

## **DEBTOR IN POSSESSION ASSUMPTION AGREEMENT AND AMENDMENT TO CREDIT DOCUMENTS**

THIS DEBTOR IN POSSESSION ASSUMPTION AGREEMENT AND AMENDMENT TO CREDIT DOCUMENTS (this "Amendment") is made and entered into as of January [\_\_\_\_], 2005, by and among PANDA GILA RIVER, L.P., a Delaware limited partnership ("PGR"), UNION POWER PARTNERS, L.P., a Delaware limited partnership ("UPP"), TRANS-UNION INTERSTATE PIPELINE, L.P., a Delaware limited partnership ("Trans-Union"), and UPP FINANCE CO., LLC, a Delaware limited liability company ("Finance Co." and, together with PGR, UPP and Trans-Union, each as a debtor and debtor-in-possession in the Cases (defined below), each a "Debtor," and, collectively, the "Debtors"), and CITIBANK, N.A., as Administrative Agent, Collateral Agent and Depositary Agent (in each case, as defined in the Prepetition Credit Agreements (as defined below) and on behalf of LC Bank and the other Banks party to the Prepetition Credit Agreements (the "Postpetition Agent"). Unless otherwise specified, capitalized terms used herein shall have the meanings ascribed to them in the applicable Prepetition Credit Agreement.

### RECITALS

A. Prepetition PGR Credit Documents. PGR, as pre-petition debtor, Citibank, N.A., as administrative agent ("Prepetition PGR Agent"), Societe Generale, as LC Bank ("PGR LC Bank"), each of the financial institutions from time to time party thereto (the "Prepetition PGR Banks") and certain affiliates of PGR are parties to (i) that certain Gila River Project Credit Agreement, dated as of May 31, 2001 (as amended, the "Prepetition PGR Credit Agreement") and (ii) the other Credit Documents, as defined in the Prepetition PGR Credit Agreement (all such Credit Documents, together with the Prepetition PGR Credit Agreement, in each case as amended, modified, restated or supplemented prior to the date hereof or by any other amendment executed on or after the date hereof, collectively, the "Prepetition PGR Credit Documents"). Any reference in this Amendment to the "Original Prepetition PGR Credit Agreement" or "Original Prepetition PGR Credit Documents" shall be a reference to such Prepetition PGR Credit Agreement or Prepetition PGR Credit Document in effect and as amended, modified, restated or supplemented immediately prior to the Petition Date.

B. Prepetition UPP Credit Documents. UPP, as pre-petition debtor, Citibank, N.A., as administrative agent ("Prepetition UPP Agent"), Societe Generale, as LC Bank ("UPP LC Bank"), each of the financial institutions from time to time party thereto (the "Prepetition UPP Banks") and certain affiliates of UPP are parties to (i) that certain Union Power Project Credit Agreement, dated as of May 31, 2001 (as amended, the "Prepetition UPP Credit Agreement" and, together with the Prepetition PGR Credit Agreement, the "Prepetition Project Credit Agreements") and (ii) the other Credit Documents, as defined in the Prepetition UPP Credit Agreement (all such Credit Documents, together with the Prepetition UPP Credit Agreement, in each case as amended, modified, restated or supplemented prior to the date hereof or by any other amendment executed on or after the date hereof, collectively, the "Prepetition UPP Credit Documents"). Any reference in this Amendment to the "Original Prepetition UPP Credit Agreement" or "Original Prepetition UPP Credit Documents" shall be a reference to such

Prepetition UPP Credit Agreement or Prepetition UPP Credit Document in effect and as amended, modified, restated or supplemented immediately prior to the Petition Date.

C. PGR Prepetition Senior Credit Documents. PGR, as pre-petition debtor, Citibank, N.A., as administrative agent ("Prepetition PGR Senior Agent" and, together with Prepetition UPP Agent and Prepetition PGR Agent, "Prepetition Agent"), Societe Generale, as LC Bank ("Senior PGR LC Bank" and, together with PGR LC Bank and UPP LC Bank, the "LC Bank"), each of the financial institutions from time to time party thereto (the "Prepetition PGR Senior Banks" and, together with the Prepetition UPP Banks and the Prepetition PGR Banks, the "Banks") and certain affiliates of PGR are parties to (i) that certain Gila River Project Senior Project Letter of Credit Agreement, dated as of May 27, 2004 (as amended, the "Prepetition PGR Senior Credit Agreement" and, together with the Prepetition Project Credit Agreements, the "Prepetition Credit Agreements") and (ii) the other Credit Documents, as defined in the Prepetition PGR Senior Credit Agreement (all such Credit Documents, together with the Prepetition PGR Senior Credit Agreement, in each case as amended, modified, restated or supplemented prior to the date hereof or by any other amendment executed on or after the date hereof, collectively, the "Prepetition PGR Senior Credit Documents" and, together with the Prepetition PGR Credit Documents and the Prepetition UPP Credit Documents, the "Prepetition Credit Documents"). Any reference in this Amendment to the "Original Prepetition PGR Senior Credit Agreement" or "Original Prepetition PGR Senior Credit Documents" shall be a reference to such Prepetition PGR Senior Credit Agreement or Prepetition PGR Senior Credit Document in effect and as amended, modified, restated or supplemented immediately prior to the Petition Date.

D. Existing Events of Default under Prepetition Credit Agreements. Events of Default under, and as defined in, each of the Prepetition Credit Agreements had occurred and were continuing prior to the Petition Date and the commencement of the Cases (as described in Recital E below) constitutes an additional Event of Default under Section 8.1.2 of the Prepetition Project Credit Agreements and under Section 7.1.2 of the Prepetition PGR Senior Credit Agreement.

E. Debtor Bankruptcy Events. Debtors have filed petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Arizona (the "Bankruptcy Court"), on January [\_\_\_\_], 2005 (the "Petition Date"), Jointly Administered Case No. \_\_\_\_\_ (the "Cases").

F. Authorizing Bank Consent. Prepetition Agent, LC Bank and the Banks party thereto have entered into that certain Authorizing Bank Consent, dated as of May 27, 2004 (as amended by that certain Omnibus Amendment to Credit Agreements and Extension No. 1 to Authorizing Bank Consent executed by PGR, UPP, Prepetition Agent, LC Bank and the Banks party thereto, the "Authorizing Bank Consent"), whereby, among other things, such Banks, notwithstanding any failure by PGR or UPP, as the case may be, to satisfy any condition to the issuance or amendment, or increase or decrease in the Stated Amount, of any Project Letter of Credit issued under a Prepetition Credit Agreement (including, during the continuance of an Event of Default under such Prepetition Credit Agreement), authorized Prepetition Agent to, at its discretion, authorize LC Bank to continue to so issue or amend, or otherwise increase or

decrease the Stated Amount, of any Project Letter of Credit issued under a Prepetition Credit Agreement.

G. Postpetition Financing. In order to continue their operations as debtors-in-possession under the Bankruptcy Code, Debtors have requested that Postpetition Agent, LC Bank and the Banks make available the Postpetition Financing (as defined herein). Postpetition Agent, LC Bank and the Banks are willing to provide such Postpetition Financing to the Debtors on and after the Petition Date only if, among other things, the Prepetition Credit Agreements are amended as hereinafter set forth and the Bankruptcy Court enters into interim and final orders approving this Amendment and otherwise in form and substance satisfactory to Postpetition Agent in Postpetition Agent's sole discretion (the "Interim Order" and the "Final Order," respectively).

### AGREEMENT

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

1. Amendments. The parties hereby amend the Prepetition Credit Documents as follows:

(a) From and after the date hereof, all references in the Prepetition Credit Documents to PGR, UPP, Trans-Union or Finance Co. in any capacity shall be deemed to be references to PGR, UPP, Trans-Union or Finance Co., respectively, both before the Petition Date, as pre-petition obligor, and on and after the Petition Date, as a debtor and debtor-in-possession in the Cases.

(b) From and after the date hereof, all references in the Prepetition Credit Documents to the "Credit Agreement", "Gila River Credit Agreement", "El Dorado Credit Agreement", "Senior LC Facility Credit Agreement" or like or similar term referring to such Prepetition Credit Agreement entered into by PGR or UPP shall be deemed to include all amendments, modifications, restatements or supplements thereto entered into both before the Petition Date and on and after the Petition Date, including (a) this Amendment and (b) the Interim Order, the Final Order or any other applicable order of the Bankruptcy Court.

(c) From and after the date hereof, the term "Credit Documents" set forth in Exhibit A to each Prepetition Credit Agreement (and each reference in any Prepetition Credit Document to any such "Credit Document") shall be deemed to include the "Credit Agreement" (as defined in such Prepetition Credit Agreement and as amended in clause (b) above to include this Amendment, the Interim Order, the Final Order and any other applicable order of the Bankruptcy Court) and any other loan or security agreements or letter agreement or similar document entered into by Postpetition Agent and one or more of the Debtors or their Affiliates in connection with the Postpetition Financing.

(d) Exhibit A to each Prepetition Credit Agreement is hereby amended by adding the following definitions in their proper alphabetical order (to the extent such terms are not already defined in such Prepetition Credit Agreement) and by substituting the following definitions for the existing definitions of such terms (to the extent such terms are currently defined in such Prepetition Credit Agreement):

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Arizona.

“Cases” has the meaning given in Recital E of the DIP Assumption Agreement.

“Debtors” means Panda Gila River, L.P., Union Power Partners, L.P., Trans-Union Interstate Pipeline, L.P. and UPP Finance Co., LLC as debtors and debtors-in-possession in the Cases under the Bankruptcy Code.

“DIP Assumption Agreement” means the Debtor In Possession Assumption Agreement and Amendment to Credit Documents, dated as of January [\_\_\_\_], 2005, by and among, *inter alia*, Panda Gila River, L.P., Union Power Partners, L.P., Trans-Union Interstate Pipeline, L.P. and UPP Finance Co., LLC (as debtors and debtors-in-possession in the Cases) and Administrative Agent (on behalf of LC Bank and the other Banks).

“Postpetition Financing” has the meaning given to that term in Section 1(e) of the DIP Assumption Agreement.

“Final Order” means an order of the Bankruptcy Court entered in the Cases after the Final Hearing as defined in the Interim Order, *inter alia*, authorizing Debtors, as debtors-in-possession, to incur secured indebtedness pursuant to section 364 of the Bankruptcy Code, which order shall be in form and substance satisfactory to Administrative Agent in its sole discretion.

“Interim Order” means the order of the Bankruptcy Court entered in the Cases on January [\_\_\_\_], 2005 pursuant to sections 363 and 364 of the Bankruptcy Code, *inter alia*, authorizing Debtors, as debtors-in-possession, to enter into the DIP Assumption Agreement, which order shall be in form and substance satisfactory to Administrative Agent in its sole discretion.

“Petition Date” has the meaning given in Recital E to the DIP Assumption Agreement.

(e) From and after the date hereof, the term “Postpetition Financing” as used in this Amendment and in any Prepetition Credit Document shall mean the secured post-Petition Date extensions of credit made available to PGR or UPP (as the case may be) during the Cases pursuant to this Amendment, the Interim Order and/or the Final Order by LC Bank and the Banks under, and on the same terms and conditions and Proportionate Shares set forth in, the applicable Prepetition Credit Agreement, which Postpetition Financing shall, collectively, consist of:

(i) in the case of the Prepetition PGR Senior Credit Agreement, at any time and from time to time, up to \$85,000,000 of Project Letters of Credit to be issued (or otherwise modified) by LC Bank for the benefit of PGR, less the sum of (i) the aggregate Stated Amount of all Project Letters of Credit issued under the Original Prepetition PGR Senior Credit Agreement prior to the Petition Date that remains outstanding from time to time after the Petition Date *plus* (ii) the aggregate amount of Project LC Loans and, without duplication, Reimbursement Obligations outstanding under the Original Prepetition PGR Senior Credit Agreement immediately prior to the Petition Date that remain outstanding from time to time after the Petition Date *plus* (iii) without duplication, the aggregate Stated Amount of all Project Letters of Credit issued on and after the Petition Date under the Prepetition PGR Senior Credit Agreement that remains outstanding from time to time on and after the Petition Date *plus* (iv) without duplication, the aggregate amount of Project LC Loans and, without duplication, Reimbursement Obligations outstanding under the Prepetition PGR Senior Credit Agreement on and after the Petition Date that remain outstanding from time to time after the Petition Date;

(ii) in the case of the Prepetition PGR Credit Agreement, at any time and from time to time, up to \$100,000,000 of Project Letters of Credit to be issued by LC Bank for the benefit of PGR, less the sum of (i) the aggregate Stated Amount of all Project Letters of Credit issued under the Original Prepetition PGR Credit Agreement prior to the Petition Date that remains outstanding from time to time after the Petition Date *plus* (ii) the aggregate amount of Project LC Loans and, without duplication, Reimbursement Obligations outstanding under the Original Prepetition PGR Credit Agreement immediately prior to the Petition Date that remain outstanding from time to time after the Petition Date *plus* (iii) without duplication, the aggregate Stated Amount of all Project Letters of Credit issued on and after the Petition Date under the Prepetition PGR Credit Agreement that remains outstanding from time to time on and after the Petition Date *plus* (iv) without duplication, the aggregate amount of Project LC Loans and, without duplication, Reimbursement Obligations outstanding under the Prepetition PGR Credit Agreement on and after the Petition Date that remain outstanding from time to time after the Petition Date; and

(iii) in the case of the Prepetition UPP Credit Agreement, at any time and from time to time, up to \$80,000,000 of Project Letters of Credit to be issued by LC Bank for the benefit of UPP, less the sum of (i) the aggregate Stated Amount of all Project Letters of Credit issued under the Original Prepetition UPP Credit Agreement prior to the Petition Date that remains outstanding from time to time after the Petition Date *plus* (ii) the aggregate amount of Project LC Loans and, without duplication, Reimbursement Obligations outstanding under the Original Prepetition UPP Credit Agreement immediately prior to the Petition Date that remain outstanding from time to time after the Petition Date *plus* (iii) without duplication, the aggregate Stated Amount of all Project Letters of Credit issued on and after the Petition Date under the Prepetition UPP Credit Agreement that remains outstanding from time to time on and after the Petition Date *plus*

(iv) without duplication, the aggregate amount of Project LC Loans and, without duplication, Reimbursement Obligations outstanding under the Prepetition UPP Credit Agreement on and after the Petition Date that remain outstanding from time to time after the Petition Date.

Amendments increasing the Stated Amount of any Project Letter of Credit that was issued and outstanding under a Prepetition Credit Agreement immediately prior to the Petition Date shall be issued from, and reduce the availability of, any applicable Postpetition Financing then-available as provided above for new Project Letters of Credit under the applicable Prepetition Credit Agreement.

2. Availability of Postpetition Financing; Repayment of Obligations.

(a) Notwithstanding anything in the Prepetition Credit Agreements or other Prepetition Credit Documents to the contrary (but subject to the Interim Order and Final Order), from and after the date hereof, Postpetition Agent, LC Bank and the Banks agree to make the Postpetition Financing available to PGR and UPP under the applicable Prepetition Credit Agreement on the same terms and conditions relating to Project Letters of Credit, Project LC Loans and, without duplication, Reimbursement Obligations set forth in the applicable Original Prepetition Credit Agreement (including, the terms and conditions applicable to the issuance or amendment of any such Project Letter of Credit, the increase or decrease in the Stated Amount of any such Project Letter of Credit, PGR's or UPP's respective Reimbursement Obligations with respect to any such Project Letter of Credit (including any applicable Drawing Payment thereunder) and each Bank's agreement to participate in any such extension of credit by LC Bank in proportion to such Bank's Proportionate Share); provided that each of PGR and UPP acknowledges and agrees that such Postpetition Financing shall at all times be made available to PGR or UPP, as the case may be, subject to the prior authorization of Postpetition Agent (acting at the direction of the Authorizing Banks), and to the Authorizing Bank Consent as the same may be modified from time to time, and the Postpetition Financing provided pursuant hereto may be terminated by the Authorizing Banks at any time.

(b) Notwithstanding anything in the Prepetition Credit Agreements or other Prepetition Credit Documents to the contrary (but subject to the Interim Order and Final Order), each of PGR and UPP acknowledges and agrees that the Obligations of PGR or UPP, as the case may be, with respect to the Postpetition Financing under the applicable Prepetition Credit Agreements (including, payment of fees, interest and repayment of the principal amount of any Project LC Loan and, without duplication, Reimbursement Obligation relating to any Drawing Payment under any Project Letter of Credit) shall be on, and subject to, the same terms and conditions relating to Project Letters of Credit, Project LC Loans and, without duplication, Reimbursement Obligations set forth in the applicable Original Prepetition PGR Credit Agreement, Original Prepetition UPP Credit Agreement or Original Prepetition PGR Senior Credit Agreement, as the case may be (including with respect to repayment or reimbursement priorities set forth in the Agency Coordination Agreement).

3. Debtors' Agreement to Assume Certain Obligations and be Bound; Confirmation of Liens and Security Interests; Cross-Guarantees. Each Debtor hereby (a) agrees to be bound by the terms of the Prepetition Credit Documents with respect to the Postpetition Financing, (b) specifically confirms that the security interests described in the Prepetition Credit Documents include a duly authorized grant by it of security interests in all such Debtor's respective assets, whether arising or acquired before, on or after the Petition Date, to secure, in accordance with the terms of the Interim Order and the Final Order, payment of the Obligations arising before, on and after the Petition Date, (c) grants, in accordance with the terms of the Interim Order and the Final Order, first priority liens and security interests in favor of Postpetition Agent on all the post-petition assets of such Debtor, including all types of assets in which Prepetition Agent was granted a pre-petition security interest under the Prepetition Credit Documents (but excluding causes of action and claims of such Debtor's estate against third parties, including, claims of such Debtor under sections 542, 543, 544, 545, 547, 548, 549, 550, 552(b) and/or 553 of the Bankruptcy Code ("Avoidance Actions") and the proceeds and recoveries from the Avoidance Actions), and (d) agrees, acknowledges and affirms that the Obligations of PGR and UPP under, and as defined in, each of the Prepetition Credit Agreements shall include the Obligations of PGR or UPP, as the case may be, under the Prepetition Credit Documents relating to the Postpetition Financing contemplated herein and, as such, each Debtor hereby, pursuant to the existing guarantees entered into by such Person in favor of Prepetition Agent (which guarantees are hereby affirmed in all respects), unconditionally guarantees the repayment to Postpetition Agent, LC Bank and the other Banks of the Obligations of each of PGR and UPP in accordance with the terms of such guaranty, and each such guarantee is secured by all of the respective assets of each of the Debtors as set forth in the Interim Order and the Final Order. Notwithstanding anything to the contrary herein, nothing in this Amendment shall constitute an assumption by any Debtor as a debtor-in-possession of the Loans and other indebtedness incurred or arising under the Prepetition Credit Documents prior to the Petition Date.

4. Amendment Subject to Interim Order and Final Order; Entire Agreement and Acknowledgements of the Parties. Postpetition Agent and Debtors agree that this Amendment is qualified in its entirety by the terms of the Interim Order and the Final Order, and in the event of any conflict between any term of this Amendment and any term of the Interim Order or the Final Order, the applicable term of the Interim Order or Final Order, as applicable, shall govern. Postpetition Agent and Debtors agree that the amendments set forth in this Amendment (as modified by the Interim Order and the Final Order, as provided above) constitute the entire agreement of the parties with respect to the matters set forth herein, shall be limited precisely as written and shall not be deemed to be a consent to any waiver, amendment or modification of any other term or condition of any of the applicable Credit Documents.

5. Conditions Precedent. The effectiveness of this Amendment shall be subject to satisfaction of the following conditions (any one or all of which may be waived in writing by Postpetition Agent in its sole discretion):

(a) Receipt by Postpetition Agent of executed counterparts to this Amendment, duly executed by each Debtor;

(b) Entry by the Bankruptcy Court of the Interim Order in form and substance satisfactory to Postpetition Agent in Postpetition Agent's sole discretion; and

(c) Receipt by Postpetition Agent of any and all further agreements, certificates or documents as Postpetition Agent shall reasonably request together with any consents from third party creditors of Debtors deemed necessary by Postpetition Agent.

6. References in Other Documents. All references to any Prepetition Credit Document in any Original Prepetition PGR Credit Agreement, Original Prepetition UPP Credit Agreement or Original Prepetition PGR Senior Credit Agreement shall be deemed to be a reference to such Prepetition Credit Document as amended hereby.

7. Miscellaneous

(a) To induce Postpetition Agent (on behalf of LC Bank and the other Banks) to enter into this Amendment, each Debtor hereby represents and warrants to Postpetition Agent that this Amendment has been duly authorized, executed and delivered by such Debtor, and that this Amendment constitutes a legal, valid and binding obligation of such Debtor, enforceable against such Debtor in accordance with its terms.

(b) This Amendment may be executed by original signature or by facsimile transmission, and in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

(c) It is the parties' intention that this Amendment be interpreted in such a way that it is valid and effective under applicable law; however, if one or more of the provisions of this Amendment shall for any reason be found to be invalid or unenforceable, the remaining provisions of this Amendment shall be unimpaired.

8. Choice of Law and Jurisdiction. Any dispute between Postpetition Agent and Debtors arising out of, connected with, related to, or incidental to the relationship established between them in connection with this Amendment, and whether arising in contract, tort, equity or otherwise, shall be resolved in accordance with the internal laws (and not the conflicts of law provisions) of the State of New York.

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