as amended and restated generally effective October 1, 2005.
23.1	--	Consent of PricewaterhouseCoopers LLP.
23.2	--	Consent of PricewaterhouseCoopers LLP.
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23.3	--	Consent of PricewaterhouseCoopers LLP.
23.4	--	Consent of PricewaterhouseCoopers LLP.
23.5	--	Consent of R. O'Neal Chadwick, Jr., Senior Vice President and General Counsel of the Company (included in Exhibit 5).
24	--	Power of Attorney (included on the signature page of this registration statement).

* Incorporated herein by reference as indicated.

[R. O'Neal Chadwick, Jr. Cleco Letterhead]

August 12, 2005

Cleco Corporation
2030 Donahue Ferry Road
Pineville, Louisiana 71360-5226

Ladies and Gentlemen:

In my capacity as Senior Vice President and General Counsel of Cleco Corporation, a Louisiana corporation (the "Company"), I have been requested to furnish to you an opinion regarding the Registration Statement on Form S-8 (the "Registration Statement"), to be filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), relating to up to 1,500,000 shares (the "Shares") of common stock of the Company, par value \$1.00 per share, that may be issued from time to time pursuant to the terms of the Cleco Power LLC 401(k) Savings and Investment Plan, as amended as of the date hereof (the "Plan"). In this opinion, which is being furnished for filing as Exhibit 5 to the Registration Statement, certain legal matters in connection with the Shares are being passed upon for the Company by me.

As Senior Vice President and General Counsel of the Company and in connection with the Registration Statement referred to above, I have examined and reviewed, directly, indirectly through my staff or otherwise to my satisfaction, the Plan, the Company's Articles of Incorporation and Bylaws, each as amended to date, and have examined and reviewed, directly, indirectly through my staff or otherwise to my satisfaction, originals, or photostatic or certified copies, of such records of the Company and of Cleco Power LLC, a wholly owned subsidiary of the Company (including resolutions of the board of directors of the Company and of the board of managers of Cleco Power), certificates of representatives of the Company and of public officials, and such other documents as I deemed relevant for purposes of this opinion. In such examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, and the conformity to original documents of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such documents.

On the basis of the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, I am of the opinion that:

1. The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Louisiana.
2. The Shares have been duly authorized, and, when issued by the Company pursuant to the provisions of the Plan, will be validly issued, fully paid and nonassessable.

Cleco Corporation
August 12, 2005
Page 2

I am a member of the Bar of the State of Louisiana, and I express no opinion as to matters that may be governed by the laws of any jurisdiction, other than the State of Louisiana and the federal laws of the United States of America. I consent to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, I do not admit that I am within the category of persons whose consent is required under Section 7 of the Securities Act or the general rules and regulations of the Commission promulgated thereunder. This opinion speaks as of the date hereof, and I disclaim any obligation to update this opinion.

Very truly yours,

/s/ R. O'Neal Chadwick, Jr.

**CLECO POWER LLC
401(k) SAVINGS AND INVESTMENT PLAN**

(As Amended and Restated Generally Effective October 1, 2005)

**CLECO POWER LLC
401(k) SAVINGS AND INVESTMENT PLAN**

(As Amended and Restated Generally Effective October 1, 2005)

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CLECO POWER LLC 401(k) SAVINGS AND INVESTMENT PLAN

(As Amended and Restated Generally Effective October 1, 2005)

Recitals

Cleco Power LLC (the successor to Cleco Utility Group, Inc., formerly known as Cleco Corporation and Central Louisiana Electric Company, Inc.) (the "Company"), a Louisiana corporation with its principal place of business in Pineville, Louisiana, established the Central Louisiana Electric Company, Inc. 401(k) Savings and Investment Plan (the "1985 Plan"), effective January 1, 1985, for the benefit of its eligible Employees. Effective January 1, 1989, the 1985 Plan was amended to comply with the provisions of the Tax Reform Act of 1986 and to make certain other changes therein (the "1989 Plan").

Effective April 2, 1991, the Board of Directors of the Company authorized the amendment and restatement of the 1989 Plan (the "1991 Plan") to include an employee stock ownership plan which is a stock bonus plan intended to qualify under Sections 401(a) and 4975(e)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), and as such is designed to invest primarily in Company Stock. The 1991 Plan was amended and restated effective January 1, 1994, and was amended and restated again effective January 1, 2004.

The Company again wishes to amend and restate the Plan in the form set forth herein (the "Plan" or the "2005 Plan") effective October 1, 2005 (unless otherwise provided).

The Cleco Power LLC 401(k) Savings and Investment Plan Stock Trust Agreement (originally established effective January 1, 1985 as the Central Louisiana Electric Company 401(k) Savings and Investment Trust and which was combined with the Cleco Corporation 401(k) Savings and Investment Plan Stock Trust Agreement pursuant to an amendment and restatement effective August 1, 1997), is intended to continue to effect and to form a part of this Plan. The Plan and Trust Agreement are also intended to meet the requirements of Sections 401(a), 401(k), and 501(a) of the Code, and the requirements of the Employee Retirement Income Security Act of 1974, as either may be amended from time to time.

The provisions of this Plan shall apply to a Participant who continues his Service after the Effective Date. Except as otherwise set forth herein, the rights and benefits, if any, of a former Participant who terminated his Service before the Effective Date shall be determined under the terms of the Plan that were in effect on the date his Service terminated.

NOW, THEREFORE, CLECO Power LLC hereby amends, restates in its entirety and continues the Cleco Power LLC 401(k) Savings and Investment Plan, effective October 1, 2005 (unless otherwise provided), as follows:

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ARTICLE I

DEFINITIONS

As used in the Plan, the following words and phrases shall have the following meanings unless the context clearly requires a different meaning:

1.1 Accounts: The accounts maintained for a Participant pursuant to Section 5.1.

1.2 Administrator: The Company or, at the Company's election pursuant to Section 2.1, the Retirement Committee.

1.3 Affiliate: A corporation or other trade or business which, together with the Company, is "under common control" within the meaning of Section 414(b) or (c), as modified by Section 415(h) of the Code; any organization (whether or not incorporated) which is a member of an "affiliated service group" (within the meaning of Section 414(m) of the Code) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code.

1.4 After-Tax Contributions: Any amount contributed prior to January 1, 1989 by a Participant to the Plan from his Compensation as After-Tax Contributions pursuant to the 1985 Plan.

1.5 After-Tax Contribution Account: The account or accounts maintained for each Participant who made After-Tax Contributions to the 1985 Plan to reflect his After-Tax Contributions and adjustments relating thereto.

1.6 Anniversary Date: January 1.

1.7 Beneficiary: Such natural person or persons, or the trustee of an *inter vivos* trust for the benefit of natural persons, entitled to receive a Participant's death benefits under the Plan, as provided in Section 6.3 hereof.

1.8 Code: The Internal Revenue Code of 1986, as amended from time to time.

1.9 Company: Cleco Power LLC, a Louisiana corporation, or a successor to Cleco Power LLC, in the ownership of substantially all of its assets.

1.10 Company Stock: Stock of the Company or an Affiliate which shall meet one of the following requirements:

(a) Such stock may be common stock of the Company or an Affiliate which is readily tradable on an established securities market;

(b) If there is no such readily tradable common stock, then the term "Company Stock" shall mean common stock issued by the Company

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or an Affiliate having a combination of voting power and dividend rights equal to or in excess of
(i) the class of common stock of the Company (or an Affiliate) having the greatest voting power and
(ii) the class of common stock of the Company (or an Affiliate) having the greatest dividend rights;

(c) "Company Stock" may be non-callable preferred stock issued by the Company (or an Affiliate thereof) that is convertible to any stock that meets the requirements of the applicable subparagraph (a) or (b) above and if such conversion is at a conversion price which (determined as of the date of acquisition by the Plan) is reasonable. For purposes of this subparagraph (c), preferred stock shall be treated as non-callable if, after the call, there is a reasonable opportunity for a conversion which meets the requirements of this paragraph.

1.11 Committee: The Retirement Committee appointed by the Board of Directors of the Company pursuant to Section 2.1.

1.12 Compensation: The total compensation actually paid to the respective Participants by the Employer during the applicable payroll period, including salaries, wages, commissions, overtime pay and any other payments of compensation which would be subject to tax under Section 3401(a) of the Code, determined without regard to any dollar limitations under Section 3121(a)(1) of the Code. The Compensation of a Participant shall also include any

amount which is not currently includable in the Participant's gross income by reason of the application of Sections 125, 402(a)(8), 402(h)(1)(B) or 403(b) of the Code. The Compensation of the respective Participants as reflected by the books and records of the Employer shall be conclusive. Notwithstanding anything herein to the contrary, effective January 1, 1989, in no event shall the Compensation taken into account under the Plan for any Participant during a given Plan Year exceed \$200,000 or such other dollar amount as may be prescribed by the Secretary of the Treasury or his delegate under Section 401(a)(17) of the Code.

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the Compensation of each Employee taken into account under the Plan shall not exceed \$150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under section 401(a)(17) of the Code shall mean the Compensation limit set forth in this provision.

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If Compensation for any prior determination period is taken into account in determining an Employee's benefits accruing in the current Plan Year, the Compensation for that prior determination period is subject to the Compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the Compensation limit is \$150,000.

The annual Compensation of each Participant taken into account in determining allocations for any Plan Year beginning January 1, 2002, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.

1.13 Contribution: Any amount contributed to the Trust Fund pursuant to the provisions of this Plan by the Employer or by a Participant from his Compensation, including ESOP Contributions, Employer Matching Contributions, Pre-Tax Basic Contributions or Pre-Tax Excess Contributions.

1.14 Defined Benefit Plan: Any defined benefit plan (as defined in Section 415(k) of the Code) maintained by the Company or by any Affiliate.

1.15 Effective Date: October 1, 2005, unless a different effective is specified in this amendment and restatement of the Plan.

1.16 Employee: Any person employed by an Employer and any person employed by an Affiliate, including but not limited to (a) all directors and officers of an Employer except any such person who is not regularly and principally employed by such Employer and (b) any Leased Employee performing services for an Employer except any such person who is covered by a money purchase pension plan that is provided by the leasing organization and requires

a non-integrated employer contribution rate of at least ten percent (10%) of compensation, immediate participation and full and immediate vesting.

1.17 Employer: The Company, its successors and any eligible organization that shall adopt this Plan pursuant to the provisions of Article X, and the successors, if any, to such organization.

1.18 Employer Matching Contribution: Any amount, with the exception of ESOP Contributions, contributed to the Trust Fund by the Employer pursuant to Section 4.1.

1.19 Employer Matching Contribution Account: The account maintained for each Participant to reflect the Employer Matching Contributions to the Plan for each Participant before the effective date of the 1991 Plan and any adjustments thereto made pursuant to the provisions of the Plan.

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1.20 Entry Date: Any day during the calendar year.

1.21 ERISA: Public Law No. 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.22 ESOP Account: The account maintained for each Participant to reflect the interest in the ESOP Fund allocated to each Participant.

1.23 ESOP Contributions: The Employer Contributions to the Trust for the purpose of repayment of an Exempt Loan, as described in Section 4.1.

1.24 ESOP Fund: The investment fund held by the Trustee, which shall be primarily invested and reinvested in shares of Company Stock.

1.25 Exempt Loan: Any loan or other extension of credit that is used to finance the purchase of Company Stock by the Trustee and that meets the requirements of Section 5.6.

1.26 Financed Stock: Company Stock acquired with the proceeds of an Exempt Loan.

1.27 Fiduciaries: The Employer, the Committee, the Trustee, and any other person designated as a Fiduciary with respect to the Plan or the Trust, but only with respect to the specific responsibilities of each as described in Section 2.13 hereof. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan.

1.28 Hour of Service: An Employee shall be credited with an Hour of Service as follows:

(a) An Hour of Service shall be credited to an Employee for each hour for which an Employee is directly paid, or entitled to payment, by the Employer or an Affiliate for the performance of duties during the applicable computation period. Such hours shall be credited to the Employee for the computation period or periods in which the duties were performed.

(b) An Hour of Service shall be credited to an Employee for each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by the Employer or an

Affiliate. These hours shall be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement, or payment is made. Hours of Service shall not be credited to an Employee under both paragraphs (a) and (b) of this Section.

(c) In addition to Hours of Service credited in paragraphs (a) and (b) of this Section, an Hour of Service shall be credited to an Employee for each hour for which such Employee is directly or indirectly paid, or entitled to such payment by the Employer or an Affiliate for reasons (such as vacation, sickness

or disability) other than for the performance of duties during the applicable computation period. For purposes of this paragraph (c), irrespective of whether such hours have accrued in other computation periods, such hours shall be counted in the computation period in which either payment is actually made or amounts payable to the Employee come due. For purposes of this paragraph (c), Hours of Service shall be determined by dividing the payments received or due for reasons other than the performance of duties by the lesser of (i) the Employee's most recent hourly rates of compensation for the performance of duties or (ii) the Employee's average hourly rate of compensation for the performance of duties for the most recent computation period in which the Employee completed more than five hundred (500) Hours of Service.

(d) The number of Hours of Service which are credited for reasons other than the performance of duties for the Employer in determining a Break In Service shall be determined in accordance with Sections 2530.200b-2(b) and (c) of Title 29, Chapter XXV of the Code of Federal Regulations.

Hours of Service will be credited for employment with other members of an affiliated service group (under Section 414(m)), a controlled group of corporations (under Section 414(b)) or a group of trades or businesses under common control (under Section 414(c)), of which the adopting Employer is a member. Notwithstanding anything in this Plan to the contrary, Hours of Service shall not be credited for employment with the Employer or an Affiliate before it becomes or after it ceases to be a member of an affiliated service group, a controlled group of corporations or a group of trades or businesses under common control or for any period when such Employer or Affiliate does not maintain this Plan.

Solely for purposes of determining whether a Break In Service, as defined in Section 3.7, for participation and vesting purposes has occurred in a computation period for any Plan Year beginning after December 31, 1984, an individual who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, eight (8) Hours of Service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the individual, (ii) by reason of the birth of a child of the individual, (iii) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement. The Hours of Service credited under this paragraph shall be credited (1) in the computation period in which the absence begins if the crediting is necessary to prevent a Break In Service in that period or (2) in all other cases, in the following computation period.

1.29 Investment Fund: One of the Investment Funds established and held under the Trust Fund, as described in Section 8.1.

1.30 Investment Manager: The Investment Manager, if any, appointed under the Trust, as such term is defined by Section 3(38) of ERISA.

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1.31 Leased Employee: Each person who is not an employee of the Employer or an Affiliate but who performs services for the Employer or an Affiliate pursuant to a leasing agreement (oral or written) between the Employer or an Affiliate and any leasing organization, provided that such person has performed such services for the Employer or an Affiliate or for related persons (within the meaning of Section 414(n)(3) of the Code) on a substantially full-time basis for a period of at least one year and such services are performed under primary direction or control by the Employer or an Affiliate. Notwithstanding the preceding sentence, the term "Leased Employee" shall not include any individual who is deemed to be an employee of an Employer or an Affiliate under Section 414(n)(5) of the Code.

1.32 1985 Plan: The Central Louisiana Electric Company 401(k) Savings and Investment Plan as established effective January 1, 1985.

1.33 1989 Plan: The Central Louisiana Electric Company 401(k) Savings and Investment Plan as amended and restated by the Company on January 1, 1989.

1.34 1991 Plan: The Central Louisiana Electric Company, Inc. 401(k) Savings and Investment Plan, as amended and restated effective April 2, 1991.

1.35 Participant: An eligible Employee for whom an Account is maintained under the Plan.

1.36 Plan: The Plan set forth herein, intended to constitute a profit-sharing plan under Section 401(a)(27) of the Code and an employee stock ownership plan under Section 4975(e)(7) of the Code, including all subsequent amendments hereto.

1.37 Plan Year: Each fiscal year commencing January 1 and ending December 31 of each calendar year.

1.38 Pre-Tax Contributions: Any amount deferred by a Participant from his Compensation as "Pre-Tax Basic Contributions" and "Pre-Tax Excess Contributions" pursuant to Section 4.2.

1.39 Pre-Tax Contribution Account: The account or accounts maintained for each Participant to reflect his Pre-Tax Basic Contributions and Pre-Tax Excess Contributions to the Plan, and any adjustments thereto made pursuant to the provisions of the Plan.

1.40 Retirement: Termination of employment on or after the Retirement Date of a Participant.

1.41 Retirement Date: With respect to Employees employed prior to January 1, 1988, the term "Retirement Date" shall mean the first day of the calendar month coincident with or next following the sixty-fifth (65th) birthday of a Participant; and, with respect to Employees hired on or after January 1, 1988, such term shall mean the later of (i) the

Participant's attainment of age sixty-five (65) or (ii) the Participant's completion of five (5) years of Vesting Service.

1.42 Rollover Account: The account maintained for each Employee who has made a contribution to the Trust Fund of amounts distributed to him from a plan that is qualified under Sections 401(a) and 501(a) of the Code or an individual retirement account in accordance with the provisions of Section 5.3.

1.43 Rollover Contribution: Any amount contributed by a Participant to his Rollover Account.

1.44 Service: Active employment as an Employee of an Employer except that if active employment shall be interrupted by authorized absences of the kinds described in Section 3.5, such interruption of active employment shall not be considered as an interruption of Service.

1.45 Stock Suspense Account: The suspense account maintained by the Trustee in accordance with Section 5.1, and to which will be credited all shares of Financed Stock prior to the allocation of such shares to the ESOP Accounts in accordance with Section 5.3.

1.46 Trust: The Cleco Power LLC 401(k) Savings and Investment Plan Stock Trust Agreement (as it may be amended), which was established effective January 1, 1985 as the Central Louisiana Electric Company 401(k) Savings and Investment Plan Stock Trust Agreement, which was most recently amended and restated effective August 1, 1997, and which was further amended effective as of January 1, 2004.

1.47 Trustee: Effective as of January 1, 2004, JPMorgan Chase Bank.

1.48 Trust Fund: All contributions of Employers and Participants, and the investments and reinvestments thereof, held by the Trustee under the Trust, together with all income, profits or increments thereon.

1.49 2005 Plan: The Cleco Power LLC 401(k) Savings and Investment Plan as amended and restated effective as of October 1, 2005 (unless otherwise provided).

1.50 Valuation Date: Each business day of the Plan Year. The last business day of each calendar quarter shall be the "quarterly Valuation Date," and the last day of December of each Plan Year shall be the "annual Valuation Date."

1.51 Vesting Computation Period: The twelve (12) consecutive month period beginning January 1 and ending December 31.

1.52 Vesting Service: The period of a Participant's employment considered in the determination of his eligibility for benefits under Section 3.6 of the Plan.

Words used in this Plan and in the Trust in the singular shall include the plural and in the plural the singular, and the gender of words used shall be construed to include whichever may be appropriate under any particular circumstances of the masculine, feminine or neuter genders.

ARTICLE II

ADMINISTRATION OF THE PLAN

2.1 Appointment of Committee: The Board of Directors of the Company shall appoint the Retirement Committee (the "Committee" herein) of not less than three (3) persons, each of whom may or may not be Employees of the Company or Participants in the Plan, to perform the administrative duties set forth herein. If so appointed, the Committee shall be the administrator of the Plan for the purposes of ERISA. Each member of the Committee shall serve without compensation and without bond (unless otherwise required by law) for such term as the Board of Directors of the Company may designate or until his death, resignation or removal by the Board. Any person appointed as a member of the Committee shall signify his acceptance by filing his written acceptance with the Board of Directors and with the Secretary of the Committee. The Board of Directors of the Company shall promptly appoint successors to fill any vacancies in the Committee. The Committee shall elect a Chairman from its number, and a Secretary and such other officers as the Committee may determine who may, but need not be, members of the Committee, to serve at the pleasure of the Committee.

2.2 Records of Committee: The Committee shall keep appropriate records of its proceedings and the administration of the Plan. In its sole discretion, the Committee may appoint one or more recordkeepers to record information relating to the administration of the Plan. The Committee shall make available to Participants and their Beneficiaries for examination, during business hours, such records of the Plan as pertain to the examining person and such documents relating to the Plan as are required by any applicable disclosure acts.

2.3 Committee Action: The Committee shall hold meetings at such time and on such notice as the Committee may determine. A majority of its members shall constitute a quorum for any meeting of the Committee, and at any such meeting business shall be transmitted and questions shall be decided by an affirmative vote of a majority of the members present. The Committee may act through the concurrence of a majority of its members expressed either at a meeting of the Committee, or in writing without a meeting. Concurrence of a member of the Committee may be by letter, by memorandum, by electronic mail, or by other means that is reasonably calculated to reach the intended recipient. Any member of the Committee, or the Secretary or Assistant Secretary of the Committee (who need not be members of the Committee), may execute on behalf of the Committee any certificate or other written instrument evidencing or carrying out any action approved by the Committee. The Committee may delegate any of its rights, powers and duties to any one or more of its members. The Chairman of the Committee shall be agent of the Plan and the Committee for the service of legal process at the principal office of the Company in Pineville, Louisiana.

2.4 Committee Disqualification: A member of the Committee who may be a Participant shall not vote on any question relating specifically to himself.

2.5 Committee Compensation and Expenses: The members of the Committee shall serve without bond (unless otherwise required by law) and without compensation for their services as such. The Committee may select and authorize the Trustee to suitably compensate such attorneys, agents and representatives as it may deem necessary or advisable to the performance of its duties. Expenses of the Committee that shall arise in connection with the administration of the Plan shall be paid by the Company, or if not paid by the Company, by the Trustee out of the Trust Fund.

2.6 Committee Liability: Except to the extent that such liability is created by ERISA, no member of the Committee shall be liable for any act or omission of any other member of the Committee, nor for any act or omission on his own part except for his gross negligence or willful misconduct, nor for the exercise of any power or discretion in the performance of any duty assumed by him hereunder. The Company shall indemnify and hold harmless each member of the Committee from any and all claims, losses, damages, expenses (including counsel fees approved by the Committee) and liabilities (including any amounts paid in settlement with the Committee's approval, but excluding any excise tax assessed against any member or members of the Committee pursuant to the provisions of Section 4975 of the Code) arising from any act or omission of such member in connection with duties and responsibilities under the Plan, except where the same is judicially determined to be due to the gross negligence or willful misconduct of such member.

2.7 Committee Determinations: The Committee, on behalf of the Participants and their Beneficiaries, shall enforce this Plan in accordance with its terms, and shall have all powers necessary for the accomplishment of that purpose, including, but not by way of limitation, the following powers:

(a) To employ such agents and assistants, such counsel (who may be of counsel to the Company) and such clerical, medical, accounting and investment services as the Committee may require in carrying out the provisions of the Plan.

(b) To authorize one or more of their number, or any agent, to make payment, or to execute or deliver any instrument, on behalf of the Committee, except that all requisitions for funds from, and requests, directions, notifications, certifications and instructions to, the Trustee or to the Company shall be signed either by an authorized member of the Committee or by the Secretary or Assistant Secretary of the Committee.

(c) To determine from the records of the Company the considered Compensation, Service and other pertinent facts regarding Employees and Participants for the purpose of the Plan.

(d) To construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder.

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(e) To prescribe forms and procedures to be followed by Employees for participation in the Plan, by Participants or Beneficiaries filing applications for benefits, by Participants applying for

withdrawals, and for other occurrences in the administration of the Plan.

(f) To prepare and distribute, in such manner as the Committee determines to be appropriate, information explaining the Plan.

(g) To furnish the Company and the Participants, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate.

(h) To certify to the Trustee the amount and kind of benefits payable to Participants and their Beneficiaries.

(i) To authorize all disbursements by the Trustee from the Trust Fund by a written authorization signed either by an authorized member of the Committee or by the Secretary or Assistant Secretary of the Committee; provided, however, that disbursements for ordinary expenses incurred in the administration of the Trust Fund need not be authorized by the Committee.

(j) To interpret and construe all terms, provisions, conditions and limitations of this Plan and to reconcile any inconsistency or supply any omitted detail that may appear in this Plan in such manner and to such extent, consistent with the general terms of this Plan, as the Committee shall deem necessary and proper to effectuate the Plan for the greatest benefit of all parties interested in the Plan.

(k) To make and enforce such rules and regulations for the administration of the Plan as are not inconsistent with the terms set forth herein.

(l) In addition to all other powers herein granted, and in general consistent with provisions hereof, the Committee shall have all other rights and powers reasonably necessary to supervise and control the administration of this Plan including the right to administer the Plan in a manner reasonably calculated to comply with any changes in or modifications to all relevant law as may be made from time to time.

2.8 Information from Employer: To enable the Committee to perform its functions, the Employer shall supply full and timely information to the Committee of all matters relating to the dates of employment of its Employees for purposes of determining eligibility of Employees to participate hereunder, the Compensation of all Participants, their Retirement, death or other cause for termination of employment, and such other pertinent facts as the Committee may require; and the Committee shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's administration of the Trust Fund.

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2.9 Uniform Administration: Whenever in the administration of the Plan, any action is required by the Employer or the Committee, including, but not by way of limitation, action with respect to eligibility of Employees, Contributions and benefits, such action shall be uniform in nature as applied to all persons similarly situated, and no action shall be taken which will discriminate in favor of Participants who are officers or shareholders of the Employer, highly compensated Employees or persons whose principal duties consist of supervising the work of others.

2.10 Reporting Responsibilities: As Administrator of the Plan under ERISA, the Committee shall file with the appropriate office of the Internal Revenue Service or the Department of Labor all reports, returns and notices required under ERISA, including, but not limited to, the summary Plan description, annual reports and amendments thereof to be filed with the Department of Labor, and requests for determination letters, annual reports and registration statements required by Section 6057(a) of the Code.

2.11 Disclosure Responsibilities: The Committee shall make available to each Participant and Beneficiary such records, documents and other data as may be required under ERISA, and Participants or Beneficiaries shall have the right to examine such records at reasonable times during business hours. Nothing contained in this Plan shall give any Participant or Beneficiary the right to examine any data or records reflecting the Compensation paid to, or relating to any Account of, any other Participant or Beneficiary, except as may be required under ERISA.

2.12 Annual Statements: As soon as practicable after each annual (December 31) Valuation Date or such other date as may be designated by the Administrator, the Committee shall prepare and deliver to each Participant a written statement reflecting as of that Valuation Date:

(a) Such information applicable to contributions by and for each such Participant and the increase or decrease thereof as a consequence of valuation adjustments as may be pertinent in the premises.

(b) The balance in his Account as of that annual Valuation Date.

2.13 Allocation of Responsibility Among Fiduciaries for Plan and Trust Administration: The Fiduciaries shall have only those specific powers, duties, responsibilities and obligations as are specifically given them under this Plan or the Trust. In general, the Employer shall have the sole responsibility for making the Contributions provided for under Sections 4.1, 4.2 and 4.3. The Company shall have the sole authority to appoint and remove the Trustee and members of the Committee. The Company may amend or terminate, in whole or in part, this Plan or the Trust. The Committee shall have the sole responsibility for the administration of the Plan and the sole authority to appoint and remove any Investment Manager which may be provided for under the Trust. The Trustee shall have the sole responsibility for the administration of the Trust Fund and shall have exclusive authority and discretion to manage and control the assets held under the Trust Fund except to the extent that

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the authority to manage, acquire and dispose of the assets of the Trust Fund is delegated to an Investment Manager or, in the case of assets maintained in the ESOP Fund, is exercised by the Committee or a Participant, all as specifically provided in the Trust. Each Fiduciary warrants that any directions given, information furnished or action taken by it shall be in accordance with the provisions of the Plan or the Trust, as the case may be, authorizing or providing for such direction, information or action. Furthermore, each Fiduciary may rely upon any such direction, information or action of another Fiduciary as being proper under this Plan or the Trust, and is not required under this Plan or the Trust to inquire into the propriety of any such direction, information or action. It is intended under this Plan and the Trust that each Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under this Plan and the Trust and shall not be responsible for any act or failure to act of another Fiduciary. No Fiduciary guarantees the Trust Fund in any manner against investment loss or depreciation in asset value.

2.14 Annual Audit: The Committee shall engage, on behalf of all Participants, an independent Certified Public Accountant who shall conduct an annual examination of any financial statements of the Plan and Trust Fund and of other books and records of the Plan and Trust Fund as the Certified Public Accountant may deem necessary to enable him to form and provide a written opinion as to whether the financial statements and related schedules required to be filed with the Department of Labor or furnished to each Participant are presented fairly and in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding Plan Year. If, however, the statements required to be submitted as part of the reports to the Department of Labor are prepared by a bank or similar institution or insurance carrier regulated and supervised and subject to periodic examination by a state or federal agency and if such statements are, in fact, made a part of the annual report to the Department of Labor and no such audit is required by ERISA, then the audit required by the foregoing provisions of this Section shall be optional with the Committee.

2.15 Presenting Claims for Benefits: Any Participant or any other person claiming under any deceased Participant may submit written application to the Committee for the payment of any benefit asserted to be due him under the Plan. Such application shall set forth the nature of the claim and such other information as the Committee may reasonably request. Promptly upon the receipt of any application required by this Section, the Committee shall determine whether or not the Participant or Beneficiary involved is entitled to a benefit hereunder and, if so, the amount thereof and shall notify the applicant of its findings. Benefits under this Plan will be paid only if the Committee decides in its discretion that the applicant is entitled to them.

If a claim is wholly or partially denied, the Committee shall so notify the applicant within ninety (90) days after receipt of the application by the Committee, unless special circumstances require an extension of time for processing the application. If such an extension of time for processing is required, written notice of the extension shall be furnished to the applicant prior to the end of the initial ninety-day period. In no event shall such extension exceed a period of ninety (90) days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render its final decision. Notice of the

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Committee's decision to deny a claim in whole or in part shall be set forth in a manner calculated to be understood by the applicant and shall contain the following:

- (i) the specific reason or reasons for the denial,
- (ii) specific reference to the pertinent Plan provisions on which the denial is based,
- (iii) a description of any additional material or information, necessary for the applicant to perfect the claim and an explanation of why such material or information is necessary, and
- (iv) an explanation of the claims review procedures set forth in Section 2.16 hereof.

If notice of denial is not furnished, and if the claim is not granted within the period of time set forth above, the claim shall be deemed denied for purposes of proceeding to the review stage described in Section 2.16.

2.16 Claims Review Procedure: If an application filed by a Participant or Beneficiary under Section 2.15 above shall result in a denial by the Committee of the benefit applied for, either in whole or in part, such applicant shall have the right, to be exercised by written request filed with the Committee within sixty (60) days after receipt of notice of the denial of his application or, if no such notice has been given, within sixty (60) days after the application is deemed denied under Section 2.15, for the review of his application and of his entitlement to the benefit for which he applied. Such request for review may contain such additional information and comments as the applicant may wish to present. Within sixty (60) days after receipt of any such request for review, the Committee shall reconsider the application in light of such additional information and comments as the applicant may have presented, and if the applicant shall have so requested, shall afford the applicant a hearing before the Committee. The Committee shall also permit the applicant or his designated representative to review pertinent documents in its possession, including copies of the Plan document and information provided by the Employer relating to the applicant's entitlement to such benefit. The Committee shall make a final determination with respect to the applicant's application for review as soon as practicable, and in any event not later than sixty (60) days after receipt of the aforesaid request for review, except that under special circumstances, such as the necessity for holding a hearing, such sixty-day period may be extended to the extent necessary, but in no event beyond the expiration of one hundred twenty (120) days after receipt by the Committee of such request. If such an extension of time for review is required because of special circumstances, written notice of the extension shall be furnished to the applicant prior to the commencement of the extension. Notice of such final determination of the Committee shall be furnished to the applicant in writing, in a manner calculated to be understood by him, and shall set forth the specific reasons for the decision and specific references to the pertinent provisions of the Plan upon which the decision is based. If the decision on review is not furnished within the time period set forth above, the claim shall be deemed denied on review.

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2.17 Disputed Benefits: If any dispute shall arise between a Participant or other person claiming under a Participant and the Committee after review of a claim for benefits, or in the event any dispute shall develop as to the person to whom the payment of any benefit under the Plan shall be made, the Trustee may withhold the payment of all or any part of the benefits payable hereunder to the Participant or other person claiming under the Participant until such dispute has been resolved by a court of competent jurisdiction or settled by the parties involved.

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ARTICLE III

PARTICIPATION IN THE PLAN

3.1 Eligibility of Employees: An Employee eligible under the terms of the Plan immediately preceding the Effective Date shall continue to be eligible to participate in this Plan in accordance with the provisions of this Plan. An

Employee who is not ineligible on the first day of the Plan Year in which the Plan is adopted by an Employer either as a new plan or as an amendment of an existing plan for which he was eligible shall become a Participant on that day. Each of (i) an Employee who is included in a unit of employees covered by a collective bargaining agreement, in the negotiation of which retirement benefit payments to be made thereunder for such Employee were specifically addressed; (ii) an Employee who is a non-resident alien and who receives no earned income from the Employer which constitutes income from sources within the United States; (iii) any Employee who is a Leased Employee; and (iv) an individual who is designated, compensated, or otherwise classified or treated as a consultant, an independent contractor, or a leased employee (or a Leased Employee) by an Employer or an Affiliate shall be ineligible to participate in this Plan. These groups of individuals shall be excluded from this Plan based on the Employer's classification even if the Internal Revenue Service or any other agency or a court determines that the Employer's classification was incorrect or reclassifies that individual as an employee for employment tax or any other purpose. Each Employee who is not ineligible shall be eligible to participate in the Plan as of the Entry Date which coincides with his date of hire.

Notwithstanding any provision in this Plan to the contrary, an Employee who makes a contribution to a Rollover Account as provided in Section 5.3 of this Plan shall become a Participant as of the date of such contribution even if he or she had not previously become a Participant. Such an Employee shall be a Participant only for the purposes of such Rollover Contribution and shall not be eligible to make other contributions or to share in contributions made by an Employer until he or she has fulfilled all remaining requirements for eligibility.

3.2 Employee Information: The Committee shall maintain records which shall reflect as to each Employee his date of birth, all dates reflecting when he entered into or left the employment of any Employer, and his years of Vesting Service. The Employer shall make available to the Committee all such information as may be required by the Committee for the purposes of maintaining such information as to each Employee.

3.3 Notification of Eligible Employee: The Committee shall notify each Employee included for the first time in any list of eligible Employees that he is eligible to participate in the Plan.

3.4 Application by Participants: Each Employee who shall become eligible to participate in the Plan and who shall desire to become a Participant shall complete an application in such form as may be prescribed by the Committee and in accordance with administrative procedures established by the Committee, in which the Participant shall elect to make Pre-Tax Contributions which total no more than fifty (50%) of his Compensation, and

shall designate the amount, if any, of his Pre-Tax Basic Contribution and Pre-Tax Excess Contribution, as contemplated under Section 4.2 hereof, and his choice of investment options under Section 8.1 hereof. Pre-Tax Contributions will begin as soon as administratively practicable after the application is filed.

3.5 Authorized Absences: Authorized Absences shall have the following meaning and consequences:

(a) The following shall be "Authorized Absences":

(1) Absence without pay of an Employee due to membership in the Armed Forces of the United States (but if such absence is not pursuant to orders issued by the

Armed Forces of the United States, only if with the consent of the Employer).

(2) Absence due to an authorized leave of absence without pay granted by the Employer in a nondiscriminatory manner in order that all Employees under similar circumstances shall be treated alike.

(3) An absence otherwise recognized as an "Authorized Absence" shall not be so recognized (i) under (1) above unless such Employee shall apply for reinstatement in the employment of Employer within ninety (90) days after discharge or release to inactive duty, as the case may be, or (ii) under (2) above unless within ten (10) days after the expiration date thereof such Employee shall apply for reinstatement in the employment of the Employer.

(b) The years of Vesting Service of an Employee immediately after his re-employment following an Authorized Absence shall be determined as if he had been a Participant in the Plan (but only to the extent such Employee may have otherwise been eligible to participate in the Plan, and, if eligible, was a Participant making Contributions to the Plan immediately prior to the inception of his Authorized Absence) during his Authorized Absence. If, however, an Employee, following his re-employment after an Authorized Absence, thereafter terminates his employment (other than as a consequence of Retirement, death, disability or subsequent Authorized Absence) before completion of one (1) year of Service, or fails to apply for re-employment as specified under (a)(3), the commencement date of his Authorized Absence will be treated as having marked the termination of the employment of such Employee for all purposes of the Plan (including specifically but without limitation his years of Vesting Service); provided that for valuation purposes only, the distributions from the Plan to which such an Employee may then be entitled shall be determined by reference to the value of his Pre-Tax

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Contribution Account, his After-Tax Contribution Account, his Employer Matching Contribution Account and his ESOP Account as of the Valuation Date which coincides with the date of distribution.

(c) Solely for the purpose of determining the eligibility of an Employee to participate in the Plan immediately following the resumption of his employment after expiration of his Authorized Absence, the employment status of such Employee prior to his Authorized Absence shall be considered as continuing throughout his Authorized Absence.

3.6 Vesting Service: A Participant shall be credited with one (1) and only one (1) year of Vesting Service for each Vesting Computation Period in which such Participant completes at least one thousand (1,000) Hours of Service for an Employer or an Affiliate. A Participant will not be credited with a year of Vesting Service with respect to a Vesting Computation Period if the Participant completes less than one thousand (1,000) Hours of Service for the Employer or an Affiliate during such Vesting Computation Period.

3.7 Break In Service: A Vesting Computation Period during which a Participant completes five hundred (500) Hours of Service or less for an Employer or an Affiliate shall constitute a Break In Service. Upon incurring a Break In Service, an Employee's or former Employee's rights and benefits under this Plan shall be determined as provided in Section 3.8.

In the case of a Participant who incurs a Break In Service and is not again employed by the Employer, such Participant's Vesting Service shall consist of such Service which is properly credited to the Participant prior to the Vesting Computation Period in which such Break In Service occurred.

3.8 Participation and Vesting upon Re-Employment: Participation in the Plan shall cease at the close of the Plan Year during which termination of Service occurs. Termination of Service may result from Retirement, death or voluntary or involuntary termination of employment with the Employer and its Affiliates, if any, unauthorized absence, or by failure to return to active employment with the Employer by the date on which an Authorized Absence expired. Upon the re-employment of any person before he has a Break In Service, he shall participate in the Plan as of the date of his re-employment (if he is not ineligible), and he may be entitled to a new Employer Matching Contribution Account and ESOP Account if he had received no distribution by reason of his prior termination of Service. Upon the re-employment after a Break In Service of any person who had previously been employed by the Employer, the following rules shall apply in determining his Participation in the Plan and his Vesting Service under Sections 3.1 and 3.6:

(a) Participation: If the re-employed Employee was not a Participant in the Plan during his prior period of Service, he shall commence participation in the Plan on his date of re-employment (if he is not ineligible). If the re-employed Employee was a Participant in the Plan during his prior period of Service, he shall recommence participation in the Plan on the date of

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his re-employment and he shall be entitled to the allocations to his Employer Matching Contribution Account and ESOP Account as provided in Section 5.3.

(b) Vesting: In the case of a Participant whose prior Service terminated with entitlement to a distribution from his Employer Matching Contribution Account or his ESOP Account under any provision of Article VI, any Vesting Service attributable to his prior period of employment shall be reinstated as of the date of his re-employment and his Employer Matching Contribution Account and his ESOP Account shall be restored, less any distributions therefrom to the Participant. In the case of a Participant whose prior employment terminated without entitlement to a distribution from his Employer Matching Contribution Account or ESOP Account under Article VI, any Vesting Service attributable to his prior period of employment shall be reinstated as of the date of his commencement of participation, and his Employer Matching Contribution Account and ESOP Account shall be restored.

3.9 Transfers:

(a) For the purposes of determining eligibility to participate in the Plan and Service under this Article III, a Participant shall receive Vesting Service and Hours of Service for employment with an Affiliate after it became an Affiliate, provided that all such employment is determined in accordance with the re-employment provisions of Section 3.8.

If an individual is transferred to eligible employment covered by this Plan from employment with an Employer or Affiliate not covered by the Plan, he shall be eligible to participate in this Plan as of the date of his transfer. In addition, if such transferred Participant had an account in a qualified defined contribution plan maintained by such Affiliate, such account shall be transferred to the Trust Fund under this Plan if the transfer is permitted by the terms of said plan and if the Committee determines that the

transferred account will not fail to satisfy Section 401(a) or 411(d)(6) of the Code. Any transferred account shall be subject to the provisions of this Plan; provided, however, that the vesting provisions of the transferor plan shall continue to apply.

(b) If a Participant is transferred to employment with an Employer or Affiliate which is not eligible employment covered by the Plan, his participation in the Plan shall be suspended, provided, however, that during the period of his employment in such ineligible position:

(i) Subject to the re-employment provisions of Section 3.8, Service for vesting purposes shall continue to accrue,

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(ii) He shall cease to have any right to make Contributions pursuant to Sections 4.2 and 4.3,

(iii) His Employer Matching Contribution Account and ESOP Account shall receive no Employer Matching Contribution or ESOP Contribution allocations under Section 4.1,

(iv) He shall continue to participate in income allocations of the earnings and/or losses of the Trust Fund pursuant to Section 5.3,

(v) No distribution event shall be deemed to have occurred under Section 6.1, and

(vi) The loan privileges under Article VII and the provisions of Article VIII shall continue to apply.

In addition, the Plan Administrator may, at its discretion, authorize the transfer of his Accounts under this Plan to the Trust Fund funding the qualified defined contribution plan, if any, of the Affiliate to which the Participant was transferred. In such event, the provisions of the transferee plan shall govern.

3.10. Qualified Military Service: Notwithstanding any provisions of this Plan to the contrary, effective as of December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

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ARTICLE IV

CONTRIBUTIONS TO THE PLAN

4.1 Employer Contributions:

(a) ESOP Contributions. For each Plan Year during which an Exempt Loan is outstanding, the Employer shall make an ESOP Contribution to the Trust in such amount and at such times as shall be determined by the Company.

(b) Additional Contributions to Fund Match. The Employer shall also make an Employer Matching Contribution (subject to adjustments for forfeitures and limitations on annual additions as elsewhere specified in the Plan) in cash and/or in the form of Company Stock in the amount, if any, necessary to result in an allocation under Article V to each Participant's ESOP Account of not less than 66⅔% of his Pre-Tax Basic Contributions, such contribution to be determined as the last day of each payroll period and contributed to the Trust Fund at such time as the Employer shall determine. Further, the Employer shall make an additional ESOP Contribution and/or Employer Matching Contribution, if necessary, to make the allocation required under Section 5.3(f)(ii) with respect to dividends used to repay an Exempt Loan. Such contribution shall be in cash and/or in the form of Company Stock.

(c) Reinstated Forfeitures. To the extent specified in Section 5.3(f)(iii), any amounts attributable to forfeitures will be applied to reduce, to the extent of such forfeitures, the Employer Matching Contributions required to be made next following the determination of any such forfeiture amounts.

(d) Reinstated Benefits. If a forfeiture arising under Section 6.9 is reinstated in accordance with the provisions of Section 6.9 because of an appropriate claim of forfeited unclaimed benefit by the Participant, Beneficiary or other distributee, the Employer shall contribute, within a reasonable time following such claim, an amount equal to the forfeiture to be reinstated.

4.2 Pre-Tax Contributions: Each Participant who has elected to defer a portion of his salary as a Pre-Tax Basic Contribution to the Plan pursuant to Section 3.4 hereof shall defer as his Pre-Tax Basic Contribution a whole percentage of his Compensation, not in excess of 6%. In addition, the Participant may elect to defer any whole percentage, up to a maximum of forty-four (44%) of his Compensation, as a Pre-Tax Excess Contribution. Each such contribution, if any, shall be determined as of the last day of each payroll period and contributed to the Trust Fund by the Employer as soon as practicable thereafter. A Participant's Pre-Tax Contributions shall not exceed a maximum contribution of \$14,000 (as may be adjusted by the Secretary of the Treasury or act of Congress) for each calendar year. In the event a Participant's Pre-Tax Contributions exceed the applicable limit described in the preceding sentence, or in the event the Participant submits a written claim to the Committee,

at the time and in the manner prescribed by the Committee, specifying an amount of Pre-Tax Contributions that will exceed the applicable limit of Section 402(g) of the Code when added to the amounts deferred by the Participant in other plans or arrangements, such excess (the "Excess Deferrals"), plus any income and minus any loss allocable to

such amount, shall be returned to the Participant by the April 15 of the following year. Each Participant's Pre-Tax Contribution Account shall be fully vested and nonforfeitable at all times.

(a) Notification of Deferral Elections: Each Participant shall notify the Committee of the amount he elects to defer as a Pre-Tax Basic Contribution and as a Pre-Tax Excess Contribution, in accordance with administrative procedures established by the Committee, until such time as the Committee may authorize the discontinuance of the Pre-Tax Contributions according to uniform, nondiscriminatory policies which may be developed by the Committee. Each such election shall continue in effect during subsequent Plan Years unless the Participant shall notify the Committee of his election to change or discontinue his Pre-Tax Basic Contribution or his Pre-Tax Excess Contribution in accordance with administrative procedures established by the Committee.

(b) Changes in Deferral Elections: A Participant may change the amount of his Pre-Tax Basic Contribution and/or Pre-Tax Excess Contribution at any time during the Plan Year by directing the Committee, in accordance with administrative procedures established by the Committee, to change the rate of the Contribution(s). A Participant may discontinue his Pre-Tax Basic Contribution and/or Pre-Tax Excess Contribution at any time during the Plan Year by directing the Committee, in accordance with administrative procedures established by the Committee, to discontinue the deferral of his Compensation.

(c) Automated Response Unit: The Committee may, as a part of the administrative procedures it establishes and in lieu of written procedures contemplated in this Plan, authorize use of an "automated response unit" which generates written acknowledgments of transactions.

(d) Limits on Deferrals: No Participant shall be permitted to have Pre-Tax Contributions made under this Plan, or any other qualified plan maintained by the Company during any taxable year, in excess of the dollar limitation contained in Code Section 402(g) in effect for such taxable year, except to the extent permitted by this Amendment and Code Section 414(v).

(e) Catch-Up Contributions: Effective January 1, 2002, all Employees who are eligible to make Pre-Tax Contributions under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Code Section 414(v). Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Code Sections 402(g) and 415. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Code Sections 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416, as applicable, by reason of the making of such catch-up contributions.

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4.3 Actual Deferral Percentage: The Actual Deferral Percentage for a specified group of Employees for a Plan Year shall be the average of the ratios (calculated separately for each Employee in such group) of:

(a) The amount of Pre-Tax Contributions actually paid to the Plan on behalf of each such Employee for such Plan Year, over

(b) The Employee's Compensation (as defined in Section 5.5(c)(vi)) for such Plan Year. Notwithstanding any provision in this Plan to the contrary, an Employer may, to the extent permitted by

the Code and applicable regulations, elect to include as Compensation pre-tax or after-tax contributions made under this Plan or any other plan of the Employer.

An eligible Employee for the purpose of computing the Actual Deferral Percentage is defined in Treasury Regulation Section 1.401(k)-6. The Actual Deferral Percentage of an eligible Employee who makes no Pre-Tax Contributions is zero.

The individual ratios and Actual Deferral Percentages shall be calculated to the nearest one-hundredth (1/100) of one percent (1%) of an Employee's Compensation.

The Plan uses the Actual Deferral Percentage for Participants who are Highly Compensated Employees and non-Highly Compensated Employees for the prior Plan Year in performing the nondiscrimination testing required under this Section for the current Plan Year.

4.4 Actual Deferral Percentage Limits: The Actual Deferral Percentage for the eligible Highly Compensated Employees for any Plan Year shall not exceed the greater of (a) or (b), as follows:

(a) The Actual Deferral Percentage of Compensation for the eligible non- Highly Compensated Employees times 1.25, or

(b) The lesser of (i) the Actual Deferral Percentage of Compensation for the eligible non-Highly Compensated Employees times 2.0 or (ii) the Actual Deferral Percentage of Compensation for the eligible non-Highly Compensated Employees plus two (2) percentages points or such lesser amount as the Secretary of Treasury shall prescribe to prevent the multiple use of this alternative limitation with respect to any Highly Compensated Employee.

"Highly Compensated Employee" means any Employee who is a highly compensated employee under Section 414(q) of the Code, including any Employee who

(i) was a 5% owner during the current Plan Year or prior Plan Year; or

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(ii) received Compensation during the prior Plan Year (as defined in Section 5.5(c)(vi)) in excess of \$80,000 or such other dollar amount as may be prescribed by the Secretary of the Treasury or his/her delegate, excluding Employees described in Code Section 414(q)(8).

In determining status as a Highly Compensated Employee within the meaning of Code Section 414(q) the entities set forth in Regulation Section 1.414(q)-1T, Q&A-6(a)(1) through (4) must be taken into account as a single employer.

A former Employee shall be treated as a Highly Compensated Employee if (1) such former Employee was a Highly Compensated Employee when he separated from Service or (2) such former Employee was a Highly Compensated Employee in Service at any time after attaining age 55. Any former Employee who separated from Service before January

1, 1987, will be treated as a Highly Compensated Employee only if the former Employee was a 5% owner or received Compensation (as defined in Section 5.5(c)(vi) or which reasonably approximates the definition of Compensation in Section 5.5(c)(vi) in excess of \$50,000 during (i) the Employee's separation year (or the year preceding such separation year) or (ii) any year ending on or after the former Employee's 55th birthday (or the last year ending before his 55th birthday).

4.5 Reduction of Pre-Tax Contribution Rates: If, on the basis of the Pre-Tax Contribution rates elected by Participants for any Plan Year, the Committee determines, in its sole discretion, that neither of the tests contained in (a) or (b) of Section 4.4 will be satisfied, the Committee may reduce the Pre-Tax Contribution rate of any Participant who is among the eligible Highly Compensated Employees to the extent necessary to reduce the overall Actual Deferral Percentage for eligible Highly Compensated Employees to a level which will satisfy either (a) or (b) of Section 4.4. The reductions in Pre-Tax Contribution rates may be made proportionately or in the order provided in Section 4.7.

4.6 Increase in Pre-Tax Contribution Rates: If a Participant's Pre-Tax Contribution is reduced below the level necessary to satisfy either (a) or (b) of Section 4.4 for the Plan Year, such Participant may be eligible to increase his Pre-Tax Contribution rate for the remainder of the Plan Year to a level not in excess of that level which will satisfy the greater of (a) or (b) of Section 4.4. Such an increase in the Pre-Tax Contribution rate shall be made by Participants on a uniform and nondiscriminatory basis, pursuant to such rules and procedures as the Committee may prescribe.

4.7 Excess Pre-Tax Contributions: As soon as possible following the end of the Plan Year, the Committee shall determine whether either of the tests contained in Section 4.4 were satisfied as of the end of the Plan Year, and any excess Pre-Tax Contributions, plus any

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income and minus any loss attributable thereto, of those Participants who are among the Highly Compensated Employees shall (I) first, be recharacterized as catch-up contributions with respect to such participants who, after taking into account the results of the tests in section 4.4, (A) were, pursuant to section 4.2(e), eligible to make catch-up contributions during the year in question, and (B) did not make the maximum amount of catch-up contributions and (II) second, be distributed to such Participants in the manner set forth in this section 4.7.

The amount of any excess Pre-Tax Contributions to be distributed to a Participant shall be reduced by Excess Deferrals previously distributed to him pursuant to Section 4.2 for the taxable year ending in the same Plan Year. All excess Pre-Tax Contributions shall be returned to the Participants no later than the last day of the following Plan Year. The excess Pre-Tax Contributions, if any, of each Participant who is among the Highly Compensated Employees shall be determined by computing the maximum Actual Deferral Percentage which each such Participant may defer under (a) or (b) of Section 4.4. Any distribution of the excess Pre-Tax Contributions for any Plan Year shall be made to Highly Compensated Employees on the basis of the amount of Pre-Tax Contributions by, or no behalf of, each of such employees.

Excess Pre-Tax Contributions will be distributed according to the following procedures:

(a) The dollar amount of excess Pre-Tax Contributions will be computed for each Highly Compensated Employee in accordance with the foregoing.

(b) The excess contributions will be distributed in the following manner:

(i) reduce the Pre-Tax Contributions beginning with the Highly Compensated Employee with the highest dollar amount of Pre-Tax Contributions to equal the dollar amount of the Highly Compensated Employee with the next highest dollar amount of Pre-Tax Contributions;

(ii) this amount will be distributed to the Highly Compensated Employee with the highest dollar amount of Pre-Tax Contributions.

(c) Repeat the procedure outlined in step (b) above until total excess Pre-Tax Contributions are distributed.

If those distributions are made, the Actual Deferral Percentage is treated as meeting the nondiscrimination test of Code Section 401(k)(3) regardless of whether the Actual Deferral Percentage, if recalculated after distributions, would satisfy Code Section 401(k)(3). For purposes of Code Section

401(m)(9), if a corrective distribution of excess contributions has been made, or a recharacterization has occurred, the Actual Deferral Percentage for Highly Compensated Employees is deemed to be the largest amount permitted under Code Section 401(k)(3).

The amount of any excess Pre-Tax Contributions to be distributed to a Participant shall be reduced by Excess Deferrals previously distributed to him pursuant to Section 4.2 for the taxable year ending in the same Plan Year. All excess Pre-Tax Contributions shall be returned to the Participants no later than the last day of the following Plan Year. The excess Pre-Tax Contributions, if any, of each Participant who is among the Highly Compensated Employees shall be determined by computing the maximum Actual Deferral Percentage which each such Participant may defer under (a) or (b) of Section 4.4 and then reducing the Actual Deferral Percentage of some or all of such Participants who elected an Actual Deferral Percentage in excess of such maximum by an amount of sufficient size to reduce the overall Actual Deferral Percentage for eligible Participants who are among the Highly Compensated Employees to a level which satisfies either (a) or (b) of Section 4.4. Excess Pre-Tax Contributions shall be adjusted in the following manner: The Highly Compensated Employee having the largest amount of Pre-Tax Contributions shall have his portion of excess Pre-Tax Contributions recharacterized as catch-up contributions and/or distributed to him until one of the tests in (a) or (b) of Section 4.4 is satisfied, or until his Pre-Tax Contributions equal the Pre-Tax Contributions of the Highly Compensated Employee having the second largest amount of Pre-Tax Contributions. This process shall continue until sufficient total reductions have occurred to achieve compliance with (a) or (b) of Section 4.4.

The income or loss attributable to the Participant's excess Pre-Tax Contributions for the Plan Year shall be determined by multiplying the income or loss attributable to the Participant's Pre-Tax Contribution Account balance for the Plan Year by a fraction, the numerator of which is the excess Pre-Tax Contribution and the denominator of which is the Participant's total Pre-Tax Contribution Account balance. Excess Pre-Tax Contributions shall be treated as Annual Additions under Section 5.5 of the Plan.

4.8 Contribution Percentage and ESOP Percentage:

(a) Contribution Percentage: The Contribution Percentage for a specified group of Employees for a Plan Year shall be the average of the ratios (calculated separately for each Employee in such group) of;

(i) The total of the Employer Matching Contributions (the "Aggregate Contributions") paid under the Plan on behalf of each such Employee for such Plan Year, to

(ii) The Employee's Compensation (as defined in Section 5.5(c)(vi)) for such Plan Year.

Solely for purposes of computing the Contribution Percentage, the definition of Employer Matching Contributions may be modified to include ESOP

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Contributions to the extent permitted under Treasury Regulation Section 1.401(m)-1(b)(4)(v). In computing the Contribution Percentage, the Employer may elect to take into account after-tax and pre-tax contributions made under this Plan or any other plan of the Employer to the extent permitted under applicable Treasury Regulations.

A Participant's Contribution Percentage shall be determined after determining the Participant's Excess Deferrals, if any, pursuant to Section 4.2, and after determining the Participant's excess Pre-Tax Contributions pursuant to Section 4.7.

The Plan uses the Contribution Percentage for Participants who are Highly Compensated Employees and non-Highly Compensated Employees for the prior Plan Year in performing the nondiscrimination testing required under this Section for the current Plan Year.

(b) ESOP Percentage: The ESOP Percentage for a specified group of Employees for a Plan Year shall be the average of the ratios (calculated separately for each Employee in such group) of:

(i) The total of the ESOP Contributions paid under the Plan on behalf of each such Employee for such Plan Year, to

(ii) The Employee's Compensation (as defined in Section 5.5(c)(vi)) for such Plan Year.

A Participant's ESOP Percentage shall be determined after determining the Participant's Excess Deferrals, if any, pursuant to Section 4.2, and after determining the Participant's excess Pre-Tax Contributions pursuant to Section 4.7.

An eligible Employee for purposes of computing the Contribution Percentage is defined in Treasury Regulation Section 1.401(m)-5. The Contribution Percentage will be zero for an eligible Employee who received no allocation of Aggregate Contributions.

4.9 Contribution Percentage and ESOP Percentage Limits: Each of the Contribution Percentage and ESOP Percentage (with respect to each, the "Applicable Percentage") for the eligible Employees for any Plan Year who are Highly Compensated Employees shall not exceed the greater of (a) or (b), as follows:

(a) The Applicable Percentage for the eligible Employees who are not Highly Compensated Employees times 1.25, or

(b) The lesser of (i) the Applicable Percentage for the eligible Employees who are not Highly Compensated Employees times two (2) or (ii)

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the Applicable Percentage for the eligible Employees who are not Highly Compensated Employees plus two (2) percentage points or such lesser amount as the Secretary of the Treasury shall prescribe to prevent the multiple use of this alternative limitation with respect to any Highly Compensated Employee.

The Contribution Percentage for any Highly Compensated Employee for any Plan Year who is eligible to have matching employer contributions made on his behalf or to make after-tax contributions under one or more plans described in Section 401(a) of the Code that are maintained by an Employer or an Affiliate in addition to this Plan shall be determined as if all such contributions were made to this Plan.

In the event that this Plan must be combined with one or more other plans in order to satisfy the requirements of Code Section 410(b), then the Contribution Percentage shall be determined as if all such plans were a single plan. If two or more plans are permissively aggregated for the purposes of Code Section 410(b) (other than the average benefit percentage test), then the Contribution Percentage shall be determined as if all such plans were a single plan.

4.10 Treatment of Excess Aggregate Contributions or ESOP Contributions: If neither of the tests described above in Section 4.9 is satisfied with respect to either Aggregate Contributions or ESOP Contributions, the excess Aggregate Contributions or ESOP Contributions (as applicable), plus any income and minus any loss attributable thereto, shall be forfeited, or if not forfeitable, shall be distributed no later than the last day of the Plan Year following the Plan Year in which such excess Aggregate Contributions or ESOP Contributions (as applicable) were made. The income and loss attributable to the Participant's excess Aggregate Contributions or ESOP Contributions (as applicable) for the Plan Year shall be determined by multiplying the income or loss attributable to the Participant's Account for the Plan Year by a fraction, the numerator of which is the excess Aggregate Contribution or ESOP Contributions (as applicable), and the denominator of which is the Participant's total Account balance. Excess Aggregate Contributions or ESOP Contributions shall be treated as Annual Additions under Section 5.5 of the Plan.

The excess Aggregate Contributions or ESOP Contributions (as applicable), if any, of each Participant who is among the Highly Compensated Employees shall be determined by computing the maximum Contribution Percentage under (a) or (b) of Section 4.9. Any distribution of the excess Aggregate Contributions or ESOP

Contributions (as applicable) for any Plan Year shall be made to Highly Compensated Employees on the basis of the amount of contributions on behalf, or by, each such employee. Forfeitures of excess Aggregate Contributions or ESOP Contributions (as applicable) may not be allocated to Participants whose contributions are reduced under this paragraph.

Excess Aggregate Contributions or ESOP Contributions (as applicable) will be distributed according to the following procedures:

(a) The dollar amount of excess Aggregate Contributions or ESOP Contributions (as applicable) will be computed for each affected Highly Compensated Employee in accordance with the foregoing.

(b) The excess Aggregate Contributions or ESOP Contributions (as applicable) will be distributed in the following manner:

(i) reduce the Aggregate Contributions or ESOP Contributions (as applicable) beginning with the Highly Compensated Employee with the highest dollar amount of Aggregate Contributions or ESOP Contributions (as applicable) to equal the dollar amount of the Highly Compensated Employee with the next highest amount of Aggregate Contributions or ESOP Contributions (as applicable);

(ii) this amount will be distributed to the Highly Compensated Employee with the highest dollar amount of Aggregate Contributions or ESOP Contributions (as applicable)

(c) Repeat the procedure outlined in step (b) above until total excess Aggregate Contributions or ESOP Contributions (as applicable) are distributed.

If these distributions are made, the Contribution Percentage is treated as meeting the nondiscrimination test of Code Section 401(m)(2) regardless of whether the Contribution Percentage, if recalculated after distributions would satisfy Code Section 401(m)(2). For purposes of Code Section 401(m)(9), if a corrective distribution of excess aggregate contributions has been made, the Contribution Percentage for Highly Compensated Employees is deemed to be the largest amount under Code Section 401(m)(2). For each Participant who is a Highly Compensated Employee, the amount of excess Aggregate Contributions or ESOP Contributions (as applicable) is equal to the total Employer Contributions on behalf of the Participant (determined prior to the application of this paragraph) minus the amount determined by multiplying the Participant's actual contribution ratio (determined after application of this paragraph) by his Compensation used in determining such ratio. The individual ratios and Contribution Percentages shall be calculated to the nearest 1/100 of 1% of the Employee's Compensation as such term is used in paragraph (b) of Section 4.9.

4.11 Multiple Use of Alternative Limitation: The rules set forth in former Treasury Regulation Section 1.401(m)-2(b) for determination of multiple use of the alternative methods of compliance with respect to Sections 4.4(b)

and 4.9(b) are hereby incorporated into the Plan. If a multiple use of the alternative limitation occurs with respect to two or more plans or

arrangements maintained by an Employer, it shall be treated as an excess Aggregate Contribution and must be corrected by reducing the actual contribution ratio of Highly Compensated Employees eligible both to make elective contributions to receive matching contributions under the 401(k) arrangement or to make contributions under the 401(m) plan. Such reduction shall be by the leveling process set forth in Section 4.10.

Notwithstanding the foregoing, the multiple use test described in this Section and former Treas. Reg. Section 1.401(m)-2 shall not apply for Plan Years beginning on and after January 1, 2002.

4.12 ESOP Contributions, Employer Matching Contributions and Pre-Tax Contributions to be Tax-Deductible: ESOP Contributions, Employer Matching Contributions and Pre-Tax Contributions shall not be made in excess of the amount deductible under applicable Federal law now or hereafter in effect limiting the allowable deduction for contributions to profit-sharing plans. The ESOP Contributions, Employer Matching Contributions and Pre-Tax Contributions to this Plan when taken together with all other contributions made by the Employer to other qualified retirement plans shall not exceed the maximum amount deductible under Section 404 of the Code.

4.13 Maximum Allocations: Notwithstanding the above, the total Annual Additions made to the Account of any Participant shall not exceed the limits prescribed in Section 5.5.

4.14 Refunds to Employer: Once Contributions are made to the Plan by the Employer on behalf of the Participants, they are not refundable to the Employer unless a Contribution:

(a) Was made by mistake of fact; or

(b) Was made conditioned upon the contribution's being allowed as a deduction and such deduction was disallowed.

Any Contribution made by the Employer during any Plan Year in excess of the amount deductible or any Contribution attributable to a good faith mistake of fact shall be refunded to the Employer. The amount which may be returned to the Employer is the excess of the amount contributed over the amount that would have been contributed had there not occurred a mistake of fact or the excess of the amount contributed over the amount deductible, as applicable. A Contribution made by reason of a mistake of fact may be refunded only within one (1) year following the date of payment. Any Contribution to be refunded because it was not deductible under Section 404 of the Code may be refunded only within one (1) year following the date the deduction was disallowed. Earnings attributable to any such excess Contribution may not be withdrawn, but losses attributable thereto must reduce the amount to be returned. In no event may a refund be due which would cause the Account balance of any Participant to be reduced to less than the Participant's Account balance would have been had the mistaken amount, or the amount determined to be non-deductible, not been contributed.

ARTICLE V

PARTICIPANTS' ACCOUNTS

5.1 Trust Accounts: The Committee shall create and maintain adequate records to reflect all transactions of the Trust Fund and to disclose the interest in the Trust Fund of each Participant (whether on active or inactive status), former Participant and Beneficiary.

(a) Accounts for Participants: Such accounts shall be maintained for each Participant as may be appropriate from time to time to reflect his interest in the ESOP Fund and each Investment Fund in which he may be participating at any time as contemplated under Section 8.1.

(i) The interest in each Investment Fund attributable to the Contributions made by or on behalf of each Participant shall be reflected in a Pre-Tax Contribution Account and/or an After-Tax Contribution Account for each Participant.

(ii) The interest of each Participant attributable to the Employer Matching Contributions made to the Plan before the effective date of the 1991 Plan shall be reflected in an Employer Matching Contribution Account for each Participant.

(iii) The interest in each Investment Fund that is attributable to a rollover of funds previously held on the Employee's behalf in an individual retirement account or a plan qualified under Sections 401(a) and 501(a) of the Code shall be held in a Rollover Account.

(iv) The interest in the ESOP Fund of each Participant shall be reflected in an ESOP Account for each Participant as described in Section 5.3.

(b) Stock Suspense Account: There shall also be established and maintained under the Trust a suspense account to be known as the Stock Suspense Account.

(c) Rights in Trust Fund: The maintenance of individual Accounts is only for accounting purposes, and a segregation of the assets of the Trust Fund to each Account shall not be required. Distribution and withdrawals made from an Account shall be charged to the Account as of the date paid.

5.2 Valuation of Trust Fund: A valuation of the Trust Fund shall be made as of each Valuation Date. For the purposes of each such valuation, the assets of each Investment Fund shall be valued at their respective current market values, and the amount of any obligations for which the Investment Fund may be liable, as shown on the books of the

Trustee, shall be deducted from the total value of the assets. For the purposes of maintenance of books of account in respect of properties comprising the Trust Fund, and of making any such valuation the Trustee shall account for the transactions of the Trust Fund on a cash basis. The current market value shall, for the purposes hereof, be determined as follows:

(a) Where the properties are securities which are listed on a securities exchange, or which are actively traded over the counter, the value shall be the last recorded bid and asked prices, whichever shall be the later. In the event transactions regarding such property are recorded over more than one such exchange, the Trustee may select the exchange to be used for purposes hereof. Recorded information regarding any such securities published in The Wall Street Journal or any other publication deemed appropriate may be relied upon by the Trustee. If no transactions involving any such securities have been recorded within ten (10) days prior to the particular Valuation Date, such securities shall be valued as provided in paragraph (b) below.

(b) Where paragraph (a) hereof shall be inapplicable in the valuation of any properties, the Trustee shall obtain from at least two (2) qualified persons an opinion as to the value of such properties as of the close of business on the particular Valuation Date. The average of such estimates shall be used.

5.3 Allocation to Accounts:

(a) Pre-Tax Contributions: Pre-Tax Contributions pursuant to Section 4.2 received in the Trust Fund since the preceding Valuation Date shall be credited to the respective Accounts of the Participants and invested in the Investment Funds in accordance with their instructions pursuant to Section 8.1.

(b) ESOP Accounts: The ESOP Account of each Participant shall be credited with the Participant's allocable portion of (i) the Company Stock investment in the ESOP Fund purchased and paid for by the Trust (other than Financed Stock) or contributed in kind by the Employer, (ii) Pre-Tax Contributions pursuant to Section 4.2 that the Participant directed pursuant to Section 8.1 to have invested in the Common Stock Fund, and (iii) subject to the further provisions of this Section 5.3(b), the Company Stock investment in the ESOP Fund expected to be released from the Stock Suspense Account.

(c) Allocation: The amount credited under 5.3(b)(i) and (iii) and any cash the employer contributes pursuant to section 4.1(b) shall be allocated first in the ratio that the sum of each Participant's Pre-Tax Basic Contribution for the period bears to the total Pre-Tax Basic Contributions of all Participants for the period in an amount not to exceed sixty-six and two-thirds percent (66⅔%) of the total of each Participant's Pre-Tax Basic Contributions. Second, any remaining amounts credited under 5.3(b)(i) and (iii) and any cash the employer contributes pursuant to section 4.1(b) shall be allocated to each Participant who is employed by the Employer or an Affiliate on last day of the

last payroll period of the year in an equal amount, without regard to the amount of the Participant's Pre-Tax Basic Contributions and without regard to the amount of the Participant's Compensation. Amounts credited made pursuant to this Section 5.3(b) shall be made as of each quarterly Valuation Date (or such other date as the Administrator may designate), and all amounts not otherwise allocated hereunder during the Plan Year on the quarterly Valuation Dates shall be allocated in full on the annual Valuation Date or such other date as the Administrator may designate. It is contemplated that, from time to time, a tentative allocation from the Stock Suspense Account may be made over the course of the Plan Year; however, the final allocation from the Stock Suspense Account shall take place only on the Annual Valuation Date. No Participant shall be entitled to claim any right, title or interest in amounts tentatively allocated from the Stock Suspense Account until the final allocation has taken place on the Annual Valuation Date.

(d) Stock Suspense Account: The Stock Suspense Account shall be credited as of each Valuation Date with the number of shares of Financed Stock purchased by the Trustee since the preceding Valuation Date. In addition, the Stock Suspense Account shall be credited with all ESOP Contributions for the Plan Year which are to be used to repay Exempt Loans. The Stock Suspense Account shall be debited with amounts used to repay Exempt Loans and with the number of shares of Financed Stock that are to be released from such Account in accordance with the provisions of Section 5.4(b).

(e) Rollover Account: Any Employee who is a Participant, or who would be a Participant but for a failure to satisfy the participation requirements of Article III may, with the approval of the Administrator, make a contribution to a Rollover Account under the Plan. Such an Account shall be in cash and shall be a contribution attributable to:

(i) a "qualified total distribution" (as defined in Section 402(a)(5) of the Code) distributed to the contributing Employee under Section 402(a)(5) from a plan that is qualified under Sections 401(a) and 501(a), of the Code (a "Qualified Plan") or distributed to the Employee under Section 402(a)(4) from an "employee annuity" as referred to in that Section; or

(ii) a payout or distribution to the Employee referred to in Section 408(d)(3) from an "individual retirement account" or an "individual retirement annuity" described, respectively, in Section 408(a) or Section 408(b) consisting exclusively of amounts attributable to "qualified total distributions" (as defined in Section 402(a)(5)) from a Qualified Plan other than the amounts attributable to a distribution from a Qualified Plan under which the Employee was at any time an it "employee" (as defined in Section 401(c)(1)). The Trustee may condition acceptance of a

contribution intended to be a contribution to a Rollover Account upon receipt of such documents as it may require. In the event that an Employee makes a contribution pursuant to this Section 5.3(e) intended to be a contribution to a Rollover Account but which the Administrator later concludes did not qualify as a contribution to a Rollover Account, the Trustee shall distribute to the Employee as soon as practicable after that conclusion is reached the entire Account Balance in his or her Rollover Account deriving from such contribution determined as of the Valuation Date coincident with or immediately

following such discovery.

Effective for Plan Years on or after January 1, 2002, an Employee may also make a contribution from another plan qualified under Code Section 403(a), from an individual retirement account or annuity under Code Section 408(a) or (b), from an annuity contract described under Code Section 403(b), or from an eligible plan under Code Section 457(b) which is maintained by a state, or political subdivision of a state, or an agency or instrumentality of a state, or political subdivision of a state. In addition, an Employee may also contribute a distribution from any of the foregoing that the Employee receives on behalf of his surviving spouse.

(f) Allocation Procedures: The Accounts of Participants, former Participants and Beneficiaries shall be adjusted in accordance with the following:

(i) Earnings of the Investment Fund: The earnings (or loss) of the Investment Fund since the preceding Valuation Date (including the appreciation or depreciation in value of the assets of the Investment Fund) shall be allocated to the Accounts of Participants (other than a terminated Participant's Accounts which have become current obligations of the Investment Fund) in proportion to the balances in such Accounts on the preceding Valuation Date, but after first reducing each such Account balance by any distribution from such Account since the preceding Valuation Date.

(ii) Income and Appreciation in Value of Stock Suspense Account and ESOP Accounts in the Trust Fund: The income (including stock (in kind) dividends with respect to Company Stock) of the ESOP Fund shall be allocated in proportion to the balances, as of the preceding Valuation Date, in the Stock Suspense Account and the ESOP Accounts but after first reducing each such Account balance by any distributions or charges from such Accounts since the preceding Valuation Date. Notwithstanding anything to the contrary in the Plan, if and to

the extent that dividends credited to Participants' ESOP Accounts are used to amortize an Exempt Loan pursuant to Section 5.6, an interest in the ESOP Fund with a fair market value not less than the amount of such dividends must be allocated to the Participants' ESOP Accounts (resulting from the release of Financed Stock attributable to such use of dividends to amortize the Exempt Loan) for the year of payment of such dividends to the Plan, and the Company shall make such additional Employer Matching Contributions as are necessary to accomplish such result. Any dividends credited to the Stock Suspense Account with respect to Financed Stock shall be used first to repay current principal and then to repay current interest with respect to such loan.

(iii) Forfeitures: As of each Valuation Date, any amounts which have become forfeitures since the preceding Valuation Date shall first be made available to reinstate previously forfeited Account balances of previous Participants who have unclaimed benefits, if any, in accordance with Section 6.9. The remaining forfeitures shall be used to

pay any expenses of the Plan or to reduce Employer Matching Contributions as specified under Section 4.1.

5.4 Treatment of Company Stock Purchased with an Exempt Loan:

(a) Financed Stock: Any Company Stock purchased by the Trust with the proceeds of an Exempt Loan shall be credited initially to the Stock Suspense Account.

(b) Allocation from Stock Suspense Account to ESOP Accounts: At each Valuation Date, and on any special Valuation Date if directed by the Committee, there shall be released an interest in the ESOP Fund equal in value to the product of the number of shares of Financed Stock not previously released that are held in the Stock Suspense Account multiplied by the ratio of (i) the amount of principal and interest paid under the Exempt Loan subsequent to the last Valuation Date to (ii) the sum of the amount determined in clause (i) plus the total of all principal and interest to be paid for future years, assuming if the interest rate is variable that the interest rate in future years will be the same as that currently in effect. The Company Stock investment in the ESOP Fund released pursuant to the preceding sentence shall be allocated to the Participants' ESOP Accounts in accordance with the provisions of Section 5.3(b).

(c) Payments on Exempt Loans: As of each Valuation Date, installment payments, including principal and interest, made by the Trustee since the last preceding Valuation Date under Exempt Loans will be debited to

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the Stock Suspense Account and to Participants' ESOP Accounts under the provisions of Section 5.3 hereof.

For purposes of determining payments on Exempt Loans, payment of principal and interest shall be accounted for substantially in accordance with the following: All income ("specified income") allocable to the Stock Suspense Account that is attributable to collateral for the Exempt Loan or to ESOP Contributions shall be used, before any ESOP Contributions are so used, to pay principal amounts due under such Exempt Loan; ESOP Contributions shall be first applied to repay interest under such Exempt Loan with any excess ESOP Contribution used to fund current principal requirements not otherwise funded by the specified income; if the specified income exceeds the amount necessary to pay principal due on Exempt Loans for the Plan Year, then such excess amount shall be first used to pay interest currently due with respect to the Exempt Loans and any remaining amount of income may, at the direction of the Committee, shall be used to prepay principal due on Exempt Loans in succeeding periods. In the event that there are insufficient funds available to make payments of principal or interest on Exempt Loans when due, the Committee may direct the Trustee to sell any Financed Stock which has not yet been allocated to ESOP Accounts or the Committee may direct the Trustee to obtain a new Exempt Loan in an amount sufficient to make such payments.

5.5 Maximum Annual Additions: Notwithstanding anything contained herein to the contrary, the total Annual Additions made to the Account of a Participant for any Plan Year shall be subject to the following limitations:

(a) Single Defined Contribution Plan

(i) If an Employer does not maintain any other qualified plan, the amount of Annual Additions which may be allocated under this Plan on a Participant's behalf for a Limitation Year shall not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan.

(ii) Prior to the determination of the Participant's actual Compensation for a Limitation Year, the Maximum Permissible Amount may be determined on the basis of the Participant's estimated annual Compensation for such Limitation Year. Such estimated annual Compensation shall be determined on a reasonable basis and shall be uniformly determined for all Participants similarly situated. Any Employer contributions (including allocation of forfeitures) based on estimated annual Compensation shall be reduced by any Excess Amounts carried over from prior years.

(iii) As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for such Limitation Year shall be determined on the basis of the Participant's actual Compensation for such Limitation Year.

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(iv) If there is an Excess Amount with respect to a Participant for the Limitation Year, such Excess Amount shall be disposed of as follows:

(1) If any such Excess Amounts shall then remain, the Participant's Pre-Tax Contributions, and any earnings attributable thereto, shall be returned to him to the extent such returned Contributions would reduce the Excess Amount.

(2) There shall be a reduction of the Employer Matching Contributions allocated to the Participant, and the amount of the reduction of the Employer Matching Contributions for such Participant shall be reallocated out of the Employer Matching Contribution Account of such Participant and shall be held in a suspense account which shall be applied as a part of (and to reduce to such extent what would otherwise be) the Employer Matching Contributions for all Participants required to be made to the Plan during the next subsequent calendar month or months. No portion of such Excess Amount may be distributed to Participants or former Participants. If a suspense account is in existence at any time during the Limitation Year pursuant to this Paragraph (2), such suspense account shall not participate in the allocation of investment gains or losses of the Trust Fund.

(3) If any such Excess Amount shall then remain, the Excess Amount of the Participant's Pre-Tax Contributions, as defined in Section 4.2, shall be used to reduce Pre-Tax Contributions for the next Limitation Year (and succeeding Limitation Years, as necessary) for that Participant if that Participant is eligible to participate in the Plan as of the end of the next and succeeding Limitation Years. However, if that Participant is not eligible to participate in the Plan as of the end of the Limitation Year, then the Excess Amounts must be held unallocated in a suspense account and applied in the next subsequent calendar month or months as a part of (and to reduce to such extent what would otherwise be) the Employer Matching Contribution for all Participants required

to be made to the Plan. No portion of such Excess Amount may be distributed to Participants or former Participants. If a suspense account is in existence at any time during the Limitation Year pursuant to this paragraph (3), such suspense account shall not participate in the allocation of investment gains or losses of the Trust Fund.

(b) Two or More Defined Contribution Plans

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(i) If, in addition to this Plan, the Employer maintains any other qualified defined contribution plan, the amount of Annual Additions which may be allocated under this Plan on a Participant's behalf for a Limitation Year shall not exceed the lesser of:

(1) the Maximum Permissible Amount, reduced by the sum of any Annual Additions allocated to the Participant's accounts for the same Limitation Year under such other defined contribution plan or plans; or

(2) any other limitation contained in this Plan.

(ii) Prior to the determination of the Participant's actual Compensation for the Limitation Year, the amount referred to in paragraph (i)(1) above may be determined on the basis of the Participant's estimated annual Compensation for such Limitation Year. Such estimated annual Compensation shall be determined on a reasonable basis and shall be uniformly determined for all Participants similarly situated. Any Employer Contribution (including allocation of forfeitures) based on estimated annual Compensation shall be reduced by any Excess Amounts carried over from prior years.

(iii) As soon as is administratively feasible after the end of the Limitation Year, the amounts referred to in paragraph (i)(1) above shall be determined on the basis of the Participant's actual Compensation for such Limitation Year.

(iv) If a Participant's Annual Additions under this Plan and all such other defined contribution plans result in an Excess Amount, such Excess Amount shall be deemed to consist of the amounts last allocated.

(v) If an Excess Amount was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will be the product of:

(1) the total Excess Amount allocated as of such date (including any amount which would have been allocated but for the limitations of Section 415 of the Code);
times

(2) the ratio of (i) the amount allocated to the Participant as of such date under this Plan, divided by (ii) the total amount allocated as of such date under all qualified defined contribution plans (determined without regard to the limitations of Section 415 of

the Code).

- (vi) Any Excess Amounts attributed to this Plan shall be disposed of as provided in paragraph (a) above.

(c) Definitions

(i) Employer: The Employer that adopts this Plan. In the case of a group of employers which constitutes a controlled group of corporations (as defined in Section 414(b) of the Code as modified by Section 415(h)) or which constitutes trades and businesses (whether or not incorporated) which are under common control (as defined in Section 414(c) as modified by Section 415(h)) or an affiliated service group (as defined in Section 414(m)), all such employers shall be considered a single Employer for purposes of applying the limitations of this Section.

(ii) Annual Additions: With respect to each Plan Year (Limitation Year), the total of the Employer Matching Contributions, ESOP Contributions (except to the extent hereinafter provided), Pre-Tax Contributions, After-Tax Contributions, forfeitures and amounts described in Sections 415(l)(1) and 419A(d)(2) of the Code, which are allocated to the Participant's Account; excluding, however, any amounts contributed to reinstate an unclaimed benefit. Unless more than one-third of the ESOP Contributions made by the Employer are allocated to Highly Compensated Employees (as such term is defined in Section 4.4 hereof), Annual Additions shall not include ESOP Contributions used to pay interest on the Exempt Loan and charged against the Participant's Account.

(iii) Excess Amount: The excess of the Participant's Annual Additions for the Limitation Year over the Maximum Permissible Amount.

(iv) Limitation Year: A twelve (12) consecutive month period ending on December 31.

(v) Maximum Permissible Amount: Except to the extent permitted under Section 4.2 and Code Section 414(v), the Annual Addition that may be contributed or allocated to a Participant's account under the Plan for any Limitation Year shall not exceed the lesser of: (a) \$40,000, as adjusted for increases in the cost of living under Code Section 415(d) or (b) 100 percent of the Participant's Compensation, within the meaning of Code Section 415(c)(3), for the Limitation Year. The Compensation limit referred to in (b) shall not apply to any contribution for medical benefits after separation from service (within the meaning of Code Sections 401(h) or 419A(f)(2)) which is otherwise treated as an Annual Addition.

(vi) Compensation: For purposes of applying the limitations of Code Section 415, Compensation shall include the Participant's wages, salaries, fees for professional service and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with an Employer maintaining the Plan to the extent that

the amounts are includable in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, reimbursements, and expense allowances) and shall exclude the following:

(1)(A) contributions made by the Employer to a plan of deferred compensation to the extent that, before the application of the Code Section 415 limitations to the Plan, the contributions are not includable in the gross income of the Employee for the taxable year in which contributed, (B) Employer contributions made on behalf of an Employee to a simplified employee pension plan described in Code Section 408(k) to the extent such contributions are excludable from the Employee's gross income, (C) any distributions from a plan of deferred compensation regardless of whether such amounts are includable in the gross income of the Employee when distributed except any amounts received by an Employee pursuant to an unfunded non-qualified plan to the extent such amounts are includable in the gross income of the Employee;

(2) amounts realized from the exercise of a non-qualified stock option or when restricted stock (or property) held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(3) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(4) other amounts which receive special tax benefits, such as premiums for group life insurance (but only to the extent that the premiums are not includable in the gross income of the Employee), or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of any annuity contract described in Code Section 403(b) (whether or not the contributions are excludable from the gross income of the Employee).

For the purposes of this Section, the determination of Compensation shall be made by not including amounts that would otherwise be excluded from a Member's gross income by reason of the application of Code Sections 125, 402(a)(8), 402(h)(1)(B) and, in the case of Employer contributions made pursuant to a salary reduction agreement, Code Section 403(b). For "limitation years" beginning after December 31, 1988, Compensation shall be limited to \$200,000 (unless adjusted in the same manner as permitted under Code Section 415(d)). Notwithstanding anything to the

contrary in this definition, Compensation under this Section shall include any and all items which may be includable in Compensation under Section 415(c)(3) of the Code, including (i) any elective deferral (as defined in Code Section 402(g)(3), (ii) any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includable in the gross income of the Employee by reason

of Code Section 125 and 457, and (iii) from and after January 1, 2001, any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includable in the gross income of the Employee by reason of Code Section 132(f).

(vii) Average Compensation: The average Compensation during a Participant's high three (3) years of Service, which period is the three (3) consecutive calendar years (or, the actual number of consecutive years of employment for those Employees who are employed for less than three (3) consecutive years with the Employer) during which the Participant had the greatest aggregate Compensation from the Employer.

(viii) Annual Benefit: A benefit payable annually in the form of a straight life annuity (with no ancillary benefits) under a plan to which Employees do not contribute and under which no rollover contributions are made.

5.6 Borrowings to Purchase Company Stock; Certain Conditions Applicable to Such Company Stock: It is the express purpose of this Plan and the Trust to invest substantial sums in Company Stock for the benefit of Participants in the Plan. Pursuant to this purpose, it is contemplated that the Trustee will from time to time borrow funds either through installment purchase contract, loan agreement or other instrument of indebtedness in order to purchase Company Stock (with such indebtedness qualifying as an "Exempt Loan" within the ambit of Section 54.4975-7(b)(1)(iii) of the Treasury Regulations). Such loans shall be primarily for the benefit of Participants and their Beneficiaries within the meaning of Treasury Regulation Section 54.4975-7(b)(3). In addition to other provisions of the Plan as may be applicable from time to time, the provisions of this Section 5.6 shall be specifically applicable to indebtedness incurred to purchase Company Stock and Company Stock purchased with loan proceeds.

(a) Use of Proceeds: All proceeds of such an Exempt Loan shall be used within a reasonable time after receipt by the Trustee only for any or all of the following purposes: to purchase Company Stock, to repay obligations incurred under the loan agreement or to repay a prior Exempt Loan.

(b) Non Recourse Loans Only: Any loan must be without recourse as against the Plan and the Trust Fund.

(c) Collateral: The only assets of the Plan and Trust Fund that may be given as collateral for a loan are shares of Company Stock acquired with the proceeds of the loan and those shares of Company Stock that were used as

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collateral on a prior Exempt Loan repaid with the proceeds of the current Exempt Loan.

(d) Creditors' Rights to Assets: No person entitled to payment under the loan agreement shall have any right to assets of the Plan or Trust Fund other than collateral given for the loan, contributions (other than contributions of Company Stock) that are made under the Plan to meet the Plan's obligations under the loan and earnings attributable to such collateral and the investment of such contributions.

(e) Transfers upon Default: In the event of default of the Exempt Loan, the value of Plan assets transferred in satisfaction of the loan must not exceed the amount of default. If the lender is a "disqualified person," the loan must provide for a transfer of Plan assets upon default only upon and to

the extent of failure of the Plan to meet the payment schedule of the loan.

(f) Interest: The interest rate of any loan described herein must not be in excess of a reasonable rate of interest. In determining what is a reasonable rate of interest, all relevant factors will be considered including the amount and duration of the loan, the security and guarantee (if any) involved, the credit standing of the Plan and Trust Fund and the guarantor (if any), and the interest rate prevailing for comparable loans. A variable interest rate is permissible if determined to be reasonable.

(g) Release from Collateral or Suspense: The instrument evidencing indebtedness shall provide for release from collateral or suspense in accordance with the provisions of Section 5.4(b) of the Plan.

(h) Limitation on Restrictions on Company Stock: No Company Stock acquired with the proceeds of a loan described herein may be subject to a put, call, or other option, or buy-sell or similar arrangement while held by and when distributed from the Plan or its related Trust Fund, whether or not the Plan is then an "ESOP" within the ambit of Section 54.4975-7(b)(1) of the Treasury Regulations, unless specifically required or permitted by such regulations.

(i) Limitations on Payments: The payments made during any Plan Year with respect to a loan described herein may not exceed an amount equal to the sum of the ESOP Contributions and any earnings received during or previous to the current Plan Year on Company Stock purchased with such loan less payments previously made with respect to such loan; provided, however, that payment may in any event be made from the proceeds of the sale of any Company Stock which was purchased with the loan and which has not yet been allocated to Participants' ESOP Accounts in the event of default, or in the event of termination of the Trust Fund, to the extent provided in Section 5.3(d) or Section 10.5, or under other circumstances determined appropriate by the

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Committee. The ESOP Contributions and earnings described herein must be accounted for separately on the books of account of the Plan and Trust until any Exempt Loan is repaid, as is provided in the other provisions of Article V of this Plan.

(j) Certain Rights with Respect to Financed Stock: Any Financed Stock, if it is not publicly traded when distributed or is subject to a trading limitation when distributed, must be subject to a put option. The put option is to be exercisable only by the Participant, the Participant's donees or by a person (including an estate or its distributee) to whom the Company Stock passes by reason of a Participant's death. The put option must permit the Participant to put the Company Stock to the Employer. The put option must be exercisable during the sixty (60) consecutive days beginning on the date that the Company Stock subject to the put option is distributed by the Plan, and for another sixty (60) consecutive days during the Plan Year next following the Plan Year in which the shares were distributed. The put option may be exercised by the holder's notifying the Employer in writing that the put option is being exercised. The period during which a put option is exercisable does not include any period when a distributee is unable to exercise it because the party bound by the put option is prohibited from honoring it by applicable Federal or State law. The price at which the put option is exercisable is the fair market value of the Company Stock on the date of the transaction determined in good faith based on all relevant factors. In the discretion of the Committee, either (i) payment under a put option will be in cash within

thirty (30) days after the put option is exercised or (ii) if the payment in respect of a put option is to repurchase Company Stock which is distributed as part of a total distribution, the amount to be paid may be paid in substantially equal periodic payments not less frequently than annually over a period beginning not later than thirty (30) days after the exercise of the put option and not exceeding five (5) years provided that there is adequate security provided and a reasonable interest paid on unpaid amounts. For purposes of the preceding sentence, a total distribution means the distribution within one (1) taxable year to the recipient of the balance of the credit of the recipient's Account. The provisions described in this subparagraph (j) are nonterminable even if the exempt loan is repaid or the Plan ceases to be an ESOP.

(k) Term of Exempt Loans: Any Exempt Loan made by the Plan or Trust Fund for the purpose of purchasing Company Stock must be for a specific term and may not be payable on the demand of any person, except in the case of default.

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ARTICLE VI

PARTICIPANTS' BENEFITS

6.1 Termination of Service: In the event of termination of Service of any Participant for any reason other than disability, Retirement on or after Retirement Date, or death, a Participant shall, subject to the further provisions of the Plan, be entitled to receive one hundred percent (100%) of the value in his Pre-Tax Contribution Account and After-Tax Contribution Account and Rollover Account, plus one hundred percent (100%) of the value of his Employer Matching Contribution Account and ESOP Account.

6.2 Disability of Participants: If the Committee shall find and advise the Trustee that the employment of a Participant who has been terminated as a consequence of such Participant's having become totally and permanently disabled and entitled to receive disability benefits under the provisions of the Company's Long Term Disability Plan, as adopted effective June 1, 1987 and as amended from time to time, such Participant shall become entitled to receive the entire interest in his Pre-Tax Contribution Account, his After-Tax Contribution Account, his Rollover Account, his Employer Matching Contribution Account and his ESOP Account. Disability hereunder shall not include any disability sustained in the course of, or as a consequence of, military service, or occupational hazard arising out of and in the course of employment by any person other than an Employer, or the commission of any criminal offense.

6.3 Death of Participants: In the event of the death of any Participant, the entire amount in the Accounts of such Participant after receipt by the Committee of acceptable proof of death shall be payable as follows:

(a) The Participant's Account shall be distributed to the Participant's surviving spouse, but if there is no surviving spouse, or if the surviving spouse has already consented by a qualified election pursuant to Section 6.3(b), to the Beneficiary or Beneficiaries designated by the Participant in a written designation filed with his Employer, or if no such designation shall have been so filed, or if no designated Beneficiary survives the Participant or can be located by the Committee, then to the duly appointed executor or administrator of the Participant's estate; or if no administration of the estate of such decedent is necessary, then to the Beneficiary entitled thereto under the last will of such deceased Participant; or if

such decedent left no will, to the legal heirs of such decedent determined in accordance with the laws of intestate succession of the state of the decedent's domicile. No designation of any Beneficiary other than the Participant's surviving spouse shall be effective unless in writing and received by the Participant's Employer, and in no event shall it be effective as of a date prior to such receipt. The former spouse of a Participant shall be treated as a surviving spouse to the extent provided under a qualified domestic relations order as described in Section 414(p) of the Code.

(b) The Participant's spouse may waive the right to be the Participant's sole Beneficiary and consent to the Beneficiary designation made by the Participant. The waiver must be in writing and the spouse must acknowledge the effect of the waiver. The spouse's waiver must be witnessed by a Plan representative or a notary public. The Beneficiary designated by the Participant may not be changed without the spouse's consent, unless the consent of the spouse permits designation of Beneficiaries by the Participant without any requirement of further consent by the spouse. The Participant may file a waiver without the spouse's consent if it is established to the satisfaction of the Committee that such written consent may not be obtained because there is no spouse or the spouse may not be located. Any consent under this Section 6.3(b) will be valid only with respect to the spouse who signs the consent. Additionally, a revocation of a prior spousal waiver may be made by a Participant without the consent of the spouse at any time before the distribution of the Account. The number of revocations shall not be limited.

6.4 Retirement of Participants on or After Retirement Date: A Participant's interest in the full balance of his Account shall be fully vested and nonforfeitable upon reaching his Retirement Date. Any Participant who terminates his Service on or after his Retirement Date shall attain a fully vested nonforfeitable interest in the entire amount of his Account and shall be entitled to receive the entire amount of his Account upon the termination of his Service.

6.5 In-Service Distributions: Cash dividends paid with respect to shares of Company Stock in a Participant's ESOP Account may be distributed at least annually in the discretion of the Committee. Otherwise, except to the extent that distribution of a Participant's Account is required prior to termination of his employment under Section 6.8 hereof (in the case of a Participant whose required beginning date occurs prior to his termination of employment) or under Section 10.5 hereof relating to termination of the Plan, or at the election of the Participant under Article VII hereof relating to certain withdrawals and loans, no distribution or withdrawal of any benefits under the Plan shall be permitted prior to the Participant's termination of employment.

6.6 Payments of Benefits:

(a) Termination, Disability or Retirement. Upon a Participant's entitlement to payment of benefits under either Section 6.1, 6.2 or 6.4, he shall file with the Committee his written election on such form or forms, and subject to such conditions, as the Committee shall provide. His election shall specify whether he wishes payments of his benefits to be made as of such entitlement or to be deferred to the extent provided below. If payments become due for any reason other than Retirement, death or Disability, and if the amounts due from the Participant's Accounts are in excess of \$1,000 (\$5,000 before March 28, 2005) payment of such amounts shall be deferred to the extent provided below unless the Participant, and his spouse, if applicable, consent to earlier payment. Effective January 1, 2002,

a contribution to a Rollover Account (and earnings allocable thereto) within the meaning of sections 402(c), 403(a)(4), 403(b)(8),

408(d)(3)(A)(ii), and 457(e)(16) of the Code shall not be counted in determining whether the amounts due from the Participant's Accounts exceeds the \$5,000 threshold, but shall be counted in determining the \$1,000 threshold.

(b) Death. In the case of a distribution under Section 6.3 on account of the Participant's death, the Committee shall pay the entire amount in the Participant's Accounts to his surviving spouse, or if there is no surviving spouse, or if the surviving spouse gives her consent as provided in Section 6.3, to a Beneficiary other than the surviving spouse designated by the Participant in accordance with Section 6.3. Payments to a Participant's surviving spouse and/or Beneficiary shall commence as soon as practicable after a Participant's death.

(c) Time of Payment. Unless a Participant who is entitled to a distribution elects to defer distribution of such benefits to a later date, payment of benefits under this Plan shall be made or shall commence no later than the sixtieth day after the later of (i) the end of the Plan Year of his sixty-fifth (65th) birthday or (ii) the end of the Plan Year in which his employment terminates. A Participant may elect to defer receipt of his benefits, but such benefits must commence no later than April 1 following the calendar year in which the Participant attains age seventy and one-half (70½).

(d) Form of Payment. A Participant or his designated Beneficiaries (but only by his designated Beneficiaries in the event of the death of a Participant without having made such an election), may elect that the benefits payable to the Participant and/or Beneficiary be paid in one of, or in any combination of, the following methods:

(i) Company Stock. As a distribution in kind of the shares held for his Account in the Common Stock Fund and the ESOP Fund. A Participant shall be entitled to receive a whole number of shares of Company Common Stock held in such Common Stock Fund and the ESOP Fund as of the Valuation Date specified in Section 6.7 measured by a fraction the numerator of which shall be (i) the value in the Common Stock Fund held in his Pre-Tax Contribution Account and/or his After-Tax Contribution Account as of such Valuation Date, plus (ii) the vested portion of the value in the Common Stock Fund held in his Employer Matching Contribution Account plus (iii) the vested portion of the value in the ESOP Fund held in his ESOP Account as of such Valuation Date, and the denominator of which shall be the total value in the Common Stock Fund and the ESOP Fund held in the Pre-Tax Contribution Accounts, After-Tax Contribution Accounts, Employer Matching Contribution Accounts, and ESOP Accounts for all Participants

as of such Valuation Date. The amount of any fractional shares shall be distributed in cash.

(ii) Lump Sum in Cash. As a lump-sum distribution in cash, equal to (a) the value of the Participant's Account invested in funds other than the Common Stock Fund or the ESOP Fund plus (b) the amount equal to the number of shares in the Common Stock Fund or ESOP Fund (determined pursuant to Section 6.6(a) above), multiplied by the fair market value of such shares. No lump-sum distribution may be paid to the Participant unless he has elected such distribution on an election form provided by the Committee.

(iii) Installments. As installments payable in cash over a period certain not extending beyond ten (10) years. If the Participant's entire interest under the Plan is to be distributed in other than a lump sum, the installment to be distributed shall be in a series of substantially equal periodic monthly, quarterly, semi-annual or annual installments over a fixed period of time not to exceed the lesser of 10 years or the life expectancy of the Participant, or the joint life and last survivor expectancy of the Participant and his or her Beneficiary, whichever is applicable, as determined by the Participant at the time of termination. Installments are to begin following the date of termination. The amount of the first installment shall be a fraction of the Participant's Account as of the Valuation Date, the numerator of which is one (1) and the denominator of which is the total number of installments not in excess of ten (10) years to be made. The amount of each subsequent installment shall be a portion of the Participant's Account as of such Valuation Date, the numerator of which is one (1) and the denominator of which is the remaining number of unpaid installments. For this purpose, life expectancy (or joint life and last survivor expectancy) is to be computed by the use of the return multiples contained in section 1.72-9 of the Treasury Regulations under the Code. For purposes of this computation, a Participant's life expectancy, or joint life and last survivor expectancy of the Participant and his or her spouse, as applicable, may be recalculated no more frequently than annually, but the life expectancy of a non-spouse Beneficiary may not be recalculated. If the Participant's spouse is not his or her designated Beneficiary, the method of distribution must assure that at least 50% of the present value of the amount available for distribution when distributions commence is paid within the life expectancy of the Participant. Notwithstanding any provision of this Plan to the contrary, all distributions will be

made in accordance with the regulations under Section 401(a)(9).

6.7 Participation Rights Determined as of Valuation Date Preceding Termination of Employment: In the case of any Participant whose employment shall be terminated for any reason, no further credits or charges arising from

any source shall be made to the Accounts of any such terminating Participant after the credits or charges made as of the Valuation Date immediately preceding his termination of employment, except for

- (a) Pre-Tax Contributions, and Employer Matching Contributions and ESOP Contributions made subsequent to such Valuation Date.
- (b) Withdrawals or distributions made subsequent to such Valuation Date.
- (c) Such subsequent adjustments to the values in the Accounts of such Participant up to the Valuation Date coinciding with or preceding the distribution to the Participant.

6.8 Required Minimum Distributions: Notwithstanding any provision of this Plan to the contrary, any benefits to which a Participant is entitled shall commence no later than the April 1 following the later of (a) the calendar year in which the Participant attains age seventy and one-half (70½), or (b) the calendar year in which the Participant retires; provided, however, that in the case of a Participant who is a "five percent owner" (as defined in Section 401(a)(9) of the Code, benefits shall commenced no later than the April 1 following the calendar year in which the Participant attains age seventy and one-half (70½). Such distribution shall be at least equal to the required minimum distributions under the Code; however, any installment distributions pursuant to this Section 6.8 to Participants who have not terminated employment shall be made over a period not to exceed ten (10) years. For purposes of this Section 6.8, the life expectancy of a Participant and/or a Participant's spouse shall not be redetermined annually.

A. Required Minimum Distributions:

(a) General Rules:

- (1) Effective Date: The provisions of this Section 6.8A will apply for purposes of determining Required Minimum Distributions for calendar years beginning with the 2003 calendar year.
- (2) Precedence: The requirements of this Section 6.8A will take precedence over any inconsistent provisions of the Plan.
- (3) Requirements of Treasury Regulations Incorporated: All distributions required under this Section 6.8A will be

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determined and made in accordance with the Treasury regulations under Code Section 401(a)(9).

- (4) TEFRA Section 242(b)(2) Elections: Notwithstanding the other provisions of this Section 6.8A, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

(b) Time and Manner of Distribution:

(1) Required Beginning Date: The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(2) Death of Participant before Distributions Begin: If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(ii) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iii) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

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(iv) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 6.8A(b)(2) other than section 6.8A(b)(2)(i) will apply as if the surviving spouse were the Participant.

For purposes of this Section 6.8A(b) and section 6.8A(d), unless Section 6.8A(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 6.8A(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 6.8A(b)(2)(i). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 6.8A(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution: Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Sections 6.8A(c) and 6.8A(d). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury regulations.

(c) Required Minimum Distributions During Participant's Lifetime:

(1) Amount of Required Minimum Distribution For Each Distribution Calendar Year: During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(i) The quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

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(ii) If the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death: Required Minimum Distributions will be determined under this Section 6.8A(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death:

(1) Death On or After Date Distributions Begin:

(i) Participant Survived by Designated Beneficiary: If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(A) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years

after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(C) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(ii) No Designated Beneficiary: If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin:

(i) Participant Survived by Designated Beneficiary: If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 6.8A(d)(1).

(ii) No Designated Beneficiary: If the Participant dies before the date distributions begin and there is no designated Beneficiary as of

September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin: If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 6.8A(b)(2)(i), this Section 6.8A(d)(2) will apply as if the surviving spouse were the Participant.

(e) Definitions:

(1) Designated Beneficiary: The individual who is designated as the Beneficiary under Section 6.3 and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4.

(2) Distribution Calendar Year: A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year, which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 6.8A(b)(2). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that distribution calendar year.

(3) Life Expectancy: Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(4) Participant's Account Balance: The account balance as of the last valuation date in the calendar year immediately

preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) Required Beginning Date: The date specified in the first sentence of Section 6.8 of the Plan.

6.9 Unclaimed Benefits: If at, after or during the time when a benefit hereunder is payable to any Participant, Beneficiary or other distributee, the Committee, upon request of the Trustee or at its own instance, shall mail by registered or certified mail to such distributee, at his last known address a written demand for his present address or for satisfactory evidence of his continued life, or both, and if such distributee shall fail to furnish the same to the Committee within two (2) years from mailing of such demand, then the Committee may, in its sole discretion, determine that such Participant, Beneficiary or other distributee has forfeited his right to such benefit and may declare such benefit, or any unpaid portion thereof, terminated as if the death of the distributee (with no surviving Beneficiary) had occurred on the later of the date of the last payment made thereon, or the date such Participant, Beneficiary or other distributee first became entitled to receive benefit payments. Any such forfeited benefit shall be applied in the manner set forth in Section 5.3(e)(iii). Notwithstanding the provisions of this Section 6.9, any such forfeited benefit shall be reinstated (i) if a claim for the same is made by the Participant, Beneficiary or other distributee at any time thereafter, (ii) if the Plan is terminated, or (iii) when distribution is required under Section 6.8. The reinstatement shall be made by a mandatory contribution by the Company, allocated solely to such reinstatement.

6.10 ESOP Allocations: In the event that a Participant terminates employment after his allocable portion of the Company Stock investment in the ESOP Fund has been credited to his ESOP Account pursuant to Section 5.3(b), but before such amount has been allocated to his ESOP Account, the Committee shall direct the Trustee to release such allocable portion of the Company Stock to the Participant in a manner consistent with the applicable distribution requirements under this Article VI.

6.11 Right to Transfer Eligible Rollover Distribution: A "Distributee" may elect, at the time and in the manner prescribed by the Committee, to have any portion of an "Eligible Rollover Distribution" paid directly to an "Eligible Retirement Plan" specified by the Distributee in a "Direct Rollover". The Committee may impose any restrictions that are permitted under applicable authorities on the right to transfer an Eligible Rollover Distribution.

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For purposes of this Section, the capitalized words have the following meanings:

(a) "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any Distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); any hardship withdrawal described in Code Section 401(k)(2)(B)(i)(IV); and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to Employer securities).

With respect to distributions made after December 31, 2001, any amount that is distributed on account of hardship (as defined in Section 7.4) shall not be an Eligible Rollover Distribution, and the distributee may not elect to have any portion of such a distribution paid directly to an Eligible Retirement Plan. In addition, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of After-Tax Contributions, which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(b) "Eligible Retirement Plan" means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the surviving spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.

With respect to distributions made after December 31, 2001, an Eligible Retirement Plan also shall mean an annuity contract described in Code Section 403(b) and an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state, or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of Eligible Retirement Plan also shall apply in the case of a distribution to a surviving spouse or to a spouse or former spouse who is the "alternate payee" under a qualified domestic relations order, as defined in Code Section 414(p).

(c) "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.

(d) "Direct Rollover" means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

ARTICLE VII

WITHDRAWALS AND LOANS

7.1 Withdrawal of Pre-Tax Contribution Account on or After Age 59½: A Participant who has attained age fifty-nine and one-half (59½) may elect, by giving notice in accordance with administrative procedures established by the Committee and following such other rules and procedures as may be prescribed from time to time by the Committee on a uniform and nondiscriminatory basis, to withdraw the entire amount of his After-Tax Contribution Account, his Rollover Account, or his Pre-Tax Contribution Account.

7.2 Withdrawal of After-Tax Contributions and Rollover Account: Pursuant to notice given in accordance with administrative procedures established by the Committee and subject to the conditions of Section 7.3, each Participant may elect to withdraw as of any business day during the Plan Year, an amount specified by the Participant which may be attributable to (a) his After-Tax Contributions under the 1985 Plan, or (b) his Rollover Account, determined as of the Valuation Date which coincides with such withdrawal date.

7.3 Conditions of Withdrawals of After-Tax Contributions and Rollover Account: In making a withdrawal pursuant to Section 7.2, no Participant shall be permitted to withdraw less than \$500, or the combined balance of his After-Tax Contribution Account and his Rollover Account, if their combined total is less than \$500. Except as provided under Article VI and Sections 7.1 and 7.4 hereof, no withdrawals shall be permitted from a Participant's Pre-Tax Contribution Account, Employer Matching Contribution Account or ESOP Account.

7.4 Hardship Withdrawals from Pre-Tax Contribution Account: A Participant may at any time, in accordance with administrative procedures established by the Committee, make a request for a hardship withdrawal in either a dollar amount or a percentage figure from his Pre-Tax Contribution Account. Notwithstanding the foregoing, however, no Participant may withdraw any Income of the Trust Fund allocated to his Pre-Tax Contribution Account on or after January 1, 1989. The approval or disapproval of such request shall be made within the sole discretion of the Committee, except that no such request for a withdrawal shall be approved unless the Participant has certified in writing that he is facing a hardship creating an immediate and substantial financial need and that the resources necessary to satisfy that financial need are not reasonably available from other sources available to the Participant. The amount of the hardship withdrawal shall be limited to that amount which is required to meet the immediate financial need created by the hardship, including anticipated federal and state income taxes and penalties resulting from the distribution. The hardship withdrawal shall be made in cash as soon as practicable after the Participant submits the hardship request, and the dollar amount withdrawn shall be determined by reference to the value of the Pre-Tax Contribution Account as of the Valuation Date coincident with the date of the withdrawal.

A Participant who receives a hardship withdrawal shall be prohibited from making pre-tax contributions to this Plan and any other plan maintained by the Employer (except "welfare plans" as defined in Section 3(1) of ERISA) for the six (6) consecutive months following the date of distribution. The following standards (or such other standards as

may be acceptable under Treasury Regulations issued pursuant to Section 401(k) of the Code) shall be applied on a uniform and non-discriminatory basis in determining the existence of such a hardship:

(a) A financial need shall be considered immediate if it must be satisfied in substantial part within a period of twelve (12) months from the date on which the Participant certifies his eligibility for a hardship withdrawal.

(b) To be considered a hardship for purposes of this Section, the event giving rise to the need for funds must relate to financial hardship resulting from:

(1) expenses previously incurred for medical care (described in Code Section 213(d)) or expenses that are necessary to incur in order to obtain medical care (as evidenced by a written estimate thereof) for the Participant, the Participant's spouse, or the Participant's dependents (as defined in Code Section 152);

(2) purchase (excluding mortgage payments) of a principal residence for the Participant;

(3) payment for tuition for the next twelve (12) months of post-secondary education for the Participant or the Participant's spouse, children or dependents (as defined in Code Section 152);

(4) the need to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage of the Participant's principal residence; or

(5) payment for funeral expenses for the Participant's spouse or the Participant's dependents (as defined in Code Section 152).

A person shall be considered to be economically dependent on the Participant if the Participant certifies that he reasonably expects to be entitled to claim that person as a dependent for federal income tax purposes for a calendar year coinciding with the Plan Year in which the certification of hardship is made. A hardship distribution will not be available to a Participant unless the Participant has in place under Section 8.1(d) a designation that dividends paid with respect to shares allocable to the Participant in the ESOP Fund be distributed to the Participant under option (2) of Section 8.1(d).

7.5 Loans: From and after October 1, 1989, any Participant who is a "party in interest" (as defined in Section 3(14) of ERISA) (hereinafter "Borrower") may make application, in accordance with administrative procedures established by the Committee, to the Committee to borrow from his Pre-Tax Contribution Account, his Rollover Account or his Employer Matching Contribution Account (to the extent that the Account contains Employer Matching

Contributions) in the Trust Fund, and the Committee in its sole discretion may permit such a loan. Loans shall be granted in a uniform and nondiscriminatory manner on terms and conditions determined by the Committee which shall not result in more favorable treatment of highly compensated employees and shall be set forth in written procedures promulgated by the Committee in accordance with applicable governmental regulations. All such loans shall also be subject to the following terms and conditions:

(a) The amount of the loan when added to the amount of any outstanding loan or loans to the Borrower from any other plan of the Employer or an Affiliate which is qualified under Code Section 401(a) shall not exceed the lesser of (i) \$50,000, reduced by the excess, if any, of the highest outstanding balance of loans from all such plans during the one-year period ending on the day before the date on which such loan was made over the outstanding balance of loans from the Plan on the date on which such loan was made, provided, however, that such amount shall not exceed fifty percent (50%) of the vested value of the Borrower's Account balance, excluding any amounts attributable to the Borrower's ESOP Account or (ii) fifty percent (50%) of the present value of Borrower's vested Account balance under the Plan, excluding any amounts attributable to the Borrower's ESOP Account. In no event shall a loan of less than \$1,000 be made to a Borrower.

(b) The loan shall be for a term not to exceed five (5) years and shall be evidenced by a note signed by the Borrower. The loan shall be payable in periodic installments and shall bear interest at a reasonable rate which shall be determined by the Committee on a uniform and consistent basis and set forth in the procedures in accordance with applicable governmental regulations. Payments by a Borrower who is an Employee will be made by means of payroll deduction from the Borrower's compensation. If the Borrower is not receiving compensation from the Employer, the loan repayment shall be made in accordance with the terms and procedures established by the Committee. A Borrower may repay an outstanding loan in full at any time.

(c) In the event an installment payment is not paid within seven (7) days following the monthly due date, the Committee shall give written notice to the Borrower sent to his last known address. If such installment payment is not made within thirty (30) days thereafter, the Committee shall proceed with foreclosure in order to collect the full remaining loan balance or shall make such other arrangements with the Borrower as the Committee deems appropriate. Foreclosures need not be effected until occurrence of a distributable event under the terms of the Plan and no rights against the

Borrower or the security shall be deemed waived by the Plan as a result of such delay.

(d) The unpaid balance of the loan, together with interest thereon, shall become due and payable upon the date of distribution of the Account and the Trustee shall first satisfy the indebtedness from the amount payable to the Borrower or to the Borrower's Beneficiary before making any payments to the Borrower or to the Beneficiary.

(e) Any loan to a Borrower under the Plan shall be adequately secured. Such security shall include a pledge of a portion of the Borrower's right, title and interest in the Trust Fund which shall not exceed fifty percent (50%) of the present value of the Borrower's vested Account balance under the

Plan as determined immediately after the loan is extended, but excluding any amounts attributable to the Borrower's ESOP Account. Such pledge shall be evidenced by the execution of a promissory note by the Borrower which shall grant the security interest and provide that, in the event of any default by the Borrower on a loan repayment, the Committee shall be authorized to take any and all appropriate lawful actions necessary to enforce collection of the unpaid loan.

(f) A request by a Borrower for a loan shall be made in accordance with administrative procedures established by the Committee and shall specify the amount of the loan. If a Borrower's request for a loan is approved, the loan shall be made in a lump-sum payment of cash to the Borrower. The cash for such payment shall be obtained by redeeming proportionately as of the date of payment the Investment Fund or Funds, or portions thereof, that are credited to the Pre-Tax Contribution Account, Rollover Account and Employer Matching Contribution Account of such Borrower; provided, however, that, effective October 1, 1997, no withdrawals shall be made from the Common Stock Fund prior to the full depletion of all other Funds.

(g) A loan to a Borrower shall be considered an investment of the Accounts of the Borrower from which the loan is made. All loan repayments shall be credited pro rata to such Pre-Tax Contribution Account and reinvested exclusively in shares of one or more of the Investment Funds in accordance with Section 8.1.

(h) Only one loan may be outstanding for a Borrower at any given time.

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ARTICLE VIII

INVESTMENT DIRECTIONS

8.1 Investment of Trust Fund:

(a) Investment Funds: Except as provided in Article VII with respect to Plan loans and as provided below with respect to the ESOP Fund, the Trust Fund shall be invested in separate Investment Funds chosen and established by the Committee. The Committee may adjust the number and types of Investment Funds to be established or discontinued as it deems advisable. One such Investment Fund, however, shall be the Common Stock Fund, which will be invested and reinvested in the Common Stock of the Company and which will be considered part of the ESOP Fund (except that the Common Stock Fund will not be considered part of the ESOP Fund for purposes of Sections 7.5 and 8.2). The Trustee, the Committee, or a recordkeeper designated by the Committee shall maintain records for each Participant's After-Tax Contribution Account, Employer Matching Contribution Account, Pre-Tax Contribution Account, the ESOP Account, and Rollover Account, if any, that reflect the value of each Participant's share of the Investment Funds.

(b) Investment Directions: The Participant shall have the right to direct the Committee to instruct the Trustee to invest his Pre-Tax Contributions and contributions to his Rollover Account and

the earnings and accretions thereon in any of the Investment Funds established by the Committee.

(c) Initial Direction and Changes to Direction: Each Participant shall elect an investment option at the time he begins participating in the Plan. Through notice to the Committee given pursuant to administrative procedures established by the Committee, a Participant may change his instructions with respect to the investment of his Pre-Tax Contributions, After-Tax Contributions, Employer Matching Contributions, and Rollover Contributions to the Trust Fund. A Participant who desires to change his instructions in this manner may direct that the funds in his future Pre-Tax Accounts be transferred (in no more than one percent (1%) increments) among the Investment Funds.

(d) Earnings and Dividends: All earnings realized to the Trust Fund (including, but not limited to, dividends, capital gains, and interest) on an Investment Fund that are not reflected in the value of a share in that Investment Fund will be allocated to Participants' accounts. They will be allocated to a Participant's account in the same proportion the Participant's share of the Investment Fund (disregarding the earnings to be allocated) bears to the total value of the Investment Fund (disregarding the earnings to be allocated), both to be determined as of the date the earnings are realized. Notwithstanding the foregoing, in order that the deduction under Code Section 404(k) will be

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available, the Committee may direct that dividends paid with respect to shares in the ESOP Fund be distributed on an annual basis or more frequently. If there is a delay in the time when a dividend is distributed, income that constitutes dividends on shares of Company Stock in the ESOP Fund will not be invested in Company Stock but will be invested temporarily in cash equivalents until distributed to Participants. In addition, each Participant (including Participants who have terminated Service with the Company and Beneficiaries) may choose whether dividends paid with respect to shares allocable to the Participant (i) in the Common Stock Fund (effective as of June 1, 2005) and (ii) in the ESOP Fund (effective as of January 1, 2006), will be either:

(1) Reinvested: Reinvested in Company Stock in the Common Stock Fund (effective as of June 1, 2005) and in the ESOP Fund (effective as of January 1, 2006), or

(2) Paid in Cash: Distributed to the Participant on an annual basis or more frequently (but not later than 90 days after the close of the Plan Year in which the dividend is paid), in which case income that constitutes dividends on shares of Company Stock in the Common Stock Fund (effective as of June 1, 2005) and in the ESOP Fund (effective as of January 1, 2006) will not be invested in Company Stock but will be invested temporarily in cash equivalents until that income is distributed.

A Participant's dividend payment choice will continue to apply to future dividends until the Participant changes his choice. The Committee will allow Participants to change their dividend payment choices at least annually. The entity the Committee designates must receive a Participant's request for a change in the dividend payment option on or before the record date for any given dividend payment date in order for the requested change to be effective for that dividend. A Participant will be deemed to have chosen option (1) above if the Participant has no dividend payment designation in place on the record date with

respect to a dividend. With respect to Participants who choose option (2) above, the distribution will be paid to the Plan and the Plan will distribute the dividend to the Participant.

In making payments in respect to Exempt Loans, the Trustee shall utilize income and ESOP Contributions as is specified in Section 5.3 hereof; namely, that income shall be first used to fund principal payments and ESOP Contributions shall be first used to fund interest payments. All purchases of Company Stock shall be made at prices which, in the judgment of the Trustee, do not exceed the fair market value of such Company Stock. Pending such investment or application of cash, the Trustee may retain cash uninvested without liability for interest if it is prudent to do so, or may invest all or any part thereof in Treasury Bills, commercial paper, and like holdings.

8.2 Diversification Election:

(a) Definitions: The following definitions apply to this Section 8.2.

(1) "Diversification Eligible Participant" is any Participant who has completed at least five (5) years of participation in the Plan and who has attained age forty-five (45).

(2) "Statutory Qualified Participant" is any Participant who has completed at least ten (10) years of participation in the Plan and who has attained age fifty-five (55). This definition is to be interpreted in a manner so that it is consistent with Code Section 401(a)(28)(B)(iii) and applicable regulations, as they may be amended from time to time.

(3) "Statutory Election Period" means the six (6) Plan Year period beginning with the first Plan Year in which the Participant first became a Statutory Qualified Participant. This definition is to be interpreted in a manner so that it is consistent with Code Section 401(a)(28)(B)(iv) and applicable regulations, as they may be amended from time to time.

(b) Diversification Right: Without limiting any Participant's rights to direct the investment of his Pre-Tax Contribution Account and his Rollover Account under Section 8.1, each Diversification Eligible Participant may elect within ninety (90) days after the close of each Plan Year to direct the Committee to change the investment of up to twenty-five percent (25%) of the balance of shares of Company Stock in the Diversification Eligible Participant's ESOP Account attributable to Employer Matching Contributions and ESOP Contributions at the time of the election. A Diversification Eligible Participant shall direct that the proceeds of such diversification be invested in one or more of the Investment Funds pursuant to Section 8.1(a). If more than one class of Company Stock is allocated to the Participant's Account, the Committee will establish uniform and non-discriminatory rules concerning the order in which the classes of Company Stock allocated to the Participant's Account are liquidated to generate such proceeds.

The rights granted to Diversification Eligible Participants in the preceding two sentences are intended to include rights that fulfill the Plan's obligation under the first sentence of Code Section 401(a)(28)(B)(i), which provides: A plan meets the requirements of this subparagraph if each qualified

participant in the plan may elect within 90 days after the close of each plan year in the qualified election period to direct the plan as to the investment of at least 25 percent of the participant's account in the plan (to the extent such portion exceed the amount to which a prior election under this subparagraph applies).

(c) One-Year Increase to 50%: For a Statutory Qualified Participant, the percentage shall be fifty percent (50%) instead of twenty-five percent (25%) in the Plan Year during the Statutory Election Period in which the Statutory Qualified Participant may make his last election under Subsection 8.2(b).

(d) Compliance. This Section is to be interpreted in a manner so that it complies with Code Section 401(a)(28) and applicable regulations, as they may be amended from time to time.

8.3 Voting of Company Stock, Exercise of Other Rights:

(a) Voting rights with respect to shares of Company Stock in the ESOP Fund allocated to the Accounts of Participants shall be voted by the Trustee in such manner as may be directed by the respective Participants, with fractional shares being voted on a combined basis to the extent possible to reflect the direction of the voting Participants. If the Trustee shall not receive timely instruction from a Participant, the Trustee shall not vote any shares of Company Stock with respect to which such Participant has the right of direction, and the Trustee shall have no discretion in the matter. The Trustee shall vote shares of Company Stock held in the Stock Suspense Account in accordance with the instructions of the Administrator.

(b) In the event that there is a tender offer or exchange offer for outstanding shares of Company Stock, rights with respect to the tender offer or exchange offer shall be exercised by the Trustee in accordance with the instructions of the Administrator.

(c) Solicitation of exercise of Participants' voting rights by management of the Company and others under a proxy or consent provision applicable to all holders of Company Stock shall be permitted. Solicitation of exercise of Participant tender or exchange offer rights by management of the Company and others shall be permitted. The Trustee shall notify Participants of each occasion for the exercise of voting rights within a reasonable time before such rights are to be exercised. Such notification shall include all information distributed to shareholders by the Company regarding the exercise of such rights. Copies of Company written communications to Participants relating to each opportunity for Participant exercise of rights under this Section 8.3 shall be promptly furnished to the Trustee. The instructions received by the Trustee from Participants shall be held by the Trustee in confidence and shall not be divulged or released to any person, including the Committee or officers or employees of the Company or its Affiliates.

If any shares of Company Stock held in the Stock Suspense Account are tendered or exchanged pursuant to this Section 8.3, the proceeds shall at the direction of the Administrator either (i) if and to the extent the proceeds are

attributable to unallocated Company Stock be used to repay installment purchase or other indebtedness used to purchase the Company Stock to which such proceeds are attributable, (ii) be reinvested in Company Stock, or (iii) be invested in such other investment as the Administrator deems appropriate.

ARTICLE IX

TRUST AND TRUST FUND

9.1 Trust: The provisions of the Trust, as it may be amended from time to time, are herein incorporated by reference as fully as if set out herein, and the assets held under the Trust on behalf of this Plan shall constitute the Trust Fund.

9.2 Benefits Paid Solely from Trust Fund: All of the benefits provided to be paid under Article VI hereof shall be paid by the Trustee out of the Trust Fund to be administered under such Trust. Neither the Employer nor the Trustee shall be responsible or liable in any manner for payment of any such benefits, and all Participants hereunder shall look solely to such Trust Fund and to the adequacy thereof for the payment of any such benefits of any nature or kind which may at any time be payable hereunder.

9.3 Committee Directions to Trustee: The Trustee shall make only such payments out of the Trust Fund as may be directed by the Committee. The Trustee shall not be required to determine or make any investigation to determine the identity or mailing address of any person entitled to any payments out of the Trust Fund and shall have discharged its obligation in that respect when it shall have sent checks or other papers by ordinary mail to such persons and addresses as may be certified to it by the Committee.

9.4 Trustee's Reliance on Committee Instructions: In any case where the Trustee shall be required hereunder to act upon instructions to be received from the Committee, the Trustee shall be protected in relying on any such instructions which shall be in writing and signed by any member of, or Secretary of, the Committee, and the Trustee shall be protected in relying upon the authority to act of any person certified to it by the Company as a member of, or Secretary of, the Committee until a successor to any such person shall be certified to the Trustee by the Company.

9.5 Authority of Trustee in Absence of Instructions from the Committee: If at any time the Committee shall be incapable for any reason of giving any directions, instructions or authorizations to the Trustee as are herein provided for and as may be required incident to the administration of this Plan, the Trustee may act and shall be completely protected and without liability in so acting without such directions, instructions and authorizations as it in its sole discretion deems appropriate and advisable under the circumstances for the carrying out of the provisions of this Plan. In the event of termination of this Plan for any reason, the Committee shall be authorized to give all such instructions to

the Trustee, and the Trustee shall be protected in relying on all such instructions, as may be necessary to make payment to any persons then interested in the Trust Fund of all such amounts as are specified herein to be paid under Section 10.3 hereof upon the termination of this Plan and the Trust.

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9.6 Compliance with Exchange Act Rule 10(b)(18): At any time that the Trustee makes open market purchases of Company Stock, the Trustee will either (i) be an "agent independent of the issuer" as that term is defined in Rule 10(b)(18) promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Exchange Act") or (ii) make such open market purchases in accordance with the provisions, and subject to the restrictions, of Rule 10(b)(18) of the Exchange Act.

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ARTICLE X

ADOPTION OF PLAN BY OTHER CORPORATIONS, AMENDMENT AND TERMINATION OF THE PLAN, AND DISCONTINUANCE OF CONTRIBUTIONS TO THE TRUST FUND

10.1 Adoption by Employers: Every Employer which shall have adopted the Plan shall thereby become a participating Employer whose eligible Employees, subject to the Plan provisions, shall make and receive Contributions and have established for them Accounts under the Plan. Any corporation or other organization with employees, now in existence or hereafter formed or acquired which is not already an Employer under this Plan and which is otherwise legally eligible may, with the approval of the Company by action of its Board of Directors, adopt and become an Employer by executing and delivering to the Company and the Trustee an adoptive instrument specifying the classification of its Employees who shall be eligible to participate in the Plan and evidencing the terms of the Plan with respect to its eligible Employees. The adoptive instrument may contain such changes and amendments in the terms and provisions of the Plan as adopted by such Employer as may be desired by such Employer and acceptable to the Company. Any such Affiliate which shall adopt this Plan shall designate the Company as its agent to act for it in all transactions affecting the administration of the Plan and shall designate the Committee to act for such corporation and its Participants in the same manner in which the Committee may act for the Company and its Participants hereunder. The adoptive instrument shall specify the effective date of such adoption of the Plan and shall become, as to such corporation and its Employees, as part of this Plan. Upon an Employer's liquidation, bankruptcy, insolvency, sale, consolidation or merger to or with another organization that is not an Employer hereunder, in which such Employer is not the surviving company, all obligations of that Employer hereunder and under the Trust shall terminate automatically, and the Trust Fund assets attributable to the Employees of such Employer shall be held or distributed as herein provided unless, with the approval of the Company, the successor to that Employer assumes the duties and responsibilities of such Employer,

by adopting this Plan and the Trust, or by establishment of a separate plan and trust to which the assets of the Trust Fund held on behalf of the Employees of such Employer shall be transferred with the consent and agreement of that Employer. Upon the consolidation or merger of two or more of the Employers under this Plan with each other, the surviving Employer or organization shall automatically succeed to all the rights and duties under the Plan and Trust of the Employers involved.

10.2 Continuous Service: The following special provisions shall apply to all Employers:

(a) An Employee shall be considered in continuous Service while regularly employed simultaneously or successively by one or more Employers.

(b) The transfer of a Participant from one Employer to another Employer shall not be deemed a termination of Service.

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10.3 Amendment of the Plan: The Company shall have the right to amend or modify this Plan and the Trust (with the consent of the applicable Trustee) at any time and from time to time to any extent that it may deem advisable. Any such amendment or modification shall be set out in an instrument in writing duly authorized by the Board of Directors of the Company and executed by the Company. Upon delivery by the Company of such an instrument amending the Plan to the Trustee and to each other Employer, this Plan shall be deemed to have been amended or modified in the manner and to the extent and effective as of the date therein set forth, and thereupon any and all Participants whether or not they shall have become such prior to such amendment or modification shall be bound thereby. No such amendment or modification shall, however, increase the duties or responsibilities of the Trustee without their consent thereto in writing, or have the effect of transferring to or vesting in any Employer any interest or ownership in any properties of the Trust Fund, or of permitting the same to be used for or diverted to purposes other than for the exclusive benefit of the Participants and their Beneficiaries. No such amendment shall decrease the Account of any Participant or shall decrease any Participant's vested interest in his Account. No amendment shall directly or indirectly reduce a Participant's non-forfeitable vested percentage in his benefits under Section 6.1 of this Plan unless each Participant having not less than three (3) years of Service is permitted to elect to have his non-forfeitable vested percentage in his benefits computed under the provisions of Section 6.1 without regard to the amendment. Such election shall be available during an election period which shall begin on the date such amendment is adopted and shall end on the latest of (i) the date sixty (60) days after such amendment is adopted, (ii) the date sixty (60) days after such amendment is effective or (iii) the date sixty (60) days after such Participant is issued written notice of the amendment by the Committee or the Employer. Notwithstanding anything herein to the contrary, the Plan or the Trust may be amended in such manner as may be required at any time to make it conform to the requirements of the Code or of any United States statutes with respect to employees' trusts, or of any amendment thereto, or of any regulations or rulings issued pursuant thereto, and no such amendment shall be considered prejudicial to any then existing rights of any Participant or his Beneficiary under the Plan. The Committee shall deliver a copy of each such amendment to every Affiliate having theretofore adopted the Plan, and every Affiliate having theretofore adopted the Plan shall be deemed to have approved and accepted each such amendment except for any particular Affiliate which, with the express consent of the Company set forth thereupon, shall execute an instrument effective as of the date of such amendment setting forth variations in, or negating the effect of, such amendment as applicable to the participation in the Plan of such Affiliate.

10.4 Termination of the Plan: The Plan may be terminated pursuant to the provisions of, and as of any subsequent date specified in, an instrument in writing executed by the Company, and approved and authorized by the Board of Directors of the Company, and which said instrument shall be delivered to the Trustee.

10.5 Distribution of Trust Fund on Termination: In the event of a termination of the Plan by the Company, the assets and properties of the Trust Fund shall be valued and allocated as provided in Sections 5.2 and 5.3, and each Participant shall be fully vested in all amounts attributable to his Employer Matching Contribution Account, his Rollover Account and his ESOP Account, and thereafter each such Participant shall become entitled to

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distributions in respect of his Accounts in the Plan in the manner as provided in Sections 6.6(a) and 6.6(b) herein. In the event the Plan is terminated with respect to all Employers, any Company Stock held in the Suspense Stock Account shall be sold to the extent necessary to pay the outstanding principal balance and any accrued interest on any installment purchase contracts and/or loan obligations of the Trust Fund incurred for the purpose of directly or indirectly funding the purchase of such Stock, and any such installment purchase contracts and/or loan obligations shall be paid in full prior to distribution of the assets of the Trust Fund to Participants; provided, however, that the Board of Directors of the Company may authorize distribution of Trust Fund assets prior to satisfaction of installment purchase contracts and/or loan obligations but only if under applicable federal law such assets or income attributable thereto cannot be used to repay such installment purchase contracts or loan obligations. Notwithstanding the foregoing, a Participant shall not be entitled to receive a distribution as a result of the termination of the Plan if the Company establishes or maintains a successor plan within the period ending 12 months after distribution of all assets from the Plan.

10.6 Effect of Discontinuance of Contributions: If the Company shall discontinue its Contributions to the Trust Fund, or suspend its Contributions to the Trust Fund under such circumstances so as to constitute a discontinuance of Contributions within the purview of the reasoning of Treasury Regulations Section 1.401-6(c), then all amounts theretofore credited to the Accounts of the Participants shall become fully vested, and throughout any such period of discontinuance of Contributions all other provisions of the Plan shall continue in full force and effect other than the provisions for Contributions by an Employer or Participants.

10.7 Merger of Plan with Another Plan: In the case of any merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Trust Fund to another trust fund held under, any other plan of deferred compensation maintained or to be established for the benefit of all or some of the Participants of this Plan, the assets of the Trust Fund applicable to such Participants shall be transferred to the other trust fund only if:

(a) Each Participant would (if either this Plan or the other plan then terminated) receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if this Plan had then terminated);

(b) Resolutions of the Board of Directors of the Employer under this Plan, and of any new or successor employer of the affected Participants, shall authorize such transfer of assets; and, in the case of the new or successor employer of the affected Participants, its resolutions shall include an assumption of liabilities with respect to such Participants' inclusion in the new employer's plan; and

- (c) Such other plan and trust are qualified under Sections 401(a) and 501(a) of the Code.

ARTICLE XI

TOP-HEAVY PLAN REQUIREMENTS

11.1 General Rule: For any Plan Year for which this Plan is a Top-Heavy Plan, as defined in Section 11.7, and despite any other provisions of this Plan to the contrary, this Plan shall be subject to the provisions of this Article XI.

11.2 Vesting Provisions: Each Participant who has completed an Hour of Service after the Plan becomes top heavy and while the Plan is top heavy and who has completed the Vesting Service specified in the following table shall be vested in his Account under this Plan at least as rapidly as is provided in the following schedule:

<u>Vesting Service</u>	<u>Vested Percent</u>
Less than 2 years	0%
2 but less than 3 years	20%
3 but less than 4 years	40%
4 but less than 5 years	60%
5 but less than 6 years	80%
6 years or more	100%

If an Account becomes vested by reason of the application of the preceding schedule, it may not therefore be forfeited by reason of re-employment after retirement pursuant to a suspension of benefits provision, by reason of withdrawal of any mandatory employee contributions to which employer contributions were keyed, or for any other reason. If the Plan subsequently ceases to be top heavy, the preceding schedule shall continue to apply with respect to any Participant who had at least three (3) years of service (as defined in Treasury Regulation § 1.411(a)-8(b)(3)) as of the close of the last year that the Plan was top heavy. For all other Participants, the non-forfeitable percentage of their Accounts provided in the preceding schedule prior to the date the Plan ceases to be top heavy shall not be reduced, but future increases shall be made only in accordance with Section 6.1.

11.3 Minimum Contribution Provisions: Each Participant who (i) is a Non-Key Employee, as defined in Section 11.8 and (ii) is employed on the last day of the Plan Year (regardless of whether or not such Participant has completed one thousand (1,000) Hours of Service) will be entitled to have contributions and forfeitures allocated to his Account of not less than three percent (3%) (the "Minimum Contribution Percentage") of the Participant's Compensation. This minimum allocation percentage shall be provided without taking Pre-Tax Contributions of Non-Key Employees into account. A Non-Key Employee may not fail to receive a Minimum Contribution Percentage because of a failure to receive a specified minimum amount of Compensation or a failure to make mandatory employee or elective contributions. This Minimum Contribution Percentage will be reduced for any Plan Year to the percentage at which contributions (including forfeitures) are made or are required to be made under the Plan for the Plan Year for the Key Employee for whom such percentage is the highest for such Plan Year. For this purpose, the percentage with respect to a Key Employee

will be determined by dividing the contributions (including forfeitures) made for such Key Employee by his total compensation (as defined in Section 415 of the Code). Such amount shall be adjusted automatically for each Plan Year to the amount prescribed by the Secretary of the Treasury or his delegate pursuant to regulations for the calendar year in which such Plan Year commences.

Contributions considered under the first paragraph of this Section 11.3 will include Employer contributions under this Plan and under all other defined contribution plans required to be included in an Aggregation Group (as defined in Section 11.7 below), but will not include Employer contributions under any plan required to be included in such aggregation group if the plan enables a defined benefit plan required to be included in such group to meet the requirements of the Code prohibiting discrimination as to contributions in favor of employees who are officers, shareholders, or the highly compensated or prescribing the minimum participation standards. If the highest rate allocated to a Key Employee for a year in which the Plan is top heavy is less than three percent (3%), amounts contributed as a result of a salary reduction agreement must be included in determining contributions made on behalf of Key Employees.

Employer Contributions made on behalf of Non-Key Employees that are taken into account to satisfy the Minimum Contribution Percentage shall not be treated as Employer Matching Contributions for purposes of determining the Actual Contribution Percentage under Article IV and must meet the nondiscrimination requirements of Section 401(a)(4) without regard to Section 401(m).

Notwithstanding the foregoing, effective January 1, 2002, Employer Matching Contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Code Section 416(c)(2) and the Plan. The preceding sentence shall apply with respect to Employer Matching Contributions under the Plan or, if the Plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer Matching Contributions that are used to satisfy the minimum contribution requirements shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of Code Section 401(m).

11.4 Coordination with Other Plans: If another defined contribution or defined benefit plan maintained by a Considered Company provides contributions or benefits on behalf of a Participant in this Plan, the other plan will be treated as part of this Plan pursuant to applicable principles prescribed by U.S. Treasury Regulations or applicable IRS rulings (such as Revenue Ruling 81-202 or any successor ruling) to determine whether this Plan satisfies the requirements of Sections 11.2 and 11.3 and to avoid inappropriate omissions or inappropriate duplication of minimum contributions. The determination will be made by the Plan Administrator upon the advice of counsel.

In the event a Participant is covered by a defined benefit plan which is top-heavy pursuant to Section 416 of the Code, a comparability analysis (as prescribed by Revenue Ruling 81-202 or any successor ruling) shall be performed in order to establish that the plans are providing benefits at least equal to the defined benefit minimum.

11.5 Distributions to Certain Key Employees: Notwithstanding any other provision of this Plan, the entire interest in this Plan of each Participant who is a Key Employee, by reason of clause (iii) of subparagraph (c) of Section 11.7 in the calendar year in which the Participant attains age seventy and one-half (70½), shall commence to be distributed to such Participant not later than the April 1 following such calendar year.

11.6 Determination of Top-Heavy Status: The Plan will be a Top-Heavy Plan for any Plan Year if, as of the Determination Date, the aggregate of the Accounts under the Plan for Participants (including former Participants) who are Key Employees exceeds sixty percent (60%) of the aggregate of the Accounts of all Participants, excluding former Key Employees, or if this Plan is required to be in an Aggregation Group in any such Plan Year in which such Group is a Top-Heavy Group. In determining Top-Heavy status if an individual has not performed one Hour of Service for any Considered Company at any time during the five-year period ending on the Determination Date, any accrued benefit for such individual and the aggregate Accounts of such individual shall not be taken into account.

For purposes of this Section, the capitalized words have the following meanings:

(a) "Aggregation Group" means the group of plans, if any, that includes both the group of plans required to be aggregated and the group of plans permitted to be aggregated. The group of plans required to be aggregated (the "required aggregation group") includes:

(i) Each plan of a Considered Company in which a Key Employee is a participant, and

(ii) Each other plan, including collectively bargained plans, of a Considered Company which enables a plan in which a Key Employee is a participant to meet the requirements of the Code prohibiting discrimination as to contributions or benefits in favor of employees who are officers, shareholders or the highly compensated or prescribing minimum participation standards.

The group of plans that are permitted to be aggregated (the "permissive aggregation group") includes the required aggregation group plus one or more plans of a Considered Company that is not part of the required aggregation group and that the Considered Company certifies as a plan within the permissive aggregation group. Such plan or plans may be added to the permissive aggregation group only if, after the addition, the aggregation group as a whole continues not to discriminate as to contributions or benefits in favor of officers, shareholders or the highly compensated and to meet the minimum participation standards under the Code.

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(b) "Determination Date" means for any Plan Year the last day of the immediately preceding Plan Year.

(c) "Key Employee" means any employee or former employee under this Plan who, at any time during the Plan Year in question or during any of the four preceding Plan Years, is or was one of

the following:

(i) An officer of a Considered Company having an annual Compensation greater than fifty percent (50%) of the amount in effect under Section 415(b)(1)(A) of the Internal Revenue Code for any such Plan Year. Whether an individual is an officer shall be determined by the Considered Company on the basis of all the facts and circumstances, such as an individual's authority, duties and term of office, not on the mere fact that the individual has the title of an officer. For any such Plan Year, officers considered to be Key Employees will be no more than the fewer of:

(A) Fifty (50) employees; or

(B) Ten percent (10%) of the employees or, if greater than ten percent (10%), three (3) employees.

For this purpose, the highest paid officers shall be selected.

(ii) One of the ten (10) Employees owning (or considered as owning, within the meaning of the constructive ownership rules of Section 416(i)(1)(B) of the Code) the largest interests in the Considered Company. An employee who has some ownership interest is considered to be one of the top ten (10) owners unless at least ten (10) other employees own a greater interest than that employee. However, an employee will not be considered a top ten (10) owner for a Plan Year if the employee earns less than the maximum dollar limitation on annual additions to a Participant's account in a defined contribution plan under the Code, as in effect for the calendar year in which the Determination Date falls.

(iii) Any person who owns (or is considered as owning, within the meaning of the constructive ownership rules of Section 416(i)(1)(B) of the Code) more than five percent (5%) of the outstanding stock of a Considered Company or stock possessing more than five percent (5%) of the combined voting power of all stock of the Considered Company.

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(iv) Any person who has an annual Compensation from the Considered Company of more than One Hundred Fifty Thousand Dollars (\$150,000) and who owns (or is considered as owning within the meaning of the constructive ownership rules of Section 416(i)(1)(B) of the Code) more than one percent (1%) of the outstanding stock of the Considered Company or stock possessing more than one percent (1%) of the total combined voting power of all stock of the Considered Company.

For purposes of this subsection, annual Compensation includes all items includable as Compensation within the meaning of Section 11.7(k) and further includes the amount otherwise excludable from an employee's gross income by reason of Section 125, 402(e)(3) or 402(h)(1)(B) of the Code.

For purposes of this subsection (c), a Beneficiary of a Key Employee shall be treated as a Key Employee. For purposes of parts (iii) and (iv), each Considered Company is treated separately in determining ownership percentages; but all such Considered Companies shall be considered a single employer in determining the amount of compensation.

Effective January 1, 2002, Key Employee means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the Determination Date was an officer of a Considered Company having annual Compensation greater than \$130,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2002), a 5-percent owner of a Considered Company or a 1-percent owner of a Considered Company having annual Compensation of more than \$150,000. For this purpose, annual Compensation means compensation within the meaning of Code Section 415(c)(3). The determination of who is a Key Employee will be made in accordance with Code Section 416(i)(1) and the applicable regulations and other guidance of general applicability issued thereunder.

(d) "Non-Key Employee" means any employee (and any Beneficiary of an employee) who is not a Key Employee.

(e) "Top-Heavy Group" means the Aggregation Group, if as of the applicable Determination Date, the sum of the present value of the cumulative accrued benefits for Key Employees under all defined benefit plans included in the Aggregation Group plus the aggregate of the accounts of Key Employees under all defined contribution plans included in the Aggregation Group exceeds sixty percent (60%) of the sum of the present value of the cumulative accrued benefits for all employees, excluding former Key Employees as provided in paragraph (i) below, under all such defined benefit plans plus the aggregate accounts for all employees, excluding former Key Employees as provided in paragraph (i) below, under all such defined contribution plans. In determining

Top-Heavy status, if an individual has not performed one (1) Hour of Service for any Considered Company at any time during the five-year period ending on the Determination Date, any accrued benefit for such individual and the aggregate accounts of such individual shall not be taken into account. If the Aggregation Group that is a Top-Heavy Group is a required aggregation group, each plan in the group will be a Top-Heavy Plan. If the Aggregation Group that is a Top-Heavy Group is a permissive aggregation group, only those plans that are part of the required aggregation group will be treated as Top-Heavy Plans. If the Aggregation Group is not a Top-Heavy Group, no plan within such group will be a Top-Heavy Plan.

In determining whether this Plan constitutes a Top-Heavy Plan, the Committee (or its agent) will make the following adjustments:

(f) When more than one plan is aggregated, the Committee shall determine separately for each plan as of each plan's Determination Date the present value of the accrued benefits (for this purpose using the actuarial assumptions set forth in the applicable plan) or account balance. The results shall then be aggregated by adding the results of each plan as of the Determination Dates for such plans that fall within the same calendar year.

(g) In determining the present value of the cumulative accrued benefit or the amount of the account of any employee, such present value or account will include the amount in dollar value of the aggregate distributions made to such employee under the applicable plan during the five-year period ending on the Determination Date, unless already reflected in the value of the accrued benefit or account balance as of the date the determination is made. The amounts will include distributions to employees representing the entire amount credited to their accounts under the applicable plan.

Effective January 1, 2002, for purposes of determining the present values of the cumulative accrued benefits and the amounts of the accounts of Employees as of the Determination Date, the present values of accrued benefits and the amounts of account balances of an Employee as of the Determination Date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Code Section 416(g)(2) during the one-year period ending on the Determination Date. The preceding sentence also shall apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Code Section 416(g)(2)(A)(i). In the case of a distribution made for a reason other than separation from service, death, or disability, this provision shall be applied by substituting "five-year period" for "one-year period." The accrued benefits and accounts of any individual who has not performed services for the Company during the one-year period ending on the Determination Date shall not be taken into account.

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(h) Further, in making such determination, such present value or such account shall include any rollover contribution (or similar transfer), as follows:

(i) If the rollover contribution (or similar transfer) is initiated by the employee and made to or from a plan maintained by another Considered Company, the plan providing the distribution shall include such distribution in the present value or such account; the plan accepting the distribution shall not include such distribution in the present value or such account unless the plan accepted it before December 31, 1983.

(ii) If the rollover contribution (or similar transfer) is not initiated by the employee or made from a plan maintained by another Considered Company, the plan accepting the distribution shall include such distribution in the present value or such account, whether the plan accepted the distribution before or after December 31, 1983; the plan making the distribution shall not include the distribution in the present value or such account.

(i) In any case where an individual is a Non-Key Employee with respect to an applicable plan but was a Key Employee with respect to such plan, for any prior Plan Year, any accrued benefit and any account of such employee will be altogether disregarded. For this purpose, to the extent that a Key Employee is deemed to be a Key Employee if he or she met the definition of Key Employee within any of the four preceding Plan Years, this provision will apply following the end of such period of time.

(j) "Valuation Date" means, for purposes for determining the present value of an accrued benefit as of the Determination Date, the Determination Date. For the first plan year of a plan, the accrued benefit for a current employee shall be determined either (i) as if the individual terminated

service as of the Determination Date or (ii) as if the individual terminated service as of the valuation date, but taking into account the estimated accrued benefit as of the Determination Date. The Valuation Date shall be determined in accordance with the principles set forth in Q.&A. T-25 of Treasury Regulations § 1.416-1.

(k) For purposes of this Section, "Compensation" shall have the meaning given to it in Section 5.5(c)(vi) of the Plan.

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ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Terms of Employment: The adoption and maintenance of the provisions of this Plan shall not be deemed to constitute a contract between the Employer and any Employee, or to be a consideration for, or an inducement or condition of, the employment of any person. Nothing herein contained shall be deemed to give to any Employee the right to be retained in the employ of the Employer or to interfere with the right of the Employer to discharge any Employee at any time, nor shall it be deemed to give the Employer the right to require any Employee to remain in its employ, nor shall it interfere with any Employee's right to terminate his employment at any time.

12.2 Controlling Law: This Plan and the Trust shall be construed, regulated and administered according to the provisions of ERISA, the Code, regulations and rulings under ERISA and the Code, and, the extent state law applies and is not preempted by federal law, under the laws of the State of Louisiana (without regard to its choice of laws provisions).

12.3 Invalidity of Particular Provisions: In the event any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Plan but shall be fully severable, and this Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein.

12.4 Non-Alienability of Rights of Participants: Except as otherwise provided below and with respect to certain judgments and settlements pursuant to Section 401(a)(3) of the Code, no interest, right or claim in or to the part of the Trust Fund, attributable to the Pre-Tax Contribution Account, the After-Tax Contribution Account, the Employer Matching Contribution Account, the Rollover Account or the ESOP Account of any Participant, or any distribution of benefits therefrom, shall be assignable, transferable or subject to sale, mortgage, pledge, hypothecation, commutation, anticipation, garnishment, attachment, execution, claim or levy of any kind, voluntary or involuntary (excluding a levy for taxes filed upon the Plan by the Internal Revenue Service), including without limitation any claim asserted by a spouse or former spouse of any Participant, and the Trustee shall not recognize any attempt to assign, transfer, sell, mortgage, pledge, hypothecate, commute or anticipate the same. The preceding sentence shall also apply to the creation, assignment or recognition of a right to any benefit payable with respect to a Participant pursuant to a domestic relations order, unless such order is determined to be a qualified domestic relations order, as defined in Section 414(p) of the Code. The Committee shall establish a written procedure to be used to determine the qualified status of such orders and to administer distributions under such orders. Further, to the extent provided under the qualified domestic relations order a former spouse of a Participant shall be treated as a spouse for all purposes of the Plan. If the Committee receives a qualified domestic relations order with respect to a Participant, the Committee may authorize

the immediate distribution of the amount assigned to the Participant's former spouse, to the extent permitted by law, from the Participant's Pre-Tax Contribution Account, After-Tax Contribution Account, Rollover Account and the vested portion of his Employer Matching Contribution Account and ESOP Account.

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12.5 Payments in Satisfaction of Claims of Participants: Any distribution to any Participant or his Beneficiary or legal representative, in accordance with the provisions of the Plan, of the interest in the Trust Fund attributable to his Pre-Tax Contribution Account and/or After-Tax Contribution Account, his Rollover Account and the vested portion of his Employer Matching Contribution Account and ESOP Account, shall be in full satisfaction of all claims under the Plan against the Trust Fund, the Trustee, the Company and the Employer. The Trustee may require that any distributee execute and deliver to the Trustee a receipt and a full and complete release of the Employer as a condition precedent to any payment or distribution under the Plan.

12.6 Payments Due Minors and Incompetents: If the Committee determines that any person to whom a payment is due hereunder is a minor or is incompetent by reason of physical or mental disability, the Committee shall have power to cause the payments becoming due such person to be made to the guardian of the minor or the guardian of the estate of the incompetent, without the Committee or the Trustee being responsible to see to the application of such payment. Payments made pursuant to such power shall operate as a complete discharge of the Committee, the Trustee and the Employer.

12.7 Acceptance of Terms and Conditions of Plan by Participants: Each Participant, through execution of the application required under the terms of the Plan as a condition of participation herein, for himself, his heirs, executors, administrators, legal representatives and assigns, approves and agrees to be bound by the provisions of this Plan and the Trust Agreement and any subsequent amendments thereto, and all actions of the Committee and the Trustee hereunder. In consideration of the adoption of this Plan by the Employer, and the Contributions of the Employer to the Trust Fund, each Participant agrees by the execution of his application to participate herein to release and hold harmless to the extent permitted by ERISA the Employer, the Committee and the Trustee from any liability for any act whatsoever, past, present or future, performed in good faith in such respective capacities pursuant to the provisions of this Plan or the Trust Agreement.

12.8 Impossibility of Diversion of Trust Fund: Notwithstanding any provision herein to the contrary, no part of the corpus or the income of the Trust Fund shall ever be used for or diverted to purposes other than for the exclusive benefit of the Participants or their Beneficiaries or for the payment of expenses of the Plan. No part of the Trust Fund shall ever revert to the Employer.

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IN WITNESS WHEREOF, CLECO POWER LLC has executed these presents as evidenced by the signatures affixed hereto of its officers hereunto duly authorized, and by its corporate seal being affixed hereto, in a number of copies, all of which shall constitute but one and the same instrument which may be sufficiently evidenced by any such executed copy hereof, this 2nd day of August 2005, effective as of October 1, 2005 (or such other date stated in this amendment and restatement of the Plan).

CLECO POWER LLC

/s/ George W. Bausewine

By: George W. Bausewine
Senior Vice President
Corporate Services

ATTEST:

/s/ Janice M. Mount

Assistant Secretary

(SEAL)

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THE STATE OF LOUISIANA §
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BEFORE ME, Beatrice Newcomb, the undersigned authority, on this day personally appeared, George W. Bausewine, the Sr. Vice President of Cleco Power LLC, known to me

to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act of the said Cleco Power LLC, a corporation, and that he executed the same as the act and deed of said corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 2nd day of August
 , 2005.

/s/ Beatrice P. Newcomb
Notary Public, State of Louisiana

Bar roll or notary identification number: 18175

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated March 14, 2005 relating to the consolidated financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, of Cleco Corporation, which appears in Cleco Corporation's Annual Report on Form 10-K for the year ended December 31, 2004. We also consent to the incorporation by reference of our report dated March 29, 2005 relating to the financial statement schedules which appears in Cleco Corporation's Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended December 31, 2004.

/s/ PricewaterhouseCoopers LLP
New Orleans, Louisiana
August 12, 2005

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated June 16, 2005 relating to the financial statements, which appears in the Annual Report of Cleco Power LLC 401(k) Savings and Investment Plan on Form 11-K for the year ended December 31, 2004.

/s/ PricewaterhouseCoopers LLP
New Orleans, Louisiana
August 12, 2005

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated March 29, 2005 relating to the financial statements of Cleco Evangeline LLC, which appears in Cleco Corporation's Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended December 31, 2004.

/s/ PricewaterhouseCoopers LLP
New Orleans, Louisiana
August 12, 2005

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated March 25, 2005 relating to the consolidated financial statements of Acadia Power Partners, LLC and Subsidiary, which appears in Cleco Corporation's Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended December 31, 2004.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
August 12, 2005
