

UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF ARIZONA

In re

UNION POWER PARTNERS, L.P.
PANDA GILA RIVER, L.P.
TRANS-UNION INTERSTATE PIPELINE, L.P.
UPP FINANCE CO., LLC

Debtors.

In Proceeding Under Chapter 11

Case Nos. _____ through

Jointly Administered Under
Case No. _____

Judge _____

**JOINT PLAN OF REORGANIZATION
PURSUANT TO CHAPTER 11 OF
THE BANKRUPTCY CODE OF
UNION POWER PARTNERS, L.P.,
PANDA GILA RIVER, L.P., TRANS-
UNION INTERSTATE PIPELINE, L.P.
AND UPP FINANCE CO., LLC**

This Filing Applies to:

- All Debtors
- Specified Debtors

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Dated: Phoenix, Arizona
[January __], 2005



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INTRODUCTION

Union Power Partners, L.P. (“UPP”), Panda Gila River, L.P. (“PGR”), Trans-Union Interstate Pipeline, L.P. (“Trans-Union”), and UPP Finance Co., LLC (“Finance Co.” and collectively with UPP, PGR and Trans-Union, the “Debtors”) propose the following joint plan of reorganization for the resolution of the outstanding claims against and interests in the Debtors. Reference is made to the Disclosure Statement (as that term is defined herein and distributed contemporaneously herewith) for a discussion of the Debtors’ history, business, properties and operations, projections for those operations, risk factors, a summary and analysis of this Plan (as that term is defined herein), and certain related matters including, among other things, the securities to be issued under this Plan. Subject to certain restrictions and requirements set forth in 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019, the Debtors, in consultation with and upon the consent of the Prepetition Agent as provided in Section 12.7 of this Plan, reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation. This Plan is not premised upon the substantive consolidation of the Debtors or any Estates of the Debtors. Thus, this Plan constitutes a separate Plan for each Debtor.

1. ARTICLE ONE

DEFINED TERMS AND RULES OF INTERPRETATION

Defined Terms. As used herein, capitalized terms shall have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, will have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

Administrative Claim means a Claim for costs and expenses of administration of the Chapter 11 Cases which are Allowed under section 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including, without limitation: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Debtors’ Estates and operating the businesses of the Debtors (such as wages, salaries, and commissions for services and payments for inventory, leased equipment, and premises); (b) compensation for legal, financial, advisory, accounting, and other services and reimbursement of expenses Allowed by the Bankruptcy Court under section 330, 331, or 503(b) of the Bankruptcy Code to the extent incurred prior to the Effective Date; (c) all fees and charges assessed against the Debtors’ Estates under section 1930, chapter 123, of title 28, United States Code; and (d) all amounts and obligations owed and outstanding under the DIP Credit Agreements (including, without limitation, the Debtors’ reimbursement and repayment obligations with respect to that portion of drawn letters of credit issued under the terms of the Prepetition Credit Agreements or the Senior Project L/C Credit Agreement that are also deemed issued as letters of credit under the DIP Credit Agreements).

Allowed means, with respect to a Claim, an Allowed Claim in a particular Class or category specified. Any reference herein to a particular Allowed Claim includes both the secured and unsecured portions of such Claim.

Allowed Claim means a Claim, or any portion thereof, (a) as to which no objection or request for estimation has been filed on or before the Claims Objection Deadline or the expiration of such other applicable period fixed by the Bankruptcy Court; (b) as to which any objection has been settled, waived, withdrawn, or denied by a Final Order; or (c) that is Allowed (i) by a Final Order; (ii) by an agreement between the Holder of such Claim and the Debtors or Reorganized Debtors; or (iii) pursuant to the terms of this Plan. The term “Allowed Claim” shall not, for purposes of computing distributions under this Plan, include interest on such Claim from and after the Petition Date, except as provided in section 506(b) of the Bankruptcy Code or as otherwise expressly set forth in this Plan.

Allowed _____ Claim means an Allowed Claim of the type described.

Ballot means each of the ballot forms distributed to each Holder of an Impaired Claim on which the Holder is to indicate, among other things, acceptance or rejection of this Plan.

Bankruptcy Code means title 11 of the United States Code, as now in effect or hereafter amended.

Bankruptcy Court means the United States Bankruptcy Court for the District of Arizona, or any other court with jurisdiction over the Chapter 11 Cases.

Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended.

Bar Date means the bar date for Filing proofs of Claim in the Chapter 11 Cases.

Business Day means any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

Cash means legal tender of the United States of America and equivalents thereof.

Chapter 11 Cases means (a) when used with reference to a particular Debtor, the case under chapter 11 of the Bankruptcy Code commenced by the Debtor in the Bankruptcy Court, and (b) when used with reference to all Debtors, the cases under chapter 11 of the Bankruptcy Code commenced by Debtors in the Bankruptcy Court.

Claim means a “claim,” as defined in section 101(5) of the Bankruptcy Code.

Claims Objection Deadline means the last day for Filing objections to Claims, which day shall be (i) the later of (a) the Effective Date or (b) sixty (60) days after the Filing of a proof of claim for, or request for payment of, such Claim, or (ii) such other date as the Bankruptcy Court may order.

Class means a category of Holders of Claims or Interests, as described in Article II hereof.

Class 5 Cash Amount means \$100,000 in the aggregate for all Debtors, allocated \$50,000 to each of PGR and UPP.

Collateral means any property or interest in property of the Debtors' Estates that is subject to a valid and enforceable lien to secure a Claim.

Committee means the official committee of unsecured creditors of the Debtors appointed by the United States Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

Confirmation Date means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

Confirmation Hearing means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

Confirmation Order means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

Consenting Prepetition Banks means the Prepetition Banks that are signatories to the Master Settlement Agreement.

Debt Allocation Percentage means, for each Prepetition Bank, the ratio (expressed as a percent), the numerator of which is (i) the amount of Prepetition Construction Loans and Prepetition Hedge Breaking Fees held by such Prepetition Bank as of the Effective Date, and the denominator of which is (ii) the amount of Prepetition Construction Loans and Prepetition Hedge Breaking Fees held by all Prepetition Banks as of the Effective Date, and, for each Prepetition Bank, equals the percentage listed on Exhibit A attached to this Plan under the column titled "Debt Allocation Percentage" for the applicable Prepetition Bank.

Debtor(s) means, individually, any of the Debtors and, collectively, all of the above-captioned debtors and debtors-in-possession.

DIP Credit Agreement(s) means, individually, either of the following and, collectively, both of the following: (i) with respect to PGR, that certain debtor-in-possession letter of credit facility (as amended, restated, supplemented and otherwise modified from time to time) entered into by and among PGR, as borrower, Citibank, N.A., as administrative agent, and each of the financial institutions party thereto; and (ii) with respect to UPP, that certain debtor-in-possession letter of credit facility (as amended, restated, supplemented and otherwise modified from time to time) entered into by and among UPP, as borrower, Citibank, N.A., as administrative agent, and each of the financial institutions party thereto.

Disallowed Claim means a Claim, or any portion thereof, that (a) has been disallowed by a Final Order, or (b) (i) is Scheduled at zero or as contingent, disputed or unliquidated and (ii) as to which a Bar Date has been established but no proof of Claim has been filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code

or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

Disbursing Agent means the Reorganized Debtors, or any party designated by the Reorganized Debtors, to serve as disbursing agent under this Plan. For purposes of distributions under this Plan to the holders of Prepetition Bank Claims and Senior Prepetition Banks Secured Claims, the Prepetition Agent will be the Disbursing Agent.

Disclosure Statement means that certain disclosure statement (including all exhibits and schedules thereto) dated [____], 2005, relating to this Plan as approved by the Bankruptcy Court in these Chapter 11 Cases.

Disputed Claim means a Claim, or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, Claims that (a) have not been Scheduled by the Debtors or have been Scheduled at zero, or as contingent, unliquidated or disputed, (b) are the subject of an objection filed in the Bankruptcy Court and which objection has not been withdrawn or overruled by a Final Order of the Bankruptcy Court, and/or (c) any Subordinated Claim.

Disputed Claim Amount means (a) with respect to contingent or unliquidated Claims, the amount estimated by the Bankruptcy Court for purposes of distributions in respect of such Claim in accordance with section 502(c) of the Bankruptcy Code; (b) with respect to any Disputed Claim that is neither contingent nor unliquidated, the amount set forth in a timely Filed proof of claim; or (c) with respect to a Subordinated Claim, \$0.

Disputed Claims Reserve means the reserve of Cash established and maintained by the Reorganized Debtors for Holders of Class 5 Claims on account of Disputed Class 5 Claims.

Distribution Date means the date as determined by the Reorganized Debtors in their sole discretion upon which the initial distributions will be made to Holders of Allowed Claims, provided that, such date shall not be more than 30 days after the Effective Date without further order of the Bankruptcy Court entered upon motion of the Debtors after notice to the Prepetition Agent and an opportunity for a hearing.

Distribution Record Date means the Confirmation Date.

Effective Date means the Business Day this Plan becomes effective as provided in Article IX hereof.

Entegra means Entegra Power Group LLC, a Delaware limited liability company, owned by the New Credit Agreements Banks and governed by that certain limited liability company agreement dated as of the Effective Date (as amended, restated, supplemented and otherwise modified from time to time), in substantially the form attached to this Plan as Exhibit I.

Entegra Membership Interests means the limited liability company membership interests in Entegra.

Equity Allocation Percentage means, for each Prepetition Bank, the ratio (expressed as a percent), the numerator of which is (i) the amount of Prepetition Construction Loans, Prepetition Hedge Breaking Fees, and Project L/C Loans and Reimbursement Obligations held by such Prepetition Bank as of the Effective Date, and the denominator of which is (ii) the amount of Prepetition Construction Loans, Prepetition Hedge Breaking Fees, and Project L/C Loans and Reimbursement Obligations held by all Prepetition Banks as of the Effective Date, and, for each Prepetition Bank, equals the percentage listed on Exhibit A attached to this Plan under the column titled “Equity Allocation Percentage” for the applicable Prepetition Bank. Such Exhibit will be adjusted from time to time to reflect any Project L/C Loans and Reimbursement Obligations that become outstanding by reason of draws upon letters of credit occurring prior to the Effective Date.

Estate(s) means, individually, the estate of each of the Debtors and, collectively, the estates of all of the Debtors created under section 541 of the Bankruptcy Code.

Exhibit means an exhibit annexed to either this Plan or as an appendix to the Disclosure Statement.

Exhibit Filing Date means the date by which all Exhibits and Plan Schedules shall be filed with the Bankruptcy Court, which date shall be at least ten (10) days prior to the Voting Deadline.

Face Amount means (a) when used in reference to a Disputed Claim or Disallowed Claim, the full stated amount of the Claim claimed by the Holder in any proof of claim timely filed with the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, and (b) when used in reference to an Allowed Claim, the allowed amount of such Claim.

File, Filed, or Filing means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

Final Order means an order of the Bankruptcy Court as to which the time to appeal, petition for *certiorari*, or move for reargument or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for *certiorari*, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtors or the Reorganized Debtors, or, in the event that an appeal, writ of *certiorari* or reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been determined by the highest court to which such order was appealed, or *certiorari*, reargument or rehearing shall have been denied and the time to take any further appeal, petition for *certiorari*, or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not preclude such order from being a Final Order.

Finance Co. means UPP Finance Co., LLC, a Delaware limited liability company, debtor in possession in these Chapter 11 Cases pending in the Bankruptcy Court.

Holder means an entity holding a Claim or Interest or any authorized agent of such entity who has completed and executed a Ballot.

Impaired means, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

Impaired Other Unsecured Claim means an unsecured claim listed on the Impaired Other Unsecured Claims List.

Impaired Other Unsecured Claims List means, for each Debtor, the list of Impaired Other Unsecured Claims set forth on Exhibit B to this Plan.

Impaired Unsecured Claim means any Impaired Other Unsecured Claim or Prepetition Banks Unsecured Deficiency Claim.

Intercompany Claim means (a) any account reflecting intercompany book entries by one Debtor with respect to any other Debtor or (b) any Claim that is not reflected in such book entries and is held by a Debtor against any other Debtor.

Intercompany Loan Agreement means the that certain Intercompany Loan Agreement, dated as of May 31, 2001, by and between UPP and Finance Co.

Interest means the legal, equitable, contractual, and other rights of the Holders of Old Partnership Interests or Old Membership Interests, including the rights of any entity to purchase or demand the issuance of any of the foregoing, including (a) conversion, exchange, voting, participation, and dividend rights; (b) liquidation preferences; (c) options, warrants, and put rights; and (d) share-appreciation rights.

LC Commitment Cut-off Date has the meaning given it in the Definition of *New Proportionate Share*.

Litigation Claims means the claims, rights of action, suits or proceedings, whether in law or in equity, whether known or unknown, that any Debtor or Estate may hold against any person. A non-exclusive list of the Litigation Claims is attached hereto as Exhibit C.

Majority Banks means the “Majority Banks” as defined in the Prepetition Credit Agreements and comprising half in number of the Prepetition Banks.

Master Release Agreement means that certain Master Release Agreement dated as of January 24, 2005, (as amended, restated, supplemented and otherwise modified from time to time), by and among TECO, certain affiliates of TECO, the Debtors, the Prepetition Agent, and the Prepetition Banks signatory thereto, and referred to in the Master Settlement Agreement.

Master Settlement Agreement means that certain Master Settlement Agreement and Restructuring Support Agreement, dated as of January 24, 2005 (as amended, restated, supplemented and otherwise modified from time to time), by and among TECO, certain affiliates of TECO, the Debtors, the Prepetition Agent and the Prepetition Banks signatory thereto.

Maximum Class 3 Amount shall mean \$500,000.

New Credit Agreement(s) means, individually, either of the following and, collectively, both of the following: (i) with respect to PGR, that certain Amended and Restated Gila River Project Credit Agreement dated as of [____], 2005 (as amended, restated, supplemented and otherwise modified from time to time), substantially in the form of Exhibit D to this Plan, to be entered into by and among Reorganized PGR, as borrower, Citibank, N.A., as administrative agent, and the New Credit Agreements Banks; and (ii) with respect to UPP, that certain Amended and Restated Union Power Project Credit Agreement dated as of [____], 2005 (as amended, restated, supplemented and otherwise modified from time to time), substantially in the form of Exhibit E to this Plan, to be entered into by and among Reorganized UPP, as borrower, Citibank, N.A., as administrative agent, and the New Credit Agreements Banks.

New Credit Agreements Banks means those entities identified as “Banks” in the New Credit Agreements and their respective successors and assigns.

New General Partnership Interests means the general partnership interests of Reorganized UPP, Reorganized PGR and Reorganized Trans-Union authorized pursuant to their respective certificates of limited partnership and to be issued for distribution pursuant to Section 5.3 of this Plan to the New Partners (other than Entegra).

New _____ General Partnership Interests means the general partnership interests of the applicable Reorganized Debtor.

New Gila River Power means Gila River Power LLC, a Delaware limited liability company, governed by that certain limited liability company agreement dated as of [____], 2005 (as amended, restated, supplemented and otherwise modified from time to time), in substantially the form attached to this Plan as Exhibit G, and wholly-owned by Entegra.

New L/C Facility(ies) means, individually, either of the following and, collectively, both of the following: (i) with respect to Reorganized PGR, that certain senior replacement letter of credit facility to be provided to Reorganized PGR on the Effective Date pursuant to this Plan and the New Credit Agreement with Reorganized PGR; and (ii) with respect to Reorganized UPP, that certain senior replacement letter of credit facility to be provided to Reorganized UPP on the Effective Date pursuant to this Plan and the New Credit Agreement with Reorganized UPP. The aggregate amount of the New L/C Facilities shall be \$200,000,000, with availability thereof allocated among Reorganized PGR and Reorganized UPP in accordance with the terms of the New Credit Agreements.

New Limited Liability Company Agreements means the limited liability company agreements of New Union Power, New Gila River Power, New Trans-Union Pipeline, and Entegra in substantially the form attached to this Plan as Exhibits F, G, H and I, respectively.

New Limited Partnership Agreements means the amended and restated limited partnership agreements of Reorganized UPP, Reorganized PGR and Reorganized Trans-Union in substantially the form attached to this Plan as Exhibits J, K and L, respectively.

New Limited Partnership Interests means the limited partnership interests of Reorganized UPP, Reorganized PGR and Reorganized Trans-Union authorized pursuant to their respective certificates of limited partnership and to be issued for distribution pursuant to Section 5.3 of this Plan to Entegra.

New _____ Limited Partnership Interests means the limited partnership interests of the applicable Reorganized Debtor.

New Membership Interests means, collectively, the limited liability company membership interests in the New Partners.

New Partners means, collectively, the Holders of the New Partnership Interests as of the Effective Date and includes, without limitation, New Union Power, New Gila River Power, New Trans-Union Pipeline, and Entegra.

New Partnership Interests means, collectively, the New General Partnership Interests and New Limited Partnership Interests.

New Proportionate Share means, with respect to PGR or UPP, as applicable, the “Proportionate Share” of the New L/C Facilities and New Revolving Loan Facilities, as described and defined in the New Credit Agreements, undertaken and committed to by each New Credit Agreement Bank in a writing delivered to the Debtors and the Prepetition Agent at any time prior to fifteen (15) days after mailing of the Disclosure Statement pursuant to the Solicitation Order to Holders of Class 4 Claims (the “LC Commitment Cut-off Date”), provided that the entry into the Master Settlement Agreement shall constitute such a commitment by each Prepetition Bank signatory thereto to take as a New Credit Agreement Bank a New Proportionate Share equal to its Old Proportionate Share. There shall be added to the New Proportionate Share of a Participating Bank that portion of the Old Proportionate Share of Non-Participating Banks that such Participating Bank commits to add to its New Proportionate Share in a writing delivered to the Debtors and the Prepetition Agent after the LC Commitment Cut-off Date.

New Revolving Loan Facility(ies) means, individually, either of the following and, collectively, both of the following: (i) with respect to Reorganized PGR, the senior revolving loan credit facility to be provided to Reorganized PGR on the Effective Date pursuant to this Plan and the New Credit Agreement with Reorganized PGR; and (ii) with respect to Reorganized UPP, the senior revolving loan credit facility to be provided to Reorganized UPP on the Effective Date pursuant to this Plan and the New Credit Agreement with Reorganized UPP. The aggregate amount of the New Revolving Loan Facilities shall be \$30,000,000, with availability thereof allocated among Reorganized PGR and Reorganized UPP in accordance with the terms of the New Credit Agreements.

New Term A Loan Amount(s) means, individually, \$425,000,000 with respect to Reorganized PGR and \$250,000,000 with respect to Reorganized UPP, and, collectively, \$675,000,000.

New Term A Loan Note(s) means, individually, either of the following and, collectively, both of the following: (i) with respect to Reorganized PGR, the new promissory notes in the aggregate principal amount of the New Term A Loan Amount issued under the New

Credit Agreement with Reorganized PGR; and (ii) with respect to Reorganized UPP, the new promissory notes in the aggregate principal amount of the New Term A Loan Amount issued under the New Credit Agreement with Reorganized UPP.

New Term A L/C Amount means (i) with respect to Reorganized PGR, the aggregate principal amount of the Project L/C Loans and Reimbursement Obligations outstanding on the Effective Date with respect to PGR multiplied by the Term A Conversion Ratio, and (ii) with respect to Reorganized UPP, the aggregate principal amount of the Project L/C Loans and Reimbursement Obligations outstanding on the Effective Date with respect to UPP multiplied by the Term A Conversion Ratio.

New Term A L/C Note(s) means, individually, either of the following and, collectively, both of the following: (i) with respect to Reorganized PGR, the new promissory notes in the aggregate principal amount of the New Term A L/C Amount issued under the New Credit Agreement with Reorganized PGR; and (ii) with respect to Reorganized UPP, the new promissory notes in the aggregate principal amount of the New Term A L/C Amount issued under the New Credit Agreement with Reorganized UPP.

New Term B Loan Amount(s) means, initially and prior to the conversion of any New Term B Loan Notes to New Term A Loan Notes, individually, \$835,000,000 with respect to Reorganized PGR, and \$490,000,000 with respect to Reorganized UPP, and, collectively, \$1,325,000,000.

New Term B Loan Note(s) means, individually, either of the following and, collectively, both of the following: (i) with respect to Reorganized PGR, the new promissory notes in the aggregate principal amount of the New Term B Loan Amount with Reorganized PGR issued under the New Credit Agreement with Reorganized PGR; and (ii) with respect to Reorganized UPP, the new promissory notes in the aggregate principal amount of the New Term B Loan Amount issued under the New Credit Agreement with Reorganized UPP. The amount of the New Term B Loan Notes outstanding if all eligible New Term B Loan Notes are converted into New Term A Loan Notes will be \$410,000,000 with respect to Reorganized PGR and \$240,000,000 with respect to Reorganized UPP, and collectively, \$650,000,000.

New Term B L/C Note(s) means, individually, either of the following and, collectively, both of the following: (i) with respect to Reorganized PGR, the new promissory notes issued under the New Credit Agreement with Reorganized PGR in the aggregate principal amount of the Project L/C Loans and Reimbursement Obligations outstanding on the Effective Date with respect to PGR; and (ii) with respect to Reorganized UPP, the new promissory notes issued under the New Credit Agreement with Reorganized UPP in the aggregate principal amount of the Project L/C Loans and Reimbursement Obligations outstanding on the Effective Date with respect to UPP.

New Trans-Union Pipeline means Trans-Union Pipeline LLC, a Delaware limited liability company, governed by that certain limited liability company agreement dated as of [_____] , 2005 (as amended, restated, supplemented and otherwise modified from time to time), in substantially the form attached to this Plan as Exhibit H, and wholly-owed by Entegra.

New Union Bonds means the industrial development revenue bonds issued by Union Issuer pursuant to the Restated Union Bond Indenture in substantially the form attached to this Plan as Exhibit N.

New Union Power means Union Power LLC, a Delaware limited liability company, governed by that certain limited liability company agreement dated as of [____], 2005 (as amended, restated, supplemented and otherwise modified from time to time), in substantially the form attached to this Plan as Exhibit E, and wholly-owned by Entegra.

Non-Participating Bank means with respect to Reorganized PGR or Reorganized UPP, as applicable, a Prepetition Bank that is not a Participating Bank.

Non-Tax Priority Claim means a Claim, other than an Administrative Claim or Priority Tax Claim, that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.

Obligations has the meaning given in the New Credit Agreements.

Old General Partnership Interests means the general partnership interests of UPP, PGR and Trans-Union outstanding immediately prior to the Petition Date, including all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such interests.

Old Limited Partnership Interests means the limited partnership interests of UPP, PGR and Trans-Union outstanding immediately prior to the Petition Date, including all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such interests.

Old Membership Interests means the membership interests of Finance Co. outstanding immediately prior to the Petition Date, including all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such interests.

Old Partners means, collectively, the Holders of the Old Partnership Interests as of the Petition Date and includes, without limitation, Union Power I, LLC, Union Power II, LLC, Panda Gila River I, LLC, Panda Gila River II, LLC, Trans-Union Interstate I, LLC, and Trans-Union Interstate II, LLC.

Old Partnership Interests means, collectively, the Old General Partnership Interests and Old Limited Partnership Interests.

Old Proportionate Share means, with respect to PGR or UPP, as applicable, the “Proportionate Share” of the Prepetition Project L/C Facility as described and defined in the Prepetition Credit Agreements and, for each Prepetition Bank, equals the amount listed on Exhibit A attached to this Plan under the column titled “Old LC Participation Amount” for the applicable Prepetition Bank.

Original Union Bond Documentation means, collectively, the following: (i) the UPP Lease Agreement; (ii) the Intercompany Loan Agreement; (iii) the Union Bond Indenture;

(iv) the Union Bonds; and (v) any notes, guaranty agreements, security agreements or other documents executed or delivered in connection therewith.

Other Secured Claim means a Claim (other than an Administrative Claim or Prepetition Banks Secured Claim) that is secured by a lien on property in which a Debtor's Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in the applicable Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or, in the case of the setoff, pursuant to section 553 of the Bankruptcy Code.

Participating Bank means, with respect to Reorganized PGR or Reorganized UPP, as applicable, (i) a Prepetition Bank that irrevocably commits in a writing delivered to the Debtors and the Prepetition Agent no later than the LC Commitment Cut-off Date, to undertake a New Proportionate Share at least equal to its Old Proportionate Share, and (ii) a Prepetition Bank that does not have any Prepetition Project L/C Commitment.

Petition Date means the date on which the Debtors file their petitions for relief commencing the Chapter 11 Cases.

PGR means Panda Gila River, L.P., a Delaware limited partnership, debtor in possession in these Chapter 11 Cases pending in the Bankruptcy Court.

Plan means this chapter 11 plan of reorganization, including the Exhibits and Plan Schedules and all supplements, appendices, and schedules thereto, either in its present form or as the same may be altered, amended, or modified from time to time.

Plan Schedule means a schedule annexed to either this Plan or as an appendix to the Disclosure Statement.

Prepetition Act 9 Bond Documents means the "Act 9 Bond Documents" as described and defined in the Prepetition Credit Agreements.

Prepetition Agent means Citibank, N.A., the administrative agent under the Prepetition Credit Agreements and the Senior Project L/C Credit Agreement.

Prepetition Banks means those entities identified as "Banks" in the Prepetition Credit Agreements, and their respective successors and assigns.

Prepetition Banks Claims means all Claims of the Prepetition Banks arising under the Prepetition Credit Agreements, including the Prepetition Credit Agreements Obligations, the Prepetition Banks Secured Claims and Prepetition Banks Unsecured Deficiency Claims.

Prepetition Banks Liens means the security interests and liens granted by the Debtors to the Prepetition Agent on behalf of the Prepetition Banks in order to secure the repayment of the Prepetition Credit Agreements Obligations.

Prepetition Banks Secured Claim(s) means, individually either of the following and, collectively, both of the following: (i) with respect to PGR, the secured Claims of the Prepetition Banks arising under the Prepetition Credit Agreement with PGR, which Claims shall be deemed Allowed pursuant to this Plan and sections 502 and 506 of the Bankruptcy Code in the aggregate amount of \$620,000,000 and, for each Prepetition Bank, in the amount listed on Exhibit A attached to this Plan under the column titled “PGR Bank Allowed Secured Claim Amount” for the applicable Prepetition Bank; and (ii) with respect to UPP, the secured Claims of the Prepetition Banks arising under the Prepetition Credit Agreement with UPP, which Claims shall be deemed Allowed pursuant to this Plan and sections 502 and 506 of the Bankruptcy Code in the aggregate amount of \$550,000,000 and, for each Prepetition Bank, in the amount listed on Exhibit A attached to this Plan under the column titled “UPP Bank Allowed Secured Claim Amount” for the applicable Prepetition Bank.

Prepetition Banks Unsecured Deficiency Claim(s) means, individually either of the following and, collectively, both of the following: (i) with respect to PGR, the unsecured deficiency Claims of the Prepetition Banks arising under the Prepetition Credit Agreement with PGR, which Claims shall be deemed Allowed pursuant to this Plan and sections 502 and 506 of the Bankruptcy Code in the aggregate amount of \$217,445,453 and, for each Prepetition Bank, in the amount listed on Exhibit A attached to this Plan under the column titled “PGR Bank Allowed Deficiency Claim Amount” for the applicable Prepetition Bank, and (ii) with respect to UPP, the unsecured deficiency Claims of the Prepetition Banks arising under the Prepetition Credit Agreement with UPP, which Claims shall be deemed Allowed pursuant to this Plan and sections 502 and 506 of the Bankruptcy Code in the aggregate amount of \$187,638,097 and, for each Prepetition Bank, in the amount listed on Exhibit A attached to this Plan under the column titled “UPP Bank Allowed Deficiency Claim Amount”.

Prepetition Bond Pledge Agreement means that that certain bond pledge agreement dated May 31, 2001 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof) by and between Finance Co., as pledgor, and Citibank, N.A., as collateral agent.

Prepetition Construction Loan(s) means, individually, either of the “Construction Loans” as described and defined in the Prepetition Credit Agreements and, collectively, all of such Construction Loans.

Prepetition Credit Agreement(s) means, individually, either of the following and, collectively, both of the following: (i) with respect to PGR, that certain Gila River Project Credit Agreement dated May 31, 2001 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof) by and among PGR, as borrower, Citibank, N.A., as administrative agent, and the Prepetition Banks; and (ii) with respect to UPP, that certain Union Power Project Credit Agreement dated May 31, 2001 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof) by and among UPP, as borrower, Citibank, N.A., as administrative agent, and the Prepetition Banks.

Prepetition Credit Agreements Notes means, collectively, the notes evidencing the Prepetition Credit Agreement Obligations that were issued to the Prepetition Banks under the Prepetition Credit Agreements.

Prepetition Credit Agreements Obligations means the “Obligations” as described and defined in the Prepetition Credit Agreements.

Prepetition Credit Documents means the “Credit Documents” as described and defined in the Prepetition Credit Agreements.

Prepetition Guaranty Agreement(s) means, individually, either of the following and, collectively, both of the following: (i) with respect to Trans-Union, that certain Trans-Union Guaranty dated May 31, 2001 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof) by and among Trans-Union, as guarantor, and Citibank, N.A., as administrative agent; and (ii) with respect to Finance Co., that certain Finance Co. Guaranty dated May 31, 2001 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof) by and among Finance Co., as guarantor, and Citibank, N.A., as administrative agent.

Prepetition Hedge Breaking Fee(s) means, individually, either of the “Hedge Breaking Fees” as described and defined in the Prepetition Credit Agreements and, collectively, all of such Hedge Breaking Fees.

Prepetition Project L/C Bank means Société Générale, in its capacity as letters of credit issuer under the Prepetition Credit Agreements and Senior Project L/C Credit Agreement.

Prepetition Project L/C Facility(ies) means, individually, either of the following and, collectively, both of the following: (i) with respect to PGR, that certain letter of credit facility in the aggregate principal amount of \$100,000,000 provided to PGR under and pursuant to the Prepetition Credit Agreement with PGR; and (ii) with respect to UPP, that certain letter of credit facility in the aggregate principal amount of \$80,000,000 provided to UPP under and pursuant to the Prepetition Credit Agreement with UPP.

Prepetition Project L/C Commitment(s) means, individually, either of the “Project LC Commitment” as described and defined in the Prepetition Credit Agreements and, collectively, all of such Project LC Commitments.

Prepetition Project L/C Loan and Reimbursement Obligations means, individually, either of the “Project LC Loans” as described and defined in the Prepetition Credit Agreements and, collectively, all of such Project LC Loans, and individually, either of the “Reimbursement Obligations” as described and defined in the Prepetition Credit Agreements and, collectively, all of such Reimbursement Obligations, in each case existing as of the Effective Date with respect to letters of credit issued prior to the Petition Date.

Prepetition Trans-Union Security Agreement means that that certain security agreement dated May 31, 2001 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof) by and among Trans-Union, as grantor, and Citibank, N.A., as collateral agent.

Priority Tax Claim means a Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

Professional means (a) any professional employed in the Chapter 11 Cases pursuant to section 327 or 1103 of the Bankruptcy Code or otherwise and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

Professional Fees means an Administrative Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses or other charges, and expenses incurred after the Petition Date and prior to and including the Effective Date.

Project Companies Release of Banks Agreement means that certain release agreement in substantially the form attached to this Plan as Exhibit M, pursuant to which the Debtors forever waive and release certain claims against the Prepetition Agent and Prepetition Banks.

Project L/C Loans and Reimbursement Obligations means the *Prepetition Project L/C Loans and Reimbursement Obligations*, plus any “Project L/C Loans” and “Reimbursement Obligations” as defined in and arising under the DIP Credit Agreements and outstanding as of the Effective Date with respect to letters of credit issued after the Petition Date under the terms and priority of the Prepetition Project L/C Facilities and the Prepetition Credit Agreements (for the avoidance of doubt, excluding any letter of credit loans and reimbursement obligations with respect to letters of credit issued pursuant to the DIP Credit Agreements under the terms and priority of the Senior Project L/C Credit Agreement.)

Pro Rata means with respect to a distribution regarding a particular Class (or several Classes taken as a whole), the proportion that (a) the Face Amount of a Claim in a particular Class (or several Classes taken as a whole) bears to (b) the aggregate Face Amount of all Claims (including Disputed Claims, but excluding Disallowed Claims) in such Class (or several Classes taken as a whole), unless this Plan provides otherwise.

Quarterly Distribution Date means the last Business Day of the month following the end of each calendar quarter after the Effective Date; provided, however, that if the Effective Date is within 30 days of the end of a calendar quarter, the first Quarterly Distribution Date will be the last Business Day of the month following the end of the first calendar quarter after the calendar quarter in which the Effective Date falls.

Reorganized Debtors means the Debtors or any successors thereto by merger, consolidation, or otherwise, on or after the Effective Date.

Reorganized Finance Co. means UPP Finance Co., LLC, a Delaware limited liability company, as reorganized pursuant to this Plan on or after the Effective Date.

Reorganized PGR means Panda Gila River, L.P., a Delaware limited partnership, as reorganized pursuant to this Plan on or after the Effective Date, and which shall thereafter be renamed Gila River Power L.P.

Reorganized Trans-Union means Trans-Union Interstate Pipeline, L.P., a Delaware limited partnership, as reorganized pursuant to this Plan on or after the Effective Date.

Reorganized UPP means Union Power Partners, L.P., a Delaware limited partnership, as reorganized pursuant to this Plan on or after the Effective Date.

Representation and Indemnity Agreement means that certain Representation and Indemnity Agreement referred to in the Master Settlement Agreement pursuant to which TECO and its applicable affiliates make certain representations and warranties, and provide certain indemnities, to or for the benefit of Entegra in connection with the consummation of this Plan.

Required Banks means the “Required Banks” under and as defined in the Prepetition Credit Agreements.

Restated Intercompany Loan Agreement means the Amended and Restated Intercompany Loan Agreement by and between UPP and Finance Co. in substantially the form attached to this Plan as Exhibit O.

Restated Union Bond Documentation means, collectively, the following: (i) the Restated UPP Lease Agreement; (ii) the Restated Intercompany Loan Agreement; (iii) the Restated Union Bond Indenture; (iv) the New Union Bonds; (v) any notes, guaranty agreements, security agreements or other documents executed or delivered in connection therewith; and (vi) any other amendments, restatements and supplements to the Original Union Bond Documentation.

Restated Union Bond Indenture means the Amended and Restated Trust Indenture by and between Union Issuer and Union Bonds Trustee in substantially the form attached to this Plan as Exhibit P.

Restated UPP Lease Agreement means the Amended and Restated Lease Agreement by and between Union Issuer, as lessor, and UPP, as lessee, in substantially the form attached to this Plan as Exhibit Q.

Scheduled means with respect to any Claim, the status and amount, if any, of such Claim as set forth in the Schedules.

Schedules means the schedules of assets and liabilities, the list of Holders of Interests and the statements of financial affairs, if any, Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rules, as such schedules have been or may be further modified, amended or supplemented in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

Securities Act means the Securities Act of 1933, 15 U.S.C. §§ 77c-77aa, as now in effect or hereafter amended.

Senior Project L/C Credit Agreement means that certain Gila River Project Senior Project Letter of Credit Agreement, dated as of May 27, 2004 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof) by and among PGR, the Prepetition Agent, certain of the Prepetition Banks, and the Prepetition Project L/C Bank.

Senior Project L/C Loans and Reimbursement Obligations means “Project L/C Loans” and “Reimbursement Obligations” described and as defined in the Senior Project L/C Credit Agreement.

Senior Prepetition Banks Secured Claims means the secured Claims of the “Banks” as defined in and arising under the Senior Project L/C Credit Agreement, which Claims shall be deemed Allowed pursuant to this Plan and sections 502 and 506 of the Bankruptcy Code in the aggregate amount of the Senior Project L/C Loans and Reimbursement Obligations outstanding at any time prior to the Effective Date¹ and, for each Bank party to the Senior Project L/C Credit Agreement, in the amount listed on Exhibit A attached to this Plan under the column titled “PGR Bank Allowed Senior Secured Claim Amount” for the applicable Bank.

Share of the L/C Funding Shortfall means, with respect to each Participating Bank, the ratio resulting from the algebraic formula $(A-B)/C$, where “A” equals such Participating Bank’s New Proportionate Share, “B” equals such Participating Bank’s Old Proportionate Share, and “C” equals the sum of the Old Proportionate Shares held by all of the Non-Participating Banks.

Solicitation Order means the order entered by the Bankruptcy Court establishing procedures with respect to the solicitation and tabulation of votes to accept or reject this Plan.

Steering Committee means the ad hoc committee of Prepetition Banks in existence as of the date hereof.

Subordinated Claim means any Claim which is subordinated pursuant to section 510(b) or (c) of the Bankruptcy Code.

TECO means TECO Energy, Inc., a corporation organized and existing under the laws of Florida, and ultimate corporate parent of the Debtors.

TECO Release of Project Companies Agreement means that certain TECO Release of Project Companies Agreement referred to in the Master Settlement Agreement and to be delivered by TECO to the Debtors if the Debtors’ performance pursuant to the Master Release Agreement is approved by the Bankruptcy Court.

Term A Conversion Ratio means, as applicable for each of Reorganized PGR and Reorganized UPP, the ratio, the numerator of which is the New Term A Loan Amount, and the denominator of which is the New Term B Loan Amount prior to the conversion of any New Term B Loan Notes to New Term A Loan Notes.

Trans-Union means Trans-Union Interstate Pipeline, L.P., a Delaware limited partnership, debtor in possession in these Chapter 11 Cases pending in the Bankruptcy Court.

¹ As of the date hereof, there are issued and outstanding approximately \$32,250,000 in letters of credit under the Senior Project L/C Credit Agreement with PGR, of which \$0 have been drawn to date.

Unimpaired Claim means a Claim that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

Unimpaired Unsecured Claim means a Claim that is not an Administrative Claim, Priority Tax Claim, Non-Tax Priority Claim, Other Secured Claim, Prepetition Banks Secured Claim, Impaired Unsecured Claim, or Intercompany Claim.

Union Bond Indenture means that certain Trust Indenture, dated as of May 1, 2001 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof), between Union Issuer, as issuer, and Union Bonds Trustee, as Trustee.

Union Bonds means the industrial development revenue bonds issued by Union Issuer pursuant to the Union Bond Indenture.

Union Bonds Trustee means Regions Bank, N.A., or such successor trustee appointed pursuant to the Union Bond Indenture.

Union Issuer means Union Bond Issuer, Arkansas.

UPP means Union Power Partners, L.P., a Delaware limited partnership, debtor in possession in these Chapter 11 Cases pending in the Bankruptcy Court.

UPP Lease Agreement means that certain Lease Agreement dated as of May 1, 2001 (as amended, restated, supplemented and otherwise modified from time to time prior to the date hereof) by and between Union Issuer, as lessor, and UPP, as lessee.

Voting Deadline means [____], 2005.

Rules of Interpretation and Computation of Time. For purposes of this Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) any reference in this Plan to an existing document or schedule Filed or to be Filed means such document or schedule, as it may have been or may be amended, modified, or supplemented pursuant to this Plan; (d) any reference to an entity as a Holder of a Claim or Interest includes that entity's successors and assigns; (e) all references in this Plan to Sections, Articles, and Schedules are references to Sections, Articles, and Schedules of or to this Plan; (f) the words "herein," "hereunder," and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (h) subject to the provisions of any contract, certificates of incorporation, by-laws, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (j) in computing any period of time prescribed or allowed by this Plan, the

provisions of Bankruptcy Rule 9006(a) will apply. This Plan is the product of extensive discussions and negotiations between and among, *inter alia*, the Debtors, TECO, the Prepetition Agent and the Prepetition Banks. Each of the foregoing was represented by counsel of its choice who either (a) participated in the formulation and documentation of, or (b) was afforded the opportunity to review and provide comments on, this Plan, the Disclosure Statement, Exhibits and Plan Schedules, and the documents ancillary thereto. Accordingly, unless explicitly indicated otherwise, the general rule of contract construction known as “*contra proferentem*” shall not apply to the construction or interpretation of any provision of this Plan, the Disclosure Statement, Exhibits and Plan Schedules, and the documents ancillary thereto.

Exhibits and Plan Schedules. All Exhibits and Plan Schedules are incorporated into and are a part of this Plan as if set forth in full herein, and, to the extent not annexed hereto, such Exhibits and Plan Schedules shall be filed with the Bankruptcy Court on or before the Exhibit Filing Date. Holders of Claims and Interests may obtain a copy of the Exhibits and Plan Schedules upon written request to the Debtors. Upon their filing, the Exhibits and Plan Schedules may be inspected in the office of the clerk of the Bankruptcy Court or its designee during normal business hours. The documents contained in the Exhibits or Plan Schedules shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

2. ARTICLE TWO

CLASSIFICATION OF CLAIMS AND INTERESTS

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified as described below.

This Plan constitutes a separate plan of reorganization for each Debtor for all purposes, including, without limitation, for voting, confirmation, and distribution purposes. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving distributions pursuant to this Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

2.1 Unclassified Claims for all Debtors (not entitled to vote on this Plan)

- (a) Administrative Claims.
- (b) Priority Tax Claims.

2.2 Classification of Claims and Interests for UPP

- (a) **Unimpaired Classes of Claims** (deemed to have accepted this Plan and, therefore, not entitled to vote on this Plan under section 1126(f) of the Bankruptcy Code).
 - (i) UPP Class 1: Non-Tax Priority Claims. UPP Class 1 consists of all Non-Tax Priority Claims.
 - (ii) UPP Class 2: Other Secured Claims. UPP Class 2 consists of all Other Secured Claims. UPP Class 2 consists of separate subclasses for each Other Secured Claim that may exist against the Debtor.
 - (iii) UPP Class 3: Unimpaired Unsecured Claims. UPP Class 3 consists of all Unimpaired Unsecured Claims.
- (b) **Impaired Classes of Claims** (entitled to vote on this Plan).
 - (i) UPP Class 4: Prepetition Banks Secured Claims. UPP Class 4 consists of all Prepetition Banks Secured Claims.
 - (ii) UPP Class 5: Impaired Unsecured Claims. UPP Class 5 consists of all Impaired Other Unsecured Claims and Prepetition Banks Unsecured Deficiency Claims.
- (c) **Impaired Classes of Interests and Subordinated Claims** (except as noted below, deemed to have rejected this Plan and, therefore, not entitled to vote on this Plan under section 1126(g) of the Bankruptcy Code).
 - (i) UPP Class 6: Subordinated Claims. UPP Class 6 consists of all Subordinated Claims.
 - (ii) UPP Class 7: Old Partnership Interests. UPP Class 7 consists of all Old UPP Partnership Interests. Holders of Allowed Interests in Class 7 have agreed to support confirmation of the Plan pursuant to the Master Settlement Agreement. Accordingly, the votes of the Holders of such interests will be solicited.

2.3 Classification of Claims and Interests for PGR

- (a) **Unimpaired Classes of Claims** (deemed to have accepted this Plan and, therefore, not entitled to vote on this Plan under section 1126(f) of the Bankruptcy Code).
 - (i) PGR Class 1: Non-Tax Priority Claims. PGR Class 1 consists of all Non-Tax Priority Claims.
 - (ii) PGR Class 2A: Other Secured Claims. PGR Class 2A consists of all Other Secured Claims. PGR Class 2A consists of separate

subclasses for each Other Secured Claim that may exist against the Debtor.

- (iii) *PGR Class 2B: Senior Prepetition Banks Secured Claims.* PGR Class 2B consists of all Senior Prepetition Banks Secured Claims.
 - (iv) *PGR Class 3: Unimpaired Unsecured Claims.* PGR Class 3 consists of all Unimpaired Unsecured Claims.
- (b) **Impaired Classes of Claims** (entitled to vote on this Plan).
- (i) *PGR Class 4: Prepetition Banks Secured Claims.* PGR Class 4 consists of all Prepetition Banks Secured Claims.
 - (ii) *PGR Class 5: Impaired Unsecured Claims.* PGR Class 5 consists of all Impaired Other Unsecured Claims and Prepetition Banks Unsecured Deficiency Claims.
- (c) **Impaired Classes of Interests and Subordinated Claims** (except as noted below, deemed to have rejected this Plan and, therefore, not entitled to vote on this Plan under section 1126(g) of the Bankruptcy Code).
- (i) *PGR Class 6: Subordinated Claims.* PGR Class 6 consists of all Subordinated Claims.
 - (ii) *PGR Class 7: Old Partnership Interests.* PGR Class 7 consists of all Old PGR Partnership Interests. Holders of Allowed Interests in Class 7 have agreed to support confirmation of the Plan pursuant to the Master Settlement Agreement. Accordingly, the votes of the Holders of such interests will be solicited.

2.4 **Classification of Claims and Interests for Trans-Union**

- (a) **Unimpaired Classes of Claims** (deemed to have accepted this Plan and, therefore, not entitled to vote on this Plan under section 1126(f) of the Bankruptcy Code).
- (i) *TU Class 1: Non-Tax Priority Claims.* TU Class 1 consists of all Non-Tax Priority Claims.
 - (ii) *TU Class 2: Other Secured Claims.* TU Class 2 consists of all Other Secured Claims. TU Class 2 consists of separate subclasses for each Other Secured Claim that may exist against the Debtor.
 - (iii) *TU Class 3: Unimpaired Unsecured Claims.* TU Class 3 consists of all Unimpaired Unsecured Claims.
- (b) **Impaired Classes of Claims** (entitled to vote on this Plan).

- (i) TU Class 4: Claims arising under Prepetition Guaranty Agreement. TU Class 4 consists of all Claims arising under the Prepetition Guaranty Agreement.
 - (ii) TU Class 5: Impaired Unsecured Claims. TU Class 5 consists of all Impaired Other Unsecured Claims and Prepetition Banks Unsecured Deficiency Claims.
- (c) **Impaired Classes of Interests and Subordinated Claims** (except as noted below, deemed to have rejected this Plan and, therefore, not entitled to vote on this Plan under section 1126(g) of the Bankruptcy Code).
- (i) TU Class 6: Subordinated Claims. TU Class 6 consists of all Subordinated Claims.
 - (ii) TU Class 7: Old Partnership Interests. TU Class 7 consists of all Old Trans-Union Partnership Interests. Holders of Allowed Interests in Class 7 have agreed to support confirmation of the Plan pursuant to the Master Settlement Agreement. Accordingly, the votes of the Holders of such interests will be solicited.

2.5 **Classification of Claims and Interests for Finance Co.**

- (a) **Unimpaired Classes of Claims** (deemed to have accepted this Plan and, therefore, not entitled to vote on this Plan under section 1126(f) of the Bankruptcy Code).
- (i) FC Class 1: Non-Tax Priority Claims. FC Class 1 consists of all Non-Tax Priority Claims.
 - (ii) FC Class 2: Other Secured Claims. FC Class 2 consists of all Other Secured Claims. FC Class 2 consists of separate subclasses for each Other Secured Claim that may exist against the Debtor.
 - (iii) FC Class 3: Unimpaired Unsecured Claims. FC Class 3 consists of all Unimpaired Unsecured Claims.
- (b) **Impaired Classes of Claims** (entitled to vote on this Plan).
- (i) FC Class 4: Claims arising under Prepetition Guaranty Agreement. FC Class 4 consists of all Claims arising under the Prepetition Guaranty Agreement.
 - (ii) FC Class 5: Impaired Unsecured Claims. FC Class 5 consists of all Impaired Other Unsecured Claims and Prepetition Banks Unsecured Deficiency Claims.

- (c) **Impaired Classes of Interests and Subordinated Claims** (except as noted below, deemed to have rejected this Plan and, therefore, not entitled to vote on this Plan under section 1126(g) of the Bankruptcy Code).
 - (i) *FC Class 6: Subordinated Claims.* FC Class 6 consists of all Subordinated Claims.
 - (ii) *FC Class 7: Old Membership Interests.* FC Class 7 consists of all Old Membership Interests and is deemed to accept the Plan. Distributions to Holders of Allowed Old Membership Interests shall be funded as a carve out and assignment pursuant to the Plan from the distributions to which Holders of Allowed Class 4 Claims would otherwise be entitled.

3. ARTICLE THREE

TREATMENT OF CLAIMS AND INTERESTS

3.1 **Unclassified Claims (same treatment by all Debtors, to the extent applicable)**

(a) *Administrative Claims Generally.* Subject to the provisions of sections 330(a), 331, and 503(b) of the Bankruptcy Code, on, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such Administrative Claim is an Allowed Administrative Claim as of the Effective Date or (ii) the date on which such Administrative Claim becomes an Allowed Administrative Claim, each Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Administrative Claim, at the election of the applicable Debtor (A) Cash equal to the unpaid portion of such Allowed Administrative Claim or (B) such other less favorable treatment to the Holders of an Allowed Administrative Claim as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed Administrative Claim shall have agreed upon in writing; provided, however, that Allowed Administrative Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(i) *Professional Fees.* All final applications for Professional Fees for services rendered in connection with the Chapter 11 Cases prior to the Confirmation Date shall be filed with the Bankruptcy Court no later than thirty (30) days after the Effective Date.

(ii) *Claims Arising Under the DIP Credit Agreements.* On the Effective Date, the applicable Debtor or Reorganized Debtor shall discharge all Claims arising under the DIP Credit Agreements as follows: (A) Senior Project L/C Loans and Reimbursement Obligations outstanding as of the Effective Date with respect to letters of credit issued after the Petition Date pursuant to the DIP Credit Agreements under the terms and priority of the Senior Project L/C Credit Agreement shall be paid in full in Cash in the same manner as PGR Class 2B Claims, (B) Project L/C Loans and Reimbursement Obligations outstanding as of the Effective Date with respect to letters of credit issued after the Petition Date pursuant to the DIP Credit Agreements under the terms and priority of the Prepetition Project L/C Facilities and Prepetition

Credit Agreements shall be treated in the same manner as Prepetition Project L/C Loan and Reimbursement Obligations, (C) all outstanding undrawn letters of credit issued pursuant to the DIP Credit Agreements shall be deemed issued and outstanding letters of credit under the New Credit Agreements; in each case in full satisfaction, settlement, discharge and release of, and in exchange for, such Claims arising under the DIP Credit Agreements.

(b) *Priority Tax Claims.* On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of the applicable Debtor (A) Cash equal to the amount of such Allowed Priority Tax Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed Priority Tax Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code, including payment in accordance with the provisions of section 1129(a)(9)(C) of the Bankruptcy Code over a period of not more than six years from the date of assessment of any such Priority Tax Claim.

3.2 Unimpaired Classes of Claims

(a) **UPP**

(i) *UPP Class 1: Non-Tax Priority Claims.* The legal, equitable and contractual rights of the Holders of UPP Class 1 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such UPP Class 1 Claim is an Allowed UPP Class 1 Claim on the Effective Date or (ii) the date on which such UPP Class 1 Claim becomes an Allowed UPP Class 1 Claim, each Holder of an Allowed UPP Class 1 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed UPP Class 1 Claim, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed UPP Class 1 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed UPP Class 1 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed UPP Class 1 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(ii) *UPP Class 2: Other Secured Claims.* The legal, equitable and contractual rights of the Holders of UPP Class 2 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such UPP Class 2 Claim is an Allowed UPP Class 2 Claim on the Effective Date or (ii) the date on which such UPP Class 2 Claim becomes an Allowed UPP Class 2 Claim, each Holder of an Allowed UPP Class 2 Claims shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed UPP Class 2 Claims, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed UPP Class 2 Claim; (B) such other less favorable

treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed UPP Class 2 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed UPP Class 2 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(iii) *UPP Class 3: Unimpaired Unsecured Claims.* The legal, equitable and contractual rights of the Holders of UPP Class 3 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such UPP Class 3 Claim is an Allowed UPP Class 3 Claim on the Effective Date or (ii) the date on which such UPP Class 3 Claim becomes an Allowed UPP Class 3 Claim, each Holder of an Allowed UPP Class 3 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed UPP Class 3 Claim, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed UPP Class 3 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed UPP Class 3 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed UPP Class 3 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court. Distributions to UPP Class 3 pursuant to Clauses (A), (B) and (C) above shall be funded as a carve out and assignment pursuant to this Plan from the Cash that would otherwise be required to be paid to the Prepetition Banks under the Prepetition Credit Agreements, which carve out and assignment shall not exceed in the aggregate under this Plan for all Debtors the Maximum Class 3 Amount. If such distributions pursuant to Clauses (A), (B) and (C) above to Holders of Allowed UPP Class 3 Claims under this Plan would exceed the Maximum Class 3 Amount, then all Allowed Class 3 Claims shall be and become Impaired Other Unsecured Claims.

(b) **PGR**

(i) *PGR Class 1: Non-Tax Priority Claims.* The legal, equitable and contractual rights of the Holders of PGR Class 1 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such PGR Class 1 Claim is an Allowed PGR Class 1 Claim on the Effective Date or (ii) the date on which such PGR Class 1 Claim becomes an Allowed PGR Class 1 Claim, each Holder of an Allowed PGR Class 1 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed PGR Class 1 Claim, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed PGR Class 1 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed PGR Class 1 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed PGR Class 1 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(ii) *PGR Class 2A: Other Secured Claims.* The legal, equitable and contractual rights of the Holders of PGR Class 2A Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such PGR Class 2A Claim is an Allowed PGR Class 2A Claim on the Effective Date or (ii) the date on which such PGR Class 2A Claim becomes an Allowed PGR Class 2A Claim, each Holder of an Allowed PGR Class 2A Claims shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed PGR Class 2A Claims, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed PGR Class 2A Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed PGR Class 2A Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed PGR Class 2A Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(iii) *PGR Class 2B: Senior Prepetition Banks Secured Claims.* On the Effective Date, PGR or Reorganized PGR shall pay all Senior Project L/C Loans and Reimbursement Obligations in full in Cash through Project LC Loans (as defined in the New Credit Agreement) drawn and funded under the New Credit Agreement with Reorganized PGR, in each case in full satisfaction, settlement, discharge and release of, and in exchange for, such Senior Project LC Loans and Reimbursement Obligations. All outstanding undrawn letters of credit issued under the Senior Project L/C Credit Agreement shall be deemed issued and outstanding letters of credit under the New Credit Agreements with Reorganized PGR; in each case in full satisfaction, settlement, discharge and release of, and in exchange for, such Claims arising under the Senior Project L/C Credit Agreement. Any and all fees and other amounts due and payable under the Senior Project L/C Credit Agreement shall be paid in full in Cash on the Effective Date.

(iv) PGR Class 3: Unimpaired Unsecured Claims. The legal, equitable and contractual rights of the Holders of PGR Class 3 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such PGR Class 3 Claim is an Allowed PGR Class 3 Claim on the Effective Date or (ii) the date on which such PGR Class 3 Claim becomes an Allowed PGR Class 3 Claim, each Holder of an Allowed PGR Class 3 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed PGR Class 3 Claim, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed PGR Class 3 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed PGR Class 3 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed PGR Class 3 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court. Distributions to PGR Class 3 pursuant to Clauses (A), (B) and (C) above shall be funded as a carve out and assignment pursuant to this Plan from the Cash that would otherwise be required to be paid to the Prepetition Banks under the Prepetition Credit Agreements, which carve out and assignment shall not exceed in the aggregate under this Plan for all Debtors the Maximum Class 3 Amount. If such distributions pursuant to Clauses (A), (B) and (C) above to Holders of Allowed PGR Class 3 Claims under this Plan would exceed the Maximum Class 3 Amount, then all Allowed PGR Class 3 Claims shall be and become Impaired Other Unsecured Claims.

(c) **Trans-Union**

(i) TU Class 1: Non-Tax Priority Claims. The legal, equitable and contractual rights of the Holders of TU Class 1 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such TU Class 1 Claim is an Allowed TU Class 1 Claim on the Effective Date or (ii) the date on which such TU Class 1 Claim becomes an Allowed TU Class 1 Claim, each Holder of an Allowed TU Class 1 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed TU Class 1 Claim, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed TU Class 1 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed TU Class 1 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed TU Class 1 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(ii) TU Class 2: Other Secured Claims. The legal, equitable and contractual rights of the Holders of TU Class 2 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such TU Class 2 Claim is an Allowed TU Class 2 Claim on the Effective Date or (ii) the date on which such TU Class 2 Claim becomes an Allowed TU Class 2 Claim, each Holder of an Allowed TU Class 2 Claims shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such

Allowed TU Class 2 Claims, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed TU Class 2 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed TU Class 2 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed TU Class 2 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(iii) *TU Class 3: Unimpaired Unsecured Claims.* The legal, equitable and contractual rights of the Holders of TU Class 3 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such TU Class 3 Claim is an Allowed TU Class 3 Claim on the Effective Date or (ii) the date on which such TU Class 3 Claim becomes an Allowed TU Class 3 Claim, each Holder of an Allowed TU Class 3 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed TU Class 3 Claim, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed TU Class 3 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed TU Class 3 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed TU Class 3 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court. Distributions to TU Class 3 pursuant to Clauses (A), (B) and (C) above shall be funded as a carve out and assignment pursuant to this Plan from the Cash that would otherwise be required to be paid to the Prepetition Banks under the Prepetition Credit Agreements, which carve out and assignment shall not exceed in the aggregate under this Plan for all Debtors the Maximum Class 3 Amount. If such distributions pursuant to Clauses (A), (B) and (C) above to Holders of Allowed TU Class 3 Claims under this Plan would exceed the Maximum Class 3 Amount, then all Allowed TU Class 3 Claims shall be and become Impaired Other Unsecured Claims.

(d) **Finance Co.**

(i) *FC Class 1: Non-Tax Priority Claims.* The legal, equitable and contractual rights of the Holders of FC Class 1 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such FC Class 1 Claim is an Allowed FC Class 1 Claim on the Effective Date or (ii) the date on which such FC Class 1 Claim becomes an Allowed FC Class 1 Claim, each Holder of an Allowed FC Class 1 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed FC Class 1 Claim, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed FC Class 1 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed FC Class 1 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed FC Class 1 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(ii) *FC Class 2: Other Secured Claims.* The legal, equitable and contractual rights of the Holders of FC Class 2 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such FC Class 2 Claim is an Allowed FC Class 2 Claim on the Effective Date or (ii) the date on which such FC Class 2 Claim becomes an Allowed FC Class 2 Claim, each Holder of an Allowed FC Class 2 Claims shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed FC Class 2 Claims, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed FC Class 2 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed FC Class 2 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed FC Class 2 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court.

(iii) *FC Class 3: Unimpaired Unsecured Claims.* The legal, equitable and contractual rights of the Holders of FC Class 3 Claims are unaltered by this Plan. On, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such FC Class 3 Claim is an Allowed FC Class 3 Claim on the Effective Date or (ii) the date on which such FC Class 3 Claim becomes an Allowed FC Class 3 Claim, each Holder of an Allowed FC Class 3 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed FC Class 3 Claim, at the election of the applicable Debtor: (A) Cash equal to the amount of such Allowed FC Class 3 Claim; (B) such other less favorable treatment as to which the applicable Debtor or Reorganized Debtor and the Holder of such Allowed FC Class 3 Claim shall have agreed upon in writing; or (C) such other treatment such that it will not be impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Allowed FC Class 3 Claims incurred by the applicable Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements

relating thereto in the discretion of the applicable Debtor or Reorganized Debtor without further order of the Bankruptcy Court. Distributions to FC Class 3 pursuant to Clauses (A), (B) and (C) above shall be funded as a carve out and assignment pursuant to this Plan from the Cash that would otherwise be required to be paid to the Prepetition Banks under the Prepetition Credit Agreements, which carve out and assignment shall not exceed in the aggregate under this Plan for all Debtors the Maximum Class 3 Amount. If such distributions pursuant to Clauses (A), (B) and (C) above to Holders of Allowed FC Class 3 Claims under this Plan would exceed the Maximum Class 3 Amount, then all Allowed FC Class 3 Claims shall be and become Impaired Other Unsecured Claims.

3.3 Impaired Classes of Claims and Interests

(a) UPP

(i) UPP Class 4: Prepetition Banks Secured Claims. On the Effective Date, the Prepetition UPP Credit Agreement shall be deemed amended and restated in its entirety by the New UPP Credit Agreement in substantially the form attached as Exhibit E to this Plan. On the Effective Date, and in addition to the agreements described in Sections 5.9 and 5.13 of this Plan, each Holder of an Allowed UPP Class 4 Claim shall receive on account of such Allowed UPP Class 4 Claim, (1) its Debt Allocation Percentage of the New Term B Loan Notes issued by Reorganized UPP, provided, however, that each Participating Bank may convert an amount of New Term B Loan Notes to which it is entitled hereunder to New Term A Loan Notes in an amount equal to its Debt Allocation Percentage multiplied by the New Term A Loan Amount; (2) to each Holder of Project L/C Loans and Reimbursement Obligations, its Old Proportionate Share of the New Term B L/C Notes issued by Reorganized UPP, provided, however, that each Participating Bank may convert an amount of New Term B L/C Notes to which it is entitled hereunder to New Term A L/C Notes in an amount equal to its Old Proportionate Share multiplied by the New Term A L/C Amount; and (3) its Equity Allocation Percentage of the Entegra Membership Interests. In addition, each Participating Bank whose New Proportionate Share is greater than its Old Proportionate Share may, solely for the purpose of determining (a) the amount of New Term B Loan Notes which it is entitled to convert to New Term A Loan Notes, increase its Debt Allocation Percentage by adding to it an amount in percents equal to its Share of the L/C Funding Shortfall multiplied by the sum of the Debt Allocation Percentages held by all Non-Participating Banks, and (b) the amount of New Term B L/C Notes which it is entitled to convert to New Term A L/C Notes, increase its Old Proportionate Share by adding to it an amount in percents equal to its Share of the L/C Funding Shortfall multiplied by the sum of the Old Proportionate Shares held by all Non-Participating Banks.

(ii) UPP Class 5: Impaired Unsecured Claims. Subject to the provisions of Article VIII of this Plan, on, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such UPP Class 5 Claim is an Allowed UPP Class 5 Claim on the Effective Date or (ii) the date on which such UPP Class 5 Claim becomes an Allowed UPP Class 5 Claim, each Holder of an Allowed UPP Class 5 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed UPP Class 5 Claim, its Pro Rata share of the Class 5 Cash Amount.

(iii) UPP Class 6: Subordinated Claims. Holders of Allowed Subordinated Claims shall not receive or retain any distribution or property on account of such Allowed Subordinated Claims.

(iv) UPP Class 7: Old Partnership Interests. On the Effective Date, the Old Partnership Interests will be cancelled, and the Holders of Old Partnership Interests shall not receive or retain any distribution or property on account of such Old Partnership Interests.

(b) **PGR**

(i) PGR Class 4: Prepetition Banks Secured Claims. On the Effective Date, the Prepetition PGR Credit Agreement shall be deemed amended and restated in its entirety by the New PGR Credit Agreement in substantially the form attached as Exhibit E to this Plan. On the Effective Date, and in addition to the agreements described in Sections 5.9 and 5.13 of this Plan, each Holder of an Allowed PGR Class 4 Claim shall receive on account of such Allowed PGR Class 4 Claim, (1) its Debt Allocation Percentage of the New Term B Loan Notes issued by Reorganized PGR, provided, however, that each Participating Bank may convert an amount of New Term B Loan Notes to which it is entitled hereunder to New Term A Loan Notes in an amount equal to its Debt Allocation Percentage multiplied by the New Term A Loan Amount; (2) to each Holder of Project L/C Loans and Reimbursement Obligations, its Old Proportionate Share of the New Term B L/C Notes issued by Reorganized PGR, provided, however, that each Participating Bank may convert an amount of New Term B L/C Notes to which it is entitled hereunder to New Term A L/C Notes in an amount equal to its Old Proportionate Share multiplied by the New Term A L/C Amount; and (3) its Equity Allocation Percentage of the Entegra Membership Interests. In addition, each Participating Bank whose New Proportionate Share is greater than its Old Proportionate Share may, solely for the purpose of determining (a) the amount of New Term B Loan Notes which it is entitled to convert to New Term A Loan Notes, increase its Debt Allocation Percentage by adding to it an amount in percents equal to its Share of the L/C Funding Shortfall multiplied by the sum of the Debt Allocation Percentages held by all Non-Participating Banks, and (b) the amount of New Term B L/C Notes which it is entitled to convert to New Term A L/C Notes, increase its Old Proportionate Share by adding to it an amount in percents equal to its Share of the L/C Funding Shortfall multiplied by the sum of the Old Proportionate Shares held by all Non-Participating Banks.

(ii) PGR Class 5: Impaired Unsecured Claims. Subject to the provisions of Article VIII of this Plan, on, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such PGR Class 5 Claim is an Allowed PGR Class 5 Claim on the Effective Date or (ii) the date on which such PGR Class 5 Claim becomes an Allowed PGR Class 5 Claim, each Holder of an Allowed PGR Class 5 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed PGR Class 5 Claim, its Pro Rata share of the Class 5 Cash Amount.

(iii) PGR Class 6: Subordinated Claims. Holders of Allowed Subordinated Claims shall not receive or retain any distribution or property on account of such Allowed Subordinated Claims.

(iv) PGR Class 7: Old Partnership Interests. On the Effective Date, the Old Partnership Interests will be cancelled, and the Holders of Old Partnership Interests shall not receive or retain any distribution or property on account of such Old Partnership Interests.

(c) **Trans-Union**

(i) TU Class 4: Claims Arising Under Prepetition Guaranty Agreement. In addition to the agreements described in Sections 5.9 and 5.13 of this Plan, the Prepetition Guaranty Agreement and Prepetition Trans-Union Security Agreement, as well as all similar agreements, documents and contracts executed or delivered by, or on behalf of, Trans-Union, shall remain in full force and effect as guarantees of, and security for the repayment of, the Obligations under the New Credit Agreements, in each case in full satisfaction of the Allowed TU Class 4 Claims.

(ii) TU Class 5: Impaired Unsecured Claims. Subject to the provisions of Article VIII of this Plan, on, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such TU Class 5 Claim is an Allowed TU Class 5 Claim on the Effective Date or (ii) the date on which such TU Class 5 Claim becomes an Allowed TU Class 5 Claim, each Holder of an Allowed TU Class 5 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed TU Class 5 Claim, its Pro Rata share of the Class 5 Cash Amount.

(iii) TU Class 6: Subordinated Claims. Holders of Allowed Subordinated Claims shall not receive or retain any distribution or property on account of such Allowed Subordinated Claims.

(iv) TU Class 7: Old Partnership Interests. On the Effective Date, the Old Partnership Interests will be cancelled, and the Holders of Old Partnership Interests shall not receive or retain any distribution or property on account of such Old Partnership Interests.

(d) **Finance Co.**

(i) FC Class 4: Claims Arising Under Prepetition Guaranty Agreement. In addition to the agreements described in Sections 5.9 and 5.13 of this Plan, the Prepetition Guaranty Agreement and Prepetition Bond Pledge Agreement, as well as all similar agreements, documents and contracts executed or delivered by, or on behalf of, Finance Co., shall remain in full force and effect as guarantees of, and security for the repayment of, the Obligations under the New Credit Agreements, in each case in full satisfaction of the Allowed Class FC 4 Claims.

(ii) FC Class 5: Impaired Unsecured Claims. Subject to the provisions of Article VIII of this Plan, on, or as soon as reasonably practicable after, the later of (i) the Distribution Date if such FC Class 5 Claim is an Allowed FC Class 5 Claim on the Effective Date or (ii) the date on which such FC Class 5 Claim becomes an Allowed FC Class 5 Claim, each Holder of an Allowed FC Class 5 Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed FC Class 5 Claim, its Pro Rata share of the Class 5 Cash Amount.

(iii) FC Class 6: Subordinated Claims. Holders of Allowed Subordinated Claims shall not receive or retain any distribution or property on account of such Allowed Subordinated Claims.

(iv) FC Class 7: Old Membership Interests. The Old Membership Interests in Finance Co. shall remain effective and outstanding and be owned and held by Reorganized UPP. Distributions to Holders of Allowed Old Membership Interests shall be funded as a carve out and assignment pursuant to this Plan from the distributions to which Holders of Allowed Class 4 Claims would otherwise be entitled.

3.4 Special Provision Regarding Unimpaired Claims

Except as otherwise provided in this Plan, nothing shall affect the Debtors' or Reorganized Debtors' rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

4. ARTICLE FOUR

ACCEPTANCE OR REJECTION OF THE PLAN

4.1 Impaired Classes of Claims Entitled to Vote

Subject to Sections 4.3 and 4.4 of this Plan, Holders of Claims in each Impaired Class of Claims are entitled to vote as a class to accept or reject this Plan.

4.2 Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted this Plan if this Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject this Plan.

4.3 Presumed Acceptances by Unimpaired Classes

Classes 1, 2, and 3 are Unimpaired by this Plan. Accordingly, under section 1126(f) of the Bankruptcy Code, Holders of such Claims are conclusively presumed to accept this Plan, and the votes of the Holders of such Claims will not be solicited.

4.4 Classes Receiving Nothing under the Plan

Holders of Interests in UPP, PGR, and TU Class 7 are not entitled to receive or retain any property under this Plan, but have agreed to support confirmation of this Plan pursuant to the Master Settlement Agreement. Accordingly, the votes of the Holders of such Interest will be solicited. Holders of Claims, if any, in Class 6 are not entitled to receive or retain any property under this Plan. Accordingly, under Section 1126(g) of the Bankruptcy Code, the votes of Holders of Class 6 Claims will not be solicited and such Holders are deemed to reject the Plan. Interests in FC Class 7 are held only by Debtor UPP. Accordingly, the votes of Debtor UPP will not be solicited and such Class is deemed to have accepted the Plan.

4.5 Summary of Classes Voting on the Plan

As a result of the provisions of Sections 4.3 and 4.4 of this Plan, the votes of Holders of Claims in Classes 4 and 5 with respect to each Debtor will be solicited with respect to this Plan.

4.6 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

To the extent that any Impaired Class rejects this Plan or is deemed to have rejected this Plan (other than Class 4), the Debtors will request confirmation of this Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors, in consultation with and after obtaining the consent of the Prepetition Agent given in writing or on the record in the Chapter 11 Cases, reserve the right to alter, amend, modify, revoke or withdraw this Plan or any Exhibit or Plan Schedule in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary, with respect to any Class other than Class 4.

4.7 Elimination of Vacant Classes

Any Class of Claims that is not occupied as of the commencement of the Confirmation Hearing by an Allowed Claim or a claim temporarily allowed under Bankruptcy Rule 3018, or as to which no vote, is cast shall be deemed eliminated from this Plan for purposes of voting to accept or reject this Plan and for purposes of determining acceptance or rejection of this Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

5. ARTICLE FIVE

MEANS FOR IMPLEMENTATION OF THE PLAN

5.1 Formation of New Partners

On or prior to the Effective Date, the Debtors shall form, or cause to be formed, Entegra, and shall form, or cause to be formed, New Union Power, New Gila River Power, and New Trans-Union Pipeline, in each case as subsidiaries of Entegra and pursuant to the following limited liability company agreements, or in substantially similar form (as amended, restated, supplemented and otherwise modified from time to time):

- (a) New Union Power: Exhibit F;
- (b) New Gila River Power: Exhibit G;
- (c) New Trans-Union Pipeline: Exhibit H;
- (d) Entegra: Exhibit I.

5.2 Continued Legal Existence and Vesting of Assets in the Reorganized Debtors

After the Effective Date, the Reorganized Debtors shall continue to exist as separate legal entities in accordance with the applicable law in the respective jurisdiction in which they are formed and pursuant to their respective certificates of limited partnership or formation in effect prior to the Effective Date. Notwithstanding anything to the contrary in this Plan, the Unimpaired Claims of a particular Debtor or Reorganized Debtor shall remain the obligations solely of such Debtor or Reorganized Debtor and shall not become obligations of any other Debtor or Reorganized Debtor solely by virtue of this Plan or the Chapter 11 Cases. Except as otherwise provided in this Plan, on and after the Effective Date, all property of the Estate of the Debtors, including all claims, rights, and causes of action and any property acquired by the Debtors or the Reorganized Debtors under or in connection with this Plan, shall vest in the Reorganized Debtors free and clear of all Claims, security interests, liens, charges, other encumbrances, and Interests, but in all events encumbered by and subject to the Prepetition Banks Liens which, as of the Effective Date, secure the repayment of the Obligations under the New Credit Agreements. On and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property and compromise or settle any Claims without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly imposed by the New Credit Agreements, this Plan or the Confirmation Order.

5.3 Cancellation of Old Partnership Interests and Issuance of New Partnership Interests to New Partners

(a) On the Effective Date but subject to the terms of Section 5.11 of this Plan, (i) the Old Partnership Interests shall be cancelled and (ii) the obligations of the Debtors under any agreements, documents, contracts or certificates of designation governing the Old Partnership Interests shall be discharged. As of the Effective Date but subject to the terms of Section 5.11 of this Plan, all Old Partnership Interests that have been authorized to be issued but that have not been issued shall be deemed cancelled and extinguished without any further action of any party or order of the Bankruptcy Court.

(b) On the Effective Date and in accordance with the terms of this Plan and the New Limited Partnership Agreements, the following New Partnership Interests shall be issued to the New Partners:

(i) Reorganized UPP shall issue the New Reorganized UPP General Partnership Interests to New Union Power and the New Reorganized UPP Limited Partnership Interests to Entegra.

(ii) Reorganized PGR shall issue the New Reorganized PGR General Partnership Interests to New Gila River Power and the New Reorganized PGR Limited Partnership Interests to Entegra.

(iii) Reorganized Trans-Union shall issue the New Reorganized Trans-Union General Partnership Interests to New Trans-Union Pipeline and the New Reorganized Trans-Union Limited Partnership Interests to Entegra.

5.4 Governance, Directors, Officers, and Authority to Act

(a) *Certificates of Limited Partnership and Formation.* The certificates of limited partnership and formation of each of the Debtors shall be amended as necessary to satisfy the provisions of this Plan and the Bankruptcy Code. After the Effective Date, such certificates may be amended and restated as permitted by applicable law.

(b) *Directors and Officers of the Reorganized Debtors.* Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, as of the Effective Date, the initial officers of each Reorganized Debtor shall be the officers of the applicable Debtors immediately prior to the Effective Date. On the Effective Date, the board of directors of Entegra shall have five (5) members, all of whom are listed on Plan Schedule 5.4(b) (which list shall be approved by, and may be amended by the Debtors prior to the Confirmation Hearing with the consent of, the Prepetition Agent given in writing or on the record in the Chapter 11 Cases and filed with the Bankruptcy Court).

(c) *Authority to Act.* On the Effective Date, the adoption of the New Limited Partnership Agreements and, subject to the filing of certificates of formation with the appropriate jurisdictions, the New Limited Liability Company Agreements or in each case similar constituent documents, the selection of directors and officers for the Reorganized Debtors, Entegra and its subsidiaries, and all other actions contemplated by or described in this Plan with respect thereto

shall be authorized and approved and be binding and in full force and effect in all respects without further action by any party. All matters provided for in this Plan involving the legal structure of the Debtors, Reorganized Debtors, Entegra or its subsidiaries, and any legal action required by the Debtors, Reorganized Debtors, Entegra or its subsidiaries in connection with this Plan, shall be deemed to have occurred and shall be in full force and effect in all respects, without any requirement of further action by the security holders, officers or directors of the Debtors, Reorganized Debtors, Entegra or its subsidiaries or further order of the Bankruptcy Court. On the Effective Date, the appropriate officers of the Debtors, Reorganized Debtors, Entegra or its subsidiaries and members of their respective boards of directors of the Debtors, Reorganized Debtors, Entegra or its subsidiaries are authorized and directed to issue, execute, and deliver the contracts, agreements, documents, guarantees, pledges, consents, securities, certificates, resolutions and instruments contemplated by this Plan, including, without limitation, the New Credit Agreements and agreements described in Section 5.13 of this Plan.

5.5 Issuance of New Securities and Related Documentation

On or as soon as reasonably practicable after the Effective Date, (i) the Reorganized Debtors shall issue the New Partnership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and New Term B L/C Notes, and (ii) the New Partners shall issue the New Membership Interests to be distributed pursuant to this Plan without further act or action under applicable law, regulation, order, or rule. The issuance of the New Partnership Interests, New Membership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and New Term B L/C Notes and the distribution thereof under this Plan shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code. Without limiting the effect of section 1145 of the Bankruptcy Code, all documents, agreements, and instruments entered into on or as of the Effective Date contemplated by or in furtherance of this Plan shall become effective and binding in accordance with their respective terms and conditions upon the parties thereto. Holders of Allowed Class 4 Claims in UPP and PGR shall be deemed to have elected to accept Class A Units under the New Limited Liability Company Agreement for Entegra and shall be deemed to have elected to be a Full-Voting Bank under the New Credit Agreements unless on or prior to the Bankruptcy Court's first scheduled hearing for final approval of the Disclosure Statement, such Holder shall have executed and delivered written notice to the Debtors and Prepetition Agent that such Holder affirmatively elects to receive Class B Units under the New Limited Liability Company Agreement for Entegra or be a Limited-Voting Bank under the New Credit Agreements, provided that the election of each Consenting Prepetition Bank to receive Class A Units or Class B Units under the New Limited Liability Agreement for Entegra, as applicable, set forth in the Master Settlement Agreement shall be binding on and constitute the election of each such Consenting Prepetition Bank with respect thereto. Notwithstanding anything in this Plan to the contrary, distributions of Entegra Membership Interests to Holders of Allowed Class 4 Claims may be distributed directly to such Holders or to such Holders' designee as permitted by and subject to the New Limited Liability Company Agreement of Entegra.

5.6 Exit Financing

On the Effective Date, without any requirement of further act or action by security holders, officers, or directors of the Debtors or Reorganized Debtors or further order of the

Bankruptcy Court, the Reorganized Debtors shall be authorized and directed to enter into the New Credit Agreements, which will contain the New Revolving Loan Facilities, the New L/C Facilities, and the terms of the New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and New Term B L/C Notes, as well as execute, deliver, file, record and issue any notes, documents, or agreements in connection therewith.

5.7 Sources of Cash for Plan Distributions

Except as otherwise provided in this Plan or the Confirmation Order, all Cash necessary for Reorganized Debtors to make payments pursuant to this Plan shall be obtained from existing Cash balances, the operations of the Debtors and the Reorganized Debtors, or the New Credit Agreements. To the extent permitted by the New Credit Agreements, the Reorganized Debtors may also make such payments using Cash received from their subsidiaries through the Reorganized Debtors' consolidated cash management systems.

5.8 [intentionally omitted]

5.9 No Discharge, Release or Novation of Prepetition Credit Agreements Obligations; Conforming Amendments to Prepetition Credit Documents

Notwithstanding anything in this Plan to the contrary, nothing in this Plan is, or shall be deemed to constitute, a discharge or release of the Debtors with respect to, or novation of, any of the Prepetition Credit Agreements Obligations, or cancellation of any of the Prepetition Credit Documents (other than the Prepetition Credit Agreements Notes). Except as expressly amended or modified by this Plan, all Prepetition Credit Documents, including, without limitation, mortgages, security agreements, pledges and guarantees, and Prepetition Act 9 Bond Documents, including, without limitation, mortgages, leases and indentures, shall remain in full force and effect and shall, in their original form and as amended or modified pursuant to this Plan, secure the Obligations under the New Credit Agreements, and, at the written request of the Prepetition Agent, the Reorganized Debtors shall execute and deliver conforming amendments to such documents in order to implement the same, all without further order of the Bankruptcy Court.

5.10 No Discharge and No Release of Prepetition Banks Liens

Notwithstanding anything in this Plan to the contrary, all property of the Estate of the Debtors, including all claims, rights, and causes of action and any property acquired by the Debtors or the Reorganized Debtors under or in connection with this Plan, shall remain encumbered by and subject to the Prepetition Banks Liens which, as of the Effective Date, secure the repayment of the Obligations under the New Credit Agreements, and such Prepetition Banks Liens shall not be, and shall not be deemed to be, discharged or released on account of this Plan or the Chapter 11 Cases.

5.11 Interests in Finance Co

Notwithstanding anything in this Plan to the contrary, on the Effective Date, the Interests in Finance Co. shall remain effective and outstanding and be owned and held by Reorganized UPP. Distributions to Holders of Allowed Old Membership Interests shall be

funded as a carve out and assignment pursuant to this Plan from the distributions to which Holders of Allowed Class 4 Claims would otherwise be entitled. Finance Co. shall continue to be governed by the terms and conditions of its limited liability company agreement as in effect prior to the Effective Date.

5.12 Intercompany Claims

On the Effective Date and to the extent permitted by the New Credit Agreements, the Intercompany Claims of Debtors against Debtors arising under the Prepetition Credit Documents or Prepetition Act 9 Bond Documents shall remain unimpaired under section 1124 of the Bankruptcy Code.

5.13 Guarantees, Security Agreements and Pledges by Entegra and its Subsidiaries

On the Effective Date, Entegra and its subsidiaries, including, without limitation, the New Partners, shall execute and deliver guarantees substantially in the form attached as Exhibit R to this Plan and security agreements and pledges substantially in the form attached as Exhibits S and T to this Plan, respectively, which guarantee, and grant security interests and liens in all their respective assets to secure, repayment of the Obligations under the New Credit Agreements. On the Effective Date, Entegra shall accept and enter into the Representation and Indemnity Agreement.

5.14 Union Bonds

To facilitate the implementation of the terms of this Plan, including the preservation of certain exemptions from ad valorem property taxes, on or as soon as reasonably practicable after the Effective Date, UPP and Finance Co. shall be authorized and directed to execute and deliver: (i) the Restated UPP Lease Agreement, (ii) the Restated Intercompany Loan Agreement, (iii) the Restated Union Bond Indenture, and (iv) all other Restated Union Bond Documentation, as applicable, in form and substance acceptable to the Prepetition Agent. UPP and Finance Co. shall be authorized and directed to execute and deliver any and all instructions and consents to the Union Bond Trustee and the Union Issuer as are necessary and appropriate to effectuate the execution of the Restated Union Bond Documentation.

6. ARTICLE SIX

PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided herein or as ordered by the Bankruptcy Court, distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Distribution Date or as soon thereafter as is practicable. Any distribution to be made on the Effective Date pursuant to this Plan shall be deemed as having been made on the Effective Date if such distribution is made on the Effective Date or as soon thereafter as is practicable. Any payment or distribution required to be made under this Plan on a day other than a Business Day shall be made on the next succeeding Business Day. Distributions on account of

Claims that first become Allowed Claims after the Effective Date shall be made pursuant to Section 8.4 of this Plan. Notwithstanding the date on which any distribution of securities is made to a Holder of a Claim that is an Allowed Claim on the Effective Date, such Holder shall be deemed to have the rights of a Holder of such securities distributed as of the Effective Date only as of the date of the distribution.

6.2 No Postpetition Interest on Claims

Unless otherwise specifically provided for in this Plan or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no Holder of a Claim (other than a Holder of an Administrative Claim under the DIP Credit Agreements with respect to such Administrative Claims) shall be entitled to interest accruing on or after the Petition Date on any Claim.

6.3 Distributions by Reorganized Debtors

Other than as specifically set forth below, the Reorganized Debtors or the Disbursing Agent shall make all distributions required to be distributed under this Plan. Distributions on account of Prepetition Banks Claims shall be made to the Prepetition Agent. The Reorganized Debtors may employ or contract with other entities to assist in or make the distributions required by this Plan.

6.4 Delivery of Distributions and Undeliverable or Unclaimed Distributions

(a) *Delivery of Distributions in General.* Distributions to Holders of Allowed Claims shall be made at the addresses set forth in the Debtors' records unless such addresses are superseded by proofs of claim or transfers of claim filed pursuant to Bankruptcy Rule 3001.

(b) *Undeliverable and Unclaimed Distributions.*

(i) *Holding of Undeliverable and Unclaimed Distributions.* If the distribution to any Holder of an Allowed Claim is returned to the Disbursing Agent as undeliverable or is otherwise unclaimed, no further distributions shall be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then current address.

(ii) *After Distributions Become Deliverable.* The Disbursing Agent shall make all distributions that have become deliverable or have been claimed since the Distribution Date as soon as practicable after such distribution has become deliverable or have been claimed.

(iii) *Failure to Claim Undeliverable Distributions.* Any Holder of an Allowed Claim that does not assert a claim pursuant to this Plan for an undeliverable or unclaimed distribution within one (1) year after the Effective Date shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for an undeliverable or unclaimed distribution against the Debtors or their Estates, the Reorganized Debtors or their property. In such cases, any Cash for distribution on account of such claims for undeliverable or unclaimed distributions shall become the property of the Estates free of any restrictions thereon and notwithstanding any

federal or state escheat laws to the contrary, but in all events subject to the Prepetition Banks Liens. Any Cash, Entegra Membership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and/or New Term B L/C Notes held for distribution on account of such Claim shall be canceled and of no further force or effect. Nothing contained in this Plan shall require the Debtors, Reorganized Debtors, or any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

6.5 Record Date for Distributions

The Disbursing Agent and the Reorganized Debtors will have no obligation to recognize the transfer of, or the sale of any participation in, any Allowed Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute securities, property, notices and other documents only to those Holders of Allowed Claims who are Holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date. The Disbursing Agent and the Reorganized Debtors shall be entitled to recognize and deal for all purposes under this Plan with only those record holders stated on the official claims register as of the close of business on the Distribution Record Date.

6.6 Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under this Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law, be allocated for income tax purposes to the principal amount of the Claim first and then, to the extent that the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

6.7 Means of Cash Payment

Payments of Cash made pursuant to this Plan shall be in U.S. dollars and shall be made, at the option and in the sole discretion of the Reorganized Debtors, by (a) checks drawn on, or (b) wire transfer from, a domestic bank selected by the Reorganized Debtors. Cash payments to foreign creditors may be made, at the option of the Reorganized Debtors, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

6.8 Withholding and Reporting Requirements

In connection with this Plan and all distributions hereunder, the Reorganized Debtors shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Reorganized Debtors shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. All persons holding Claims or Interests shall be required to provide any information necessary to effect information reporting and the withholding of such taxes. Notwithstanding any other provision of this Plan to the contrary, (i) each Holder of an Allowed Claim shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such distribution, and (ii) no distribution shall be made to or on behalf

of such Holder pursuant to this Plan unless and until such Holder has made arrangements satisfactory to the Reorganized Debtors for the payment and satisfaction of such tax obligations. Any Cash, Entegra Membership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and/or New Term B L/C Notes to be distributed pursuant to this Plan shall, pending the implementation of such arrangements, be treated as an undeliverable distribution pursuant to Section 6.4 of this Plan.

6.9 Setoffs

Except as may be required to satisfy the conditions to the Effective Date set forth in Section 9.2, the Reorganized Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy laws, but shall not be required to, set off against any Claim, the payments or other distributions to be made pursuant to this Plan in respect of such Claim, or claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the Holder of such Claim; provided, however, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized Debtors of any such claim that the Debtors or the Reorganized Debtors may have against such Holder.

6.10 Fractional Shares

No fractional shares of Entegra Membership Interests shall be distributed. Where a fractional share would otherwise be called for, the actual issuance shall reflect a rounding up (in the case of .50 or more than .50) of such fraction to the nearest whole Entegra Membership Interests share or a rounding down of such fraction (in the case of less than .50).

6.11 Surrender of Prepetition Credit Agreements Notes and Canceled Instruments of Securities

(a) *Generally.* As a condition precedent to receiving any distribution pursuant to this Plan on account of an Allowed Claim evidenced by (i) the Prepetition Credit Agreements Notes, or (ii) instruments, securities, or other documentation canceled pursuant to Section 5.3 of this Plan, the Holder of such Claim shall tender the applicable Prepetition Credit Agreements Notes, or other instruments, securities, or other documentation evidencing such Claim to the Reorganized Debtors unless waived in writing by the Debtors or the Reorganized Debtors, as applicable. Any Cash, Entegra Membership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and/or New Term B L/C Notes to be distributed pursuant to this Plan on account of any such Claim shall, pending such surrender (or in the case of the Entegra Membership Interests, payment of any nominal fee required by the New Limited Liability Company Agreement of Entegra), be treated as an undeliverable distribution pursuant to Section 6.4 of this Plan.

(b) *Failure to Surrender Security Instruments.* Any Holder of a Claim that fails to surrender or is deemed to have failed to surrender the applicable security required to be tendered hereunder within one (1) year after the Effective Date shall have its Claim and its distribution pursuant to this Plan on account of such Claim discharged and shall be forever barred from asserting any such Claim against the Reorganized Debtors or their respective property. In such cases, any Cash, Entegra Membership Interests, New Term A Loan Notes,

New Term A L/C Notes, New Term B Loan Notes, and/or New Term B L/C Notes held for distribution on account of such Claim shall be disposed of pursuant to Section 6.4 of this Plan.

6.12 Lost, Stolen, Mutilated, or Destroyed Debt Securities

In addition to any requirements under any applicable agreement and applicable law, any Holder of a Claim evidenced by a security that has been lost, stolen, mutilated, or destroyed shall, in lieu of surrendering such security, deliver to (i) the Prepetition Agent in the case of the Prepetition Credit Agreements Notes, and (ii) the Reorganized Debtors in the case of other instruments, securities, or other documentation, (x) evidence reasonably satisfactory to the Prepetition Agent or Reorganized Debtors, as applicable, of the loss, theft, mutilation, or destruction; and (y) such security or indemnity as may be required by the Prepetition Agent or Reorganized Debtors, as applicable, to hold the Prepetition Agent or Reorganized Debtors, as applicable, harmless from any damages, liabilities, or costs incurred in treating such individual as a Holder of an Allowed Claim. Upon compliance with this Section 6.12 by a Holder of a Claim evidenced by a security, such Holder shall, for all purposes under this Plan, be deemed to have surrendered such note, debenture, or equity.

6.13 Failure to Execute and Deliver Certain Agreements

Each Debtor or the Prepetition Agent shall make available to all Holders of a Prepetition Banks Secured Claim signature pages for the New Limited Liability Company Agreement for Entegra and the New Credit Agreements within five (5) days after the Confirmation Date. Any Holder of a Prepetition Banks Secured Claim that fails to execute and deliver (i) to Entegra, the New Limited Liability Company Agreement for Entegra and (ii) to the Reorganized Debtors and the Administrative Agent under the New Credit Agreements, the New Credit Agreements, in each case by the date which is the fifteenth day after the Confirmation Date, plus one day added to such fifteen (15) days for each day after the tenth day following the Confirmation Date that a stay of the Confirmation Order is in effect, shall have its Claim and its distribution pursuant to this Plan on account of such Claim discharged and shall be forever barred and enjoined from asserting any such Claim against the Reorganized Debtors, Entegra, Entegra's subsidiaries, or their respective property. In such cases, any Cash, Entegra Membership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and/or New Term B L/C Notes held for distribution on account of such Claim shall be cancelled and of no further force or effect, and any Cash that would otherwise be distributed to such Holder shall be disposed of pursuant to Section 6.4 of this Plan.

7. ARTICLE SEVEN

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.1 Assumption of Executory Contracts and Unexpired Leases

On the Effective Date, all executory contracts or unexpired leases of the Reorganized Debtors will be deemed assumed in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code except those executory contracts and unexpired leases that (i) have been rejected by order of the Bankruptcy Court, (ii) are the subject of a motion to reject pending on the Effective Date, (iii) are identified on Plan

Schedule 7.1 (which Schedule 7.1 shall be subject to approval in writing by the Administrative Agent), or (iv) are rejected pursuant to the terms of this Plan. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions and rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed pursuant to this Article VII shall revert in and be fully enforceable by the respective Reorganized Debtor in accordance with its terms, except as modified by the provisions of this Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable federal law.

7.2 Claims Based on Rejection of Executory Contracts or Unexpired Leases

All proofs of claim with respect to Claims arising from or in connection with the rejection of executory contracts or unexpired leases, if any, must be filed with the Bankruptcy Court within thirty (30) days after the date of entry of an order of the Bankruptcy Court approving such rejection. Any Claims arising from or in connection with the rejection of an executory contract or unexpired lease not filed within such time will be forever barred from assertion against the Debtors or Reorganized Debtors, their Estates, or property unless otherwise ordered by the Bankruptcy Court or provided for in this Plan.

7.3 Cure of Defaults of Assumed Executory Contracts and Unexpired Leases

Any monetary amounts by which each executory contract and unexpired lease to be assumed pursuant to this Plan is in default shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or on such other terms as the parties to each such executory contract or unexpired lease may otherwise agree in writing. In the event of a dispute regarding (i) the amount of any cure payments, (ii) the ability of the Reorganized Debtors or any assignee to provide “adequate assurance of future performance” within the meaning of section 365 of the Bankruptcy Code under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption or assignment, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption.

7.4 Miscellaneous

Notwithstanding any other provision of this Plan to the contrary, the Debtors, in consultation with and after obtaining the consent of the Prepetition Agent given in writing or on the record in the Chapter 11 Cases, reserve the right to modify or supplement Plan Schedule 7.1, including, without limitation, the right to add any executory contract or unexpired lease to, or delete any executory contract or unexpired lease from, such Plan Schedule, in each case at any time prior to the Effective Date. Listing an executory contract or unexpired lease on Plan Schedule 7.1 will not constitute an admission by any of the Debtors or Reorganized Debtors that such contract or lease (including any related agreements that may exist) is an executory contract or unexpired lease or that the applicable Debtor or Reorganized Debtor has any liability thereunder.

8. ARTICLE EIGHT

PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS

8.1 Objection Deadline; Prosecution of Objections

No later than the Claims Objection Deadline (unless extended by an order of the Bankruptcy Court), the Debtors or the Reorganized Debtors, as the case may be, shall file objections to Claims with the Bankruptcy Court and serve such objections upon the Holders of each of the Claims to which objections are made; provided, however, the Debtors and Reorganized Debtors shall not object to Claims which are Allowed pursuant to this Plan. Nothing contained herein, however, shall limit the Reorganized Debtors' right to object to Claims, if any, filed or amended after the Claims Objection Deadline. The Debtors and the Reorganized Debtors shall be authorized to, and shall, resolve all Disputed Claims by withdrawing or settling such objections thereto, or by litigating to judgment in the Bankruptcy Court, or such other court having jurisdiction, the validity, nature, and/or amount thereof.

8.2 No Distributions Pending Allowance

Notwithstanding any other provision of this Plan to the contrary, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

8.3 Disputed Claims Reserve

Prior to making any distributions to Holders of Allowed Impaired Unsecured Claims, the Disbursing Agent shall establish appropriate reserves for Disputed Claims in each such Class by withholding from any such distributions an amount equal to 100% of distributions to which Holders of Disputed Claims in each such Class would be entitled under this Plan as of such date if such Disputed Claims were Allowed Claims in their Disputed Claim Amount; provided, however, that the Debtors and the Reorganized Debtors shall have the right to file a motion seeking to modify any Disputed Claim Amounts. The Disbursing Agent shall also establish appropriate reserves for Disputed Claims in other Classes as it determines necessary and appropriate.

8.4 Distributions on Account of Disputed Claims Once They Are Allowed and Additional Distributions on Account of Previously Allowed Claims

On each Quarterly Distribution Date (or such earlier date as determined by the Reorganized Debtors in their sole discretion but subject to Section 8.2 of this Plan), the Reorganized Debtors will make distributions from the Disputed Claims Reserve, (a) on account of any Disputed Claim that has become an Allowed Claim during the preceding calendar quarter, and (b) on account of previously Allowed Claims of property that would have been distributed to the Holders of such Claim on the dates distributions previously were made to Holders of Allowed Claims in such Class had the Disputed Claims that have become Allowed Claims been Allowed on such dates. Such distributions will be made pursuant to the applicable provisions of Section 3.3 of this Plan.

9. **ARTICLE NINE**

CONFIRMATION AND CONSUMMATION OF THE PLAN

9.1 Conditions to Confirmation

The Bankruptcy Court shall not enter the Confirmation Order unless and until the Confirmation Order shall be reasonably acceptable in form and substance to the Debtors and the Prepetition Agent and, to the extent the Confirmation Order contains provisions which expressly relate to the Prepetition Project L/C Bank or New L/C Facilities, such provisions are reasonably acceptable in form and substance to the Prepetition Project L/C Bank.

9.2 Conditions to Effective Date

The following are conditions precedent to the occurrence of the Effective Date:

(a) The Confirmation Order confirming this Plan, as such Plan may have been amended or modified, in form and substance reasonably satisfactory to the Debtors and the Prepetition Agent (and, to the extent the Confirmation Order contains provisions which expressly relate to the Prepetition Project L/C Bank or New L/C Facilities, such provisions are in form and substance reasonably satisfactory to the Prepetition Project L/C Bank) shall have been entered and docketed by the Bankruptcy Court, and such order shall not have been stayed (other than the 10-day stay provided under Bankruptcy Rule 3020), and shall provide that:

(i) the Debtors and Reorganized Debtors are authorized and directed to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures, and other agreements or documents contemplated by or described in this Plan;

(ii) the provisions of the Confirmation Order are nonseverable and mutually dependent;

(iii) the Reorganized Debtors are authorized and directed to enter into the New Credit Agreements and issue the New Partnership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and New Term B L/C Notes, and the New Partners are authorized and directed to issue the New Membership Interests;

(iv) the New Partnership Interests, New Membership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and New Term B L/C Notes issued under this Plan in exchange for Claims against the Debtors are exempt from registration under the Securities Act of 1933 pursuant to section 1145 of the Bankruptcy Code, except to the extent that Holders of the New Partnership Interests, New Membership Interests, New Term A Loan Notes, New Term A L/C Notes, New Term B Loan Notes, and New Term B L/C Notes are “underwriters,” as that term is defined in section 1145 of the Bankruptcy Code; and

(v) the Debtors, the Reorganized Debtors, TECO and its affiliates, the Prepetition Agent, the Prepetition Project L/C Bank, the Steering Committee, the Consenting Prepetition Banks and their respective members, officers, directors, employees, advisors, attorneys and agents acted in good faith within the meaning of and with respect to all of the actions described in section 1125(e) of the Bankruptcy Code and are, therefore, not liable for the violation of any applicable law, rule, or regulation governing such actions.

(b) The Confirmation Order shall be consistent with the terms and provisions of this Plan, the Master Settlement Agreement, and, if the conditions to their effectiveness set forth therein have been satisfied, including but not limited to the Bankruptcy Court's approval of the Debtors' performance thereunder, the Master Release Agreement and the TECO Release of Project Companies Agreement.

(c) The following agreements, in form and substance satisfactory to the Reorganized Debtors, the Prepetition Agent, and, with respect to matters relating to the New L/C Facilities and letters of credit issued pursuant to the New Credit Agreement, the Prepetition Project L/C Bank, shall have been executed and delivered by the applicable parties, and all conditions precedent thereto shall have been satisfied:

(i) the New Credit Agreements and all related documents provided for therein or contemplated thereby;

(ii) the agreements described in Section 5.13 of this Plan;

(iii) the Project Companies Release of Banks Agreement; and

(d) The certificates of formation of Entegra and its subsidiaries shall have been filed with the applicable authority of their respective jurisdiction of formation in accordance with such jurisdiction's applicable laws.

(e) The Bankruptcy Court shall have entered an order approving the TECO Release of Project Companies Agreement and such agreement shall have been executed and delivered by all the parties thereto.

(f) All actions, documents, certificates and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable governmental authorities in accordance with applicable laws.

(g) The Federal Energy Regulatory Commission shall have approved transfer of ownership of PGR and UPP to Entegra and the Prepetition Banks.

9.3 Waiver of Conditions

Each of the conditions set forth in Section 9.2 of this Plan may be waived in whole or in part by the Debtors, in consultation with and after obtaining the consent of the Prepetition Agent given in writing or on the record in the Chapter 11 Cases (acting at the direction of the Required Banks), and, with respect to Subsections 9.2(a)(v) and (b), in

consultation with and after obtaining the consent of TECO, given in writing or on the record in the Chapter 11 Cases, without any other notice to parties in interest or the Bankruptcy Court and without a hearing. The failure of a Debtor or Reorganized Debtor to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each right shall be deemed an ongoing right that may be asserted at any time.

9.4 Consequences of Non-Occurrence of Effective Date

If the Effective Date does not occur within sixty (60) days after the Confirmation Date, or by such later date, after notice and hearing, as is proposed by the Debtors with the consent of the Prepetition Agent given in writing or on the record in the Chapter 11 Cases, then upon motion by the Debtors and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court; provided, however, that, notwithstanding the filing of such motion, the Confirmation Order may not be vacated if the Effective Date occurs before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section 9.4, (a) this Plan shall be null and void in all respects; (b) any settlement of Claims provided for hereby shall be null and void without further order of the Bankruptcy Court; and (c) the time within which the Debtors may assume and assign or reject all executory contracts and unexpired leases shall be extended for a period of thirty (30) days after the date the Confirmation Order is vacated.

10. ARTICLE TEN

EFFECT OF PLAN CONFIRMATION

10.1 Binding Effect

This Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, and their respective successors and assigns, including, but not limited to, the Reorganized Debtors.

10.2 Releases and Related Injunctions.

(a) *Releases by the Debtors of the Prepetition Agent, Prepetition Project L/C Bank and Prepetition Banks.* On the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors and Reorganized Debtors in their individual capacities and as debtors in possession are authorized and directed to execute and deliver the Project Companies Release of Banks Agreement, substantially in the form attached to this Plan as Exhibit M.

(b) *Injunction Related to Releases.* **The Confirmation Order will permanently enjoin the commencement or prosecution by any entity, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities released pursuant to this Plan, including but not limited to the claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities released in this Section 10.2.**

10.3 Discharge of Claims

Except as otherwise provided in Sections 5.9 , 5.10 or other provisions of this Plan, the Confirmation Order, or in any document, instrument, release, or other agreement entered into in connection with this Plan or approved by order of the Bankruptcy Court, including, but not limited to, if so approved, the TECO Release of Project Companies Agreement, all consideration distributed under this Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims (other than the Class 4 Claims) of any nature whatsoever against the Debtors or any of their assets or properties, and regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims. Except as otherwise provided in Sections 5.9, 5.10, or other provisions of this Plan, the Confirmation Order, or in any document, instrument, release, or other agreement entered into in connection with this Plan or approved by order of the Bankruptcy Court, including, but not limited to, if so approved, the TECO Release of Project Companies Agreement, upon the Effective Date, the Debtors, and each of them, shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims (other than the Class 4 Claims), including, but not limited to, demands and liabilities that arose before the Confirmation Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code.

10.4 Preservation of Rights of Action; Settlement of Litigation Claims

(a) *Preservation of Rights of Action.* Except as otherwise provided in Sections 5.9, 5.10, or other provisions of this Plan, the Confirmation Order, or in any document, instrument, release, or other agreement entered into in connection with this Plan or approved by order of the Bankruptcy Court, in accordance with section 1123(b) of the Bankruptcy Code, the Debtors and their Estates shall retain the Litigation Claims. The Reorganized Debtors, as the successors in interest to the Debtors and the Estates, may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all of the Litigation Claims, but subject to the terms of the New Credit Agreements. Notwithstanding the foregoing, the Debtors and the Reorganized Debtors shall not file, commence, or pursue any claim, right, or cause of action under sections 544 through 550 of the Bankruptcy Code; provided, however, that, notwithstanding any statute of limitations (including, without limitation, section 546 of the Bankruptcy Code), the Debtors and Reorganized Debtors shall have the right to assert or raise such causes of action (a) as defenses or counterclaims (up to the amount asserted in the Claims against the Debtors) with respect to any Disputed Claim, and (b) in connection with the Claims objection process with respect to a Claim that is not an Allowed Claim, in which case such causes of action can be raised as an objection to such Claim and not as defenses or counterclaims.

(b) *Settlement of Litigation Claims.* At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in this Plan to the contrary, the Reorganized Debtors may settle any or all of the Litigation Claims with the approval of the Bankruptcy Court pursuant to Bankruptcy Rule 9019, but subject to the terms of the New Credit Agreements. After the Effective Date, the Reorganized Debtors may compromise and settle any Claims against them and claims they may have against other person or entity, including, without limitation, the Litigation Claims, without approval from the Bankruptcy Court, but subject to the terms of the New Credit Agreements.

10.5 Exculpation and Limitation of Liability

Except as provided in the last sentence of this section, neither the Debtors, the Reorganized Debtors, TECO and its affiliates, Holders of Administrative Claims arising under the DIP Credit Agreements, the administrative agent under the DIP Credit Agreements, the L/C Bank under the DIP Credit Agreements, the Holders of Prepetition Banks Claims, the Prepetition Agent, the Steering Committee, the Prepetition Project L/C Bank nor any of their respective present or former members, officers, directors, employees, advisors, or attorneys shall have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, formulating, negotiating, or implementing this Plan, the Master Settlement Agreement, the Master Release Agreement, the solicitation of acceptances of this Plan, the pursuit of confirmation of this Plan, the confirmation of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan (including, without limitation, in connection with, relating to, or arising out of the Master Settlement Agreement and any Exhibits thereto), except for their gross negligence or willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under this Plan. Any person or entity who objects to confirmation of this Plan and/or affirmatively votes to reject this Plan shall not be entitled to the protections and/or benefits of this Section.

10.6 Injunction

(a) Except as otherwise provided in this Plan or in any document, instrument, release, or other agreement entered into in connection with this Plan or approved by order of the Bankruptcy Court, including, but not limited to, if so approved, the TECO Release of Project Companies Agreement, the Confirmation Order shall provide, among other things, that from and after the Effective Date all persons or entities who have held, hold, or may hold Claims (other than the Class 4 Claims) against or Interests in the Debtors are (i) permanently enjoined from taking any of the following actions against the Estate(s), or any of their property, on account of any such Claims or Interests and (ii) permanently enjoined from taking any of the following actions against any of the Debtors, the Reorganized Debtors or their property on account of such Claims (other than the Class 4 Claims) or Interests: (A) commencing or continuing, in any manner or in any place, any action, or other proceeding; (B) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting, or enforcing any lien or encumbrance; (D) asserting a setoff or right of subrogation of any kind against any debt, liability or obligation due to the Debtors; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan; provided, however, that nothing contained herein shall preclude such persons or entities from exercising their rights pursuant to and consistent with the terms of this Plan.

(b) By accepting distributions pursuant to this Plan, each Holder of an Allowed Claim (other than the Class 4 Claims) will be deemed to have specifically consented to the injunctions set forth in this Section 10.6.

10.7 Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

11. ARTICLE ELEVEN

RETENTION OF JURISDICTION

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain exclusive jurisdiction over all matters arising in, arising under, and/or related to, the Chapter 11 Cases and this Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

- (a) Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims or Interests;
- (b) Resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which any Debtor is a party or with respect to which any Debtor or the Reorganized Debtor may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom;
- (c) Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan;
- (d) Decide or resolve any motions, adversary proceedings, contested, or litigated matters and any other matters and grant or deny any applications involving the Debtors that may be pending on the Effective Date;
- (e) Enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, and other agreements or documents created in connection with this Plan, the Disclosure Statement, or the Confirmation Order;
- (f) Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any contract, instrument, release, or other agreement or document that is executed or created pursuant to this Plan, or any entity's rights arising from or obligations incurred in connection with this Plan or such documents;
- (g) Modify this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code or modify the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or

reconcile any inconsistency in any Bankruptcy Court order, this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate this Plan;

(h) Hear and determine all applications for compensation and reimbursement of expenses of Professionals under this Plan or under sections 330, 331, 503(b), 1103, and 1129(c)(9) of the Bankruptcy Code, provided, however, that from and after the Effective Date the payment of fees and expenses of the Reorganized Debtors, including counsel fees, shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(i) Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of this Plan or the Confirmation Order;

(j) Hear and determine causes of action by or on behalf of the Debtors or the Reorganized Debtors;

(k) Hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(l) Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated, or distributions pursuant to this Plan are enjoined or stayed;

(m) Determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement, or document created in connection with this Plan, the Disclosure Statement or the Confirmation Order;

(n) Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases;

(o) Hear and determine all matters related to (i) the property of the Estates from and after the Confirmation Date and (ii) the activities of the Reorganized Debtors;

(p) Hear and determine the Litigation Claims by or on behalf of the Debtors or Reorganized Debtors;

(q) Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under the Bankruptcy Code; and

(r) Enter an order closing the Chapter 11 Cases.

12. ARTICLE TWELVE

MISCELLANEOUS PROVISIONS

12.1 Effectuating Documents and Further Transactions

Each of the Debtors or the Reorganized Debtors is authorized to execute, deliver, file, or record such contracts, instruments, releases, consents, certificates, resolutions, programs and other agreements and/or documents and take such acts and actions as may be reasonable, necessary or appropriate to effectuate, implement, consummate and/or further evidence the terms and conditions of this Plan, any notes or securities issued pursuant to this Plan, and any transactions described in or contemplated by this Plan, including, without limitation, changing the legal name of PGR to Gila River Power, L.P.

12.2 Prepetition Banks Approval for Consummation of the Plan

Notwithstanding any other provision of this Plan to the contrary, the Prepetition Agent is hereby authorized, and no further or additional approval of or consent from the Prepetition Banks or any other person or entity shall be required in order for the Prepetition Agent, to perform, engage in, enter into, execute and deliver, undertake or otherwise implement any or all of the documents necessary or appropriate to consummate this Plan, and any other Exhibit, agreement, contract, certificate, guarantee, pledge or matter relating to or contemplated thereby.

12.3 Authority to Act

Prior to, on, or after the Effective Date (as appropriate), all matters expressly provided for under this Plan that would otherwise require approval of the partners, managers, members or other owners or directors of one (1) or more of the Debtors or the Reorganized Debtors or Entegra or any of its subsidiaries shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date (as appropriate) pursuant to the applicable law of the states in which the Debtors, Reorganized Debtors, or Entegra and its subsidiaries are formed, without any requirement of further action by the partners, managers, members or other owners or directors of such entities or order of the Bankruptcy Court.

12.4 Exemption from Transfer Taxes

Pursuant to section 1146(c) of the Bankruptcy Code, (a) the issuance, transfer, or exchange of notes or equity securities under this Plan; (b) the creation of any mortgage, deed of trust, lien, pledge, or other security interest; (c) the making or assignment of any lease or sublease; or (d) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan (including, without limitation, any merger agreements, agreements of consolidation, restructuring, disposition, liquidation, or dissolution, deeds, bills of sale, and transfers of tangible property) will not be subject to any stamp tax, recording tax, personal property tax, real estate transfer tax, sales, use tax, transaction privilege tax (including, without limitation such taxes on prime contracting and owner-builder sales), privilege taxes (including, without limitation, privilege taxes on construction contracting with regard to speculative builders and owner builders), and other similar taxes. Unless the

Bankruptcy Court orders otherwise, all sales, transfers, and assignments of owned and leased property approved by the Bankruptcy Court on or prior to the Effective Date, shall be deemed to have been in furtherance of, or in connection with, this Plan.

12.5 Bar Dates for Administrative Claims

The Confirmation Order will establish an Administrative Claims Bar Date for filing Administrative Claims, except for Administrative Claims arising under the DIP Credit Agreements as provided in Section 3.1(a)(ii) of this Plan, which date will be thirty (30) days after the Effective Date. Holders of alleged Administrative Claims not paid prior to the Confirmation Date shall submit proofs of Claim on or before such Administrative Claims Bar Date or forever be barred from doing so. The notice of Confirmation to be delivered pursuant to Bankruptcy Rule 3020(c) and 2002(f) will set forth such date and constitute notice of this Administrative Claims Bar Date. The Debtors and the Reorganized Debtors shall have thirty (30) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Claims Bar Date to review and object to such Administrative Claims before a hearing for determination of allowance of such Administrative Claims.

12.6 Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28, United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date.

12.7 Amendment or Modification of the Plan

Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, the Debtors reserve the right, with the consent of the Prepetition Agent given in writing or on the record in the Chapter 11 Cases with respect to any amendment or modification that does not adversely change the treatment of any Prepetition Banks Claims or Senior Prepetition Banks Secured Claims, to alter, amend, or modify this Plan at any time prior to or after the Confirmation Date but prior to the substantial consummation of this Plan, provided however, that no amendment or modification to this Plan shall, without TECO's consent given in writing or on the record in the Chapter 11 Cases, materially adversely affect the rights of TECO under the Master Release Agreement or TECO Release of Project Companies Agreement or any exhibits thereto if the conditions to effectiveness of the Master Release Agreement and TECO Release of Project Companies Agreement set forth therein have been satisfied, including but not limited to the Bankruptcy Court's approval of the Debtors' performance thereunder. A Holder of a Claim that has accepted this Plan shall be deemed to have accepted this Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such Holder.

12.8 Severability of Plan Provisions

If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

12.9 Successors and Assigns

This Plan shall be binding upon and inure to the benefit of the Debtors, and their respective successors and assigns, including, without limitation, the Reorganized Debtors. The rights, benefits, and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such entity.

12.10 Revocation, Withdrawal, or Non-Consummation

The Debtors reserve the right to revoke or withdraw this Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans of reorganization, in each case with the consent of the Prepetition Agent given in writing or on the record in the Chapter 11 Cases (acting at the direction of the Majority Banks) (and provided that the Master Settlement Agreement has not been terminated, with the consent of TECO given in writing or on the record in the Chapter 11 Cases). If the Debtors revoke or withdraw this Plan as to any or all of the Debtors, in each case with the consent of the Prepetition Agent given in writing or on the record in the Chapter 11 Cases (acting at the Direction of the Majority Banks), or if confirmation or consummation as to any or all of the Debtors does not occur, then, with respect to such Debtors, except as otherwise provided by the Debtors with the consent of the Prepetition Agent given in writing or on the record in the Chapter 11 Cases (acting at the direction of the Majority Banks) in connection therewith, (a) this Plan shall be null and void in all respects, (b) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), assumption or rejection of executory contracts or leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other person or entity, (ii) prejudice in any manner the rights of such Debtors or any other person or entity, or (iii) constitute an admission of any sort by the Debtors or any other person or entity.

12.11 Notice

All notices, requests, and demands to or upon the Debtors or the Reorganized Debtors to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

Union Power Partners, L.P.
Panda Gila River, L.P.
Trans-Union Interstate Pipeline, L.P.
UPP Finance Co., LLC
702 North Franklin Street
Plaza 8
Tampa, Florida 33602
Attention: Jerry Coffey, Esq.
Tel: (813) 228-4433
Fax: (813) 228-4300

with a copy (which shall not constitute notice hereunder), to:

Squire, Sanders & Dempsey L.L.P.
Two Renaissance Square
40 North Central Avenue,
Suite 2700
Phoenix, Arizona 85004
Attention: Craig D. Hansen
Tel: (602) 528-4000
Fax: (602) 253-8129

with additional copies (which shall not constitute notice hereunder) to:

Citigroup Global Markets
Global Corporate & Investment Bank
388 Greenwich Street, 21st Floor
New York, New York 10013
Attention: Charles E. Tauber
Tel: (212) 816-7495
Fax: (212) 816-7738

Latham & Watkins LLP
Sears Tower, Suite 5800
233 South Wacker Drive
Chicago, Illinois 60606
Attention: Ronald W. Hanson
Tel: (312) 876-7700
Fax: (312) 993-9767

with additional copies
(which shall not constitute
notice hereunder) to:

TECO Energy, Inc.
702 North Franklin Street
Tampa, FL 33602
Attention: Sheila M. McDevitt, General Counsel
Tel: 813-228-4111
Fax: 813-228-4811

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Attention: Peter J. Neckles
Tel: 212-735-3000
Fax: 212-735-2000

12.12 Governing Law

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of Arizona, without giving effect to the principles of conflicts of law of such jurisdiction.

12.13 Tax Reporting and Compliance

The Reorganized Debtors are hereby authorized, on behalf of each of the Debtors, to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtors for all taxable periods ending after the Petition Date through, and including, the Effective Date.

12.14 Schedules

All exhibits and schedules to this Plan, including the Exhibits and Plan Schedules, are incorporated and are a part of this Plan as if set forth in full herein.

12.15 Filing of Additional Documents

On or before substantial consummation of this Plan, the Debtors shall File such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

12.16 Conflicts

In the event that a provision of the Disclosure Statement conflicts with a provision of this Plan, the terms of this Plan shall govern and control to the extent of such conflict.

12.17 Dissolution of Committee

The Committee appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, if any, shall be dissolved on the Confirmation Date.

12.18 Fees and Expenses

From and after the Confirmation Date, the Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of professional persons thereafter incurred, including those fees and expenses incurred in connection with the implementation and consummation of this Plan. In addition, within fifteen (15) days following the Confirmation Date, the Reorganized Debtors shall pay, without the necessity for approval by the Bankruptcy Court, if applicable, all unpaid fees and expenses to the professional advisors engaged by the Prepetition Agent and by the Prepetition Project L/C Bank.

Dated: Phoenix, Arizona
[January ____], 2005

Respectfully Submitted,

UNION POWER PARTNERS, L.P.
by its General Partner
Union Power I, LLC

PANDA GILA RIVER, L.P.
by its General Partner
Panda Gila River I, LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

TRANS-UNION INTERSTATE PIPELINE,
L.P., by its General Partner, Trans-Union
Interstate I, LLC

UPP FINANCE CO., LLC,
by its managing member,
UNION POWER PARTNERS, L.P.

By: _____
Name:
Title:

By: _____
Name:
Title:

Craig D. Hansen
Thomas J. Salerno
Sean T. Cork
SQUIRE, SANDERS & DEMPSEY L.L.P.
Two Renaissance Square
40 North Central Avenue,
Suite 2700
Phoenix, Arizona 85004
Tel: (602) 528-4000
Fax: (602) 253-8129

Proposed Counsel to the Debtors and
Debtors-in-Possession

EXHIBIT A

[To Come]

EXHIBIT B

[To Come]

EXHIBIT C

[To Come]

EXHIBIT D

[To Come]

EXHIBIT E

[To Come]

EXHIBIT F

[To Come]

EXHIBIT G

[To Come]

EXHIBIT H

[To Come]

EXHIBIT I

[To Come]

EXHIBIT J

[To Come]

EXHIBIT K

[To Come]

EXHIBIT L

[To Come]

EXHIBIT M

[To Come]

EXHIBIT N

[To Come]

EXHIBIT O

[To Come]

EXHIBIT P

[To Come]

EXHIBIT Q

[To Come]

EXHIBIT R

[To Come]

EXHIBIT S

[To Come]

EXHIBIT T

[To Come]

PLAN SCHEDULE 5.4

PLAN SCHEDULE 7.1