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Comments

4-17-01

ESCROW AGREEMENT

among

~~XYZ~~ PEGASUS POWER PARTNERS, LLC,

ENRON NORTH AMERICA CORP.

and

CITIBANK, N.A.

Dated as of ~~March~~ April ____, 2001

① 1A

ESCROW AGREEMENT

ESCROW AGREEMENT made this 7 day of ~~March~~ April, 2001 (the "Escrow Agreement") among CITIBANK, N.A. ("Escrow Agent") and the undersigned ~~XYZ ("XYZ")~~ PEGASUS POWER PARTNERS, LLC ("PPL") and ENRON NORTH AMERICA CORP. ("ENA") (collectively the "Depositors" and individually a "Depositor").

Depositors and Escrow Agent hereby agree that, in consideration of the mutual promises and covenants contained herein, Escrow Agent shall hold in escrow and shall distribute Escrow Property (as defined herein) in accordance with and subject to the following Instructions and Terms and Conditions:

I. INSTRUCTIONS:

1. Escrow Property

The property and/or funds deposited or to be deposited with Escrow Agent by Depositors shall be as follows:

Cash in the amount of Sixty-Seven Million Seven Hundred Seventy-Six Thousand Seven Hundred and No/100 Dollars (\$67,776,700.00) for Salmon Energy, LLC to acquire rights and obligations associated with the purchase of four LM6000 Enhanced ~~fuel~~ Sprint combustion turbine generator sets

The foregoing property and/or funds, plus all interest, dividends and other distributions and payments thereon (collectively the "Distributions") received by Escrow Agent, less any property and/or funds distributed or paid in accordance with this Escrow Agreement, are collectively referred to herein as "Escrow Property". The Escrow Agent shall have no duty to solicit the Escrow Property.

Investment of Escrow Property (Depositors are to select one of the following options, mark the option selected and, if "(b)" is selected, insert the appropriate information.)

 (a) Escrow Agent shall have no obligation to pay interest on or to invest or reinvest any Escrow Property deposited or received hereunder.

 X (b) Escrow Agent shall invest or reinvest Escrow Property, without distinction between principal and income, in accordance with written instructions from ~~XYZ~~ PPL and ENA delivered to the Escrow Agent specifying any one or more of the following investments:

- (1) Any U.S. Government agency or U.S. Government security;
- (2) Any commercial paper rated A1/P1 or better;
- (3) A Money Market fund governed under the 1940 Act; or
- (4) The Citibank Insured Money Market Deposit Account.
- (5) First American Treasury Obligation ~~(US Bank Fund)~~ (US Bank).

In the absence of written instructions, and after 11:00 a.m. (E.S.T.), the Escrow Agent is authorized to invest 50% of the Escrow Property in the Dreyfus Money Market Fund titled Cash Management Investor Class (670) and 50% of the Escrow Property in Treasury Cash Management Investor Class (673).

Which amounts will be credited to the Account 2, as defined in paragraph 7, Part I

the direct benefit of PPL to provide financing for

by Standard & Poor's and Moody's

The Escrow Agent shall have no obligation to invest or reinvest the Escrow Property if deposited with the Escrow Agent after 11:00 a.m. (E.S.T.) on such day of deposit. Instructions received after 11:00 a.m. (E.S.T.) will be treated as if received on the following business day.

The Escrow Agent shall have the power to sell or liquidate the foregoing investments whenever the Escrow Agent shall be required to release the Escrow Property pursuant to the terms hereof. Requests (or instructions) received after 11:00 a.m. (E.S.T.) by the Escrow Agent to liquidate the Escrow Property will be treated as if received on the following business day. The Escrow Agent shall have no responsibility for any investment losses resulting from the investment, reinvestment or liquidation of the Escrow Property. Any interest or other income received on such investment and reinvestment of the Escrow Property shall become part of the Escrow Property. If a selection is not made, the Escrow Property shall remain uninvested with no liability for interest therein. It is agreed and understood that the Escrow Agent may earn fees associated with the investments outlined above.

Unless caused by its own willful misconduct or gross negligence

except as provided herein

Escrow Agent shall have no liability for any loss arising from or related to any such investment other than in accordance with paragraph 5 of the Terms and Conditions.

3. Distribution of Escrow Property

Escrow Agent is directed to distribute the Escrow Property only in the following manner:

Subject to Section 7 of this Part I,

- (a) Upon receipt of written instructions signed by both Depositors and otherwise in form and substance satisfactory to Escrow Agent, in accordance with such instructions;
- (b) As permitted by this Escrow Agreement, to Escrow Agent; or
- (c) Into the registry of the court as permitted by paragraph 15 of Part II of this Escrow Agreement.

4. Addresses and Account Information

Notices, instructions and other communications shall be sent to Escrow Agent, Escrow and Specialized Agency Services, Attention: Estelle Lawrence, Citibank, N.A., 111 Wall Street, 14th Floor, New York, New York 10043, (telephone number: (212) 657-2076, facsimile number: (212) 657-2762) and to Depositors as follows:

XYZ Pegasus Power Partners, LLC

89 Headquarters Plaza

North Tower, 14th Floor

Attn: _____

Morristown, NJ 07960

Phone: _____

Attn: Richard Vicens

Phone: 973-993-1854

Fax: 973-326-1821

Fax: _____

Enron North America Corp.

1400 Smith Street

121 Southwest Salmon Street

Houston, Texas 77002

Portland, Oregon 97204

Attn: Mr. _____

Attn: Mr. Jake Thomas

Phone: _____

Fax: 503-464-3740

Fax: _____

Account No. _____
ABA _____

- (d) Upon receipt of written instruction signed by either Depositor that the Letter Agreement has been terminated pursuant to Section 7 thereof whereupon the Escrow Property shall be returned to PPL's account set forth in Section 4 as quickly as practicable. 2
- (e) If any monies remain in the Escrow Account as of May —, 2001 such monies shall be returned to PPL's account as quickly as practicable.

Wiring Instructions:

XYZ Pegasus Power Partners, LLC

Account No. _____

ABA # _____

Wiring Instructions:

Enron North America Corp.

[Citibank N.A.]

Account No. [4078-1075]

ABA # [021-000-089]

5. Distribution of Escrow Property Upon Termination

Upon written notice of termination of this Escrow Agreement, Escrow Property then held hereunder shall be distributed as set forth in paragraph 3 of Part I of this Escrow Agreement.

6. Compensation

(a) At the time of execution of this Escrow Agreement, Depositors shall pay Escrow Agent an acceptance fee of \$3,000.00 \$ _____. should be a 1-time fee In addition, Depositors shall pay Escrow Agent a fee of \$3,000.00 \$ _____ per annum or part thereof payable upon execution of this Escrow Agreement and thereafter on each anniversary date of this Escrow Agreement and Depositors agree to reimburse the Escrow Agent for all reasonable expenses, disbursements and advances incurred or made by the Escrow Agent in performance of its duties hereunder (including reasonable fees, expenses and disbursements of its counsel). ~~It is understood that the Escrow Agent's fee may be adjusted from time to time to conform to its then current guidelines.~~ The obligations contained in this paragraph (a) shall be a joint and several obligation of the Depositors. ENA.

(b) reasonable Depositors shall pay an investment transaction fee of \$100.00 for each purchase or sale of a security made by Escrow Agent hereunder, unless funds are invested pursuant to paragraph 2(b)(3) or 2(b)(4) of Part I of this Escrow Agreement. ENA.

(c) Depositors shall be responsible for and shall reimburse Escrow Agent upon demand for all fees, expenses and disbursements incurred or made by Escrow Agent or its counsel in connection with this Escrow Agreement.

II. TERMS AND CONDITIONS

- 3A
1. Escrow Property shall be held by the Escrow Agent either directly or through the Federal Reserve/Treasury Book-Entry System for United States and federal agency securities (the "Book-Entry System"), The Depository Trust Company, a clearing agency registered with the Securities and Exchange Commission ("DTC"), or through any other clearing agency or similar depository (a "Clearing Agency"). The Escrow Agent shall have no responsibility and shall not be liable for ascertaining or acting upon any calls, conversions, exchange offers, tenders, interest rates changes, or similar matters relating to securities held at DTC or with any Clearing Agency unless the Escrow Agent shall have received actual and timely notice of the same, nor shall the Escrow Agent have any responsibility or liability for the actions or omissions to act of the Book-Entry System, DTC or any Clearing Agency.
 2. The duties, responsibilities and obligations of Escrow Agent shall be limited to those expressly set forth herein and no duties, responsibilities or obligations shall be inferred or implied. Escrow Agent shall not be subject to, nor required to comply with, any other agreement between or among any or all of the Depositors or to which any Depositor is a party, even though reference

paragraph 7 of Part I

thereto may be made herein, or to comply with any direction or instruction (other than those contained herein or delivered in accordance with this Escrow Agreement) from any Depositor or an entity acting on its behalf. Escrow Agent shall not be required to expend or risk any of its own funds or otherwise incur any financial or other liability in the performance of any of its duties hereunder.

3. This Escrow Agreement is for the exclusive benefit of the parties hereto and their respective permitted successors hereunder, and shall not be deemed to give, either express or implied, any legal or equitable right, remedy, or claim to any other entity or person whatsoever except as provided in paragraph 14 of Part II hereof with respect to the resignation of the Escrow Agent.
4. If at any time Escrow Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects the Escrow Property (including but not limited to orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of the Escrow Property), Escrow Agent is authorized to comply therewith in any manner it or legal counsel of its own choosing deems appropriate; and if Escrow Agent complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, Escrow Agent shall not be liable to any of the parties hereto or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.
5. Rights and Obligations of Escrow Agent
 - (a) Escrow Agent shall not be liable for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties hereunder in the absence of gross negligence or willful misconduct on its part. In no event shall Escrow Agent be liable (i) for acting in accordance with or relying upon any instruction, notice, demand, certificate or document from any Depositor or any entity acting on behalf of any Depositor, (ii) for any indirect, consequential, punitive or special damages, regardless of the form of action and whether or not any such damages were foreseeable or contemplated, (iii) for the acts or omissions of its nominees, correspondents, designees, agents, subagents or subcustodians, (iv) for the investment or reinvestment of any cash held by it hereunder, in each case in good faith, in accordance with the terms hereof, including without limitation any liability for any delays (not resulting from its gross negligence or willful misconduct) in the investment or reinvestment of the Escrow Property, or any loss of interest incident to any such delays, or (v) for an amount in excess of the value of the Escrow Property, valued as of the date of deposit, but only to the extent of direct money damages.
 - (b) If any fees, expenses or costs incurred by, or any obligations owed to, Escrow Agent or its counsel hereunder are not promptly paid when due, Escrow Agent may reimburse itself therefor from the Escrow Property and may sell, convey or otherwise dispose of any Escrow Property for such purpose. The Escrow Agent may in its sole discretion withhold from any distribution of Escrow Property an amount of Escrow Property it believes would, upon sale or liquidation, produce proceeds equal to any unpaid amounts to which Escrow Agent is entitled to hereunder.
 - (c) As security for the due and punctual performance of any and all of Depositor's, or Depositors', as the case may be, obligations to Escrow Agent hereunder, now or hereafter arising, Depositors, individually and collectively, hereby pledge, assign and grant to Escrow Agent a continuing security interest in, and a lien on, the Escrow Property and all Distributions thereon or additions thereto (whether such additions are the result of deposits by Depositors or the investment of

one-time
fee

Escrow Property). The security interest of Escrow Agent shall at all times be valid, perfected and enforceable by Escrow Agent against Depositors and all third parties in accordance with the terms of this Escrow Agreement.

- (d) Escrow Agent may consult with legal counsel of its own choosing at the expense of the Depositors as to any matter relating to this Escrow Agreement, and Escrow Agent shall not incur any liability in acting in good faith in accordance with any advice from such counsel.
 - (e) Escrow Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of Escrow Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).
 - (f) The Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity or the service thereof. The Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give receipt or advice to make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so.
- in good faith
- 6. Unless otherwise specifically set forth herein, Escrow Agent shall proceed as soon as practicable to collect any checks or other collection items at any time deposited hereunder. Should Escrow Agent in its sole discretion or otherwise credit Distributions before the same are finally collected, such credits shall be provisional and may be reversed by Escrow Agent without notice until such time as the same shall be finally collected. All such collections shall be subject to Escrow Agent's usual collections practices or terms regarding items received by Escrow Agent for deposit or collection. Escrow Agent shall not be required, or have any duty, to notify anyone of any payment or maturity under the terms of any instrument deposited hereunder, nor to take any legal action to enforce payment of any check, note or security deposited hereunder or to exercise any right or privilege which may be afforded to the holder of any such security.
 - 7. Escrow Agent shall provide to Depositors monthly statements identifying transactions, transfers or holdings of Escrow Property and each such statement shall be deemed to be correct and final upon receipt thereof by the Depositors unless Escrow Agent is notified in writing, by the Depositor, to the contrary within thirty (30) business days of the date of such statement.
 - 8. Escrow Agent shall not be responsible in any respect for the form, execution, validity, value or genuineness of documents or securities deposited hereunder, or for any description therein, or for the identity, authority or rights of persons executing or delivering or purporting to execute or deliver any such document, security or endorsement. The Escrow Agent shall not be called upon to advise any party as to the wisdom in selling or retaining or taking or refraining from any action with respect to any securities or other property deposited hereunder.
 - 9. The Escrow Agent shall not be under any duty to give the Escrow Property held by it hereunder any greater degree of care than it gives its own similar property and shall not be required to invest any funds held hereunder except as directed in this Escrow Agreement. Uninvested funds held hereunder shall not earn or accrue interest.

10. When the Escrow Agent is instructed in writing to deliver securities against payment, or to effect payment against delivery, delivery and receipt of payment may not be completed simultaneously, and each Depositor agrees that the Escrow Agent shall incur no liability for any credit risk involved, and that the Escrow Agent may deliver and receive securities, and arrange for payments to be made and received, in accordance with customs prevailing from time to time among brokers or dealers in such securities.
11. At any time the Escrow Agent may request an instruction in writing in English from the Depositors and may, at its own option, include in such request the course of action it proposes to take and the date on which it proposes to act, regarding any matter arising in connection with its duties and obligations hereunder. The Escrow Agent shall not be liable for acting in accordance with such a proposal on or after the date specified therein, provided that the specified date shall be at least one business day after the Depositor(s) receive the Escrow Agent's request for instructions and its proposed course of action, and provided further that, prior to so acting, the Escrow Agent has not received the written instructions requested.
12. Notices, instructions or other communications shall be in writing in English and shall be given to the address set forth in the "Addresses" provision herein (or to such other address as may be substituted therefor by written notification to Escrow Agent or Depositors). Notices to Escrow Agent shall be deemed to be given when actually received by the Escrow Agent (Escrow and Specialized Agency Services). Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by Depositors or by a person or persons authorized by Depositors. Whenever under the terms hereof the time for giving a notice or performing an act falls upon a Saturday, Sunday, or a banking holiday in New York, such time shall be extended to the next day on which the Escrow Agent is open for business.
13. Depositors, jointly and severally, shall be liable for and shall reimburse and indemnify Escrow Agent (and any predecessor Escrow Agent) and hold Escrow Agent harmless from and against any and all claims, losses, actions, liabilities, costs, damages or expenses (including reasonable attorneys' fees and expenses) (collectively "Losses") arising from or in connection with its administration of this Agreement, provided, however, that nothing contained herein shall require Escrow Agent to be indemnified for Losses caused by its own gross negligence or own willful misconduct for which Escrow Agent has assumed liability pursuant to preceding subparagraph (a) of paragraph 5 of Part I II hereof. In addition, when the Escrow Agent acts on any information, instructions, communications, (including, but not limited to, communications with respect to the delivery of securities or the wire transfer of funds) sent by telephone, telex or facsimile, the Escrow Agent, absent gross negligence, shall not be responsible or liable in the event such communication is not an authorized or authentic communication of the Depositor(s) or is not in the form the Depositor(s) sent or intended to send (whether due to fraud, distortion or otherwise). The Depositor(s) shall jointly and severally indemnify the Escrow Agent against any loss, liability, claim or expense (including legal fees and expenses) it may incur with its acting in accordance with any such communication. This paragraph shall survive the termination of this Escrow Agreement or the removal of the Escrow Agent.
or willful misconduct
reasonable
14. Removal or Resignation of Escrow Agent
 - (a) Depositors may remove Escrow Agent at any time by giving to Escrow Agent thirty (30) calendar days' prior notice in writing signed by all Depositors. Escrow Agent may resign at any time by giving the Depositors fifteen (15) calendar days' prior written notice thereof.

or any Depositor

- (b) Within ten (10) calendar days after giving the foregoing notice of removal to Escrow Agent or receiving the foregoing notice of resignation from Escrow Agent, all Depositors shall jointly agree on and appoint a successor Escrow Agent, and provide written notice of such to the resigning Escrow Agent. If a successor Escrow Agent has not accepted such appointment by the end of such 10-day period, Escrow Agent may, in its sole discretion, apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief. The costs and expenses (including reasonable attorneys' fees and expenses) incurred by Escrow Agent in connection with such proceeding shall be paid by, and be deemed a joint and several obligation of, the Depositors. In the event of any such resignation or removal, the Escrow Agent shall have no further obligation with respect to the Escrow Property.
- (c) Upon receipt of the identity of the successor Escrow Agent, Escrow Agent shall either deliver the Escrow Property then held hereunder to the successor Escrow Agent, less Escrow Agent's fees, costs and expenses or other obligations owed to Escrow Agent, or hold such Escrow Property (or any portion thereof), pending distribution, until all such fees, costs and conclusively expenses or other obligations are paid.
- (d) Upon delivery of the Escrow Property to the successor Escrow Agent, Escrow Agent shall have no further duties, responsibilities or obligations hereunder.

15. Ambiguities, Uncertainties, Disputes or Conflicting Claims

- (a) In the event of any ambiguity or uncertainty hereunder or in any notice, instruction or other communication received by Escrow Agent hereunder, Escrow Agent may, in its sole discretion, refrain from taking any action other than retain possession of the Escrow Property, unless Escrow Agent receives written instructions, signed by all Depositors, which eliminates such ambiguity or uncertainty.
- (b) In the event of any dispute between or conflicting claims by or among the Depositors and/or any other person or entity with respect to any Escrow Property, Escrow Agent shall be entitled, in its sole discretion, to refuse to comply with any and all claims, demands or instructions with respect to such Escrow Property so long as such dispute or conflict shall continue, and Escrow Agent shall not be or become liable in any way to the Depositors for failure or refusal to comply with such conflicting claims, demands or instructions. Escrow Agent shall be entitled to refuse to act until, in its sole discretion, either (i) such conflicting or adverse claims or demands shall have been determined by a final order, judgment or decree of a court of competent jurisdiction, which order, judgment or decree is not subject to appeal, or settled by agreement between the conflicting parties as evidenced in a writing satisfactory to Escrow Agent or (ii) Escrow Agent shall have received security or an indemnity satisfactory to it sufficient to hold it harmless from and against any and all Losses which it may incur by reason of so acting. Any court order, judgment or decree shall be accompanied by a legal opinion by counsel for the presenting party, satisfactory to the Escrow Agent, to the effect that said order, judgment or decree represents a final adjudication of the rights of the parties by a court of competent jurisdiction, and that the time for appeal from such order, judgment or decree has expired without an appeal having been perfected. The Escrow Agent shall act on such court order and legal opinions without further question. Escrow Agent may, in addition, elect, in its sole discretion, to commence an interpleader action or seek other judicial relief or orders as it may deem, in its sole discretion, necessary. The costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with such proceeding shall be paid by, and shall be deemed a joint and several obligation of, the Depositors.

- (c) The Escrow Agent shall have no responsibility for the contents of any writing of the arbitrators or any third party contemplated herein as a means to resolve disputes and may conclusively rely without any liability upon the contents thereof.
16. This Escrow Agreement shall be interpreted, construed, enforced and administered in accordance with the internal substantive laws (and not the choice of law rules) of the State of New York. Each of the Depositors hereby submits to the personal jurisdiction of, and each agrees that all proceedings relating hereto shall be brought in, courts located within the City and State of New York. Each of the Depositors hereby waives the right to trial by jury and to assert counterclaims in any such proceedings. To the extent that in any jurisdiction any Depositor may be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (whether before or after judgment) or other legal process, each hereby irrevocably agrees not to claim, and hereby waives, such immunity. Each Depositor waives personal service of process and consents to service of process by certified or registered mail, return receipt requested, directed to it at the address last specified for notices hereunder, and such service shall be deemed completed ten (10) calendar days after the same is so mailed. Any court order shall be accompanied by a legal opinion by counsel for the presenting party satisfactory to the Escrow Agent to the effect that said opinion is final and non-appelleable. The Escrow Agent shall act on such court order and legal opinions without further question.
17. The Escrow Agent does not have any interest in the Escrow Property deposited hereunder but is serving as escrow holder only and having only possession thereof. The Depositors shall pay or reimburse the Escrow Agent upon request for any transfer taxes or other taxes relating to the Escrow Property incurred in connection herewith and shall indemnify and hold harmless the Escrow Agent from any amounts that it is obligated to pay in the way of such taxes. Any payments of income from this Escrow Account shall be subject to withholding regulations then in force with respect to United States taxes. The Depositors will provide the Escrow Agent with appropriate W-9 forms for tax I.D., number certifications, or W-8 forms for non-resident alien certifications. This paragraph shall survive notwithstanding any termination of this Escrow Agreement or the resignation or removal of the Escrow Agent.
18. Except as otherwise permitted herein, this Escrow Agreement may be modified only by a written amendment signed by all the parties hereto, and no waiver of any provision hereof shall be effective unless expressed in a writing signed by the party to be charged.
19. The rights and remedies conferred upon the parties hereto shall be cumulative, and the exercise or waiver of any such right or remedy shall not preclude or inhibit the exercise of any additional rights or remedies. The waiver of any right or remedy hereunder shall not preclude the subsequent exercise of such right or remedy.
20. Each Depositor hereby represents and warrants (a) that this Escrow Agreement has been duly authorized, executed and delivered on its behalf and constitutes its legal, valid and binding obligation and (b) that the execution, delivery and performance of this Escrow Agreement by the Depositor(s) does not and will not violate any applicable law or regulation.
21. The invalidity, illegality or unenforceability of any provision of this Escrow Agreement shall in no way affect the validity, legality or enforceability of any other provision; and if any provision is held to be unenforceable as a matter of law, the other provisions shall not be affected thereby and shall remain in full force and effect.

to
the
best of
its
knowledge

22. This Escrow Agreement shall constitute the entire agreement of the parties with respect to the subject matter and supersedes all prior oral or written agreements in regard thereto.
23. This Escrow Agreement shall terminate upon the distribution of all Escrow Property from the account established hereunder. The provisions of these Terms and Conditions and paragraph 6 of Part I shall survive termination of this Escrow Agreement and/or the resignation or removal of the Escrow Agent.
24. No printed or other material in any language, including prospectuses, notices, reports, and promotional material which mentions "Citibank, N.A." by name or the rights, powers, or duties of the Escrow Agent under this Escrow Agreement shall be issued by any other parties hereto, or on such party's behalf, without the prior written consent of Escrow Agent.
25. The headings contained in this Escrow Agreement are for convenience of reference only and shall have no effect on the interpretation or operation hereof.
26. This Escrow Agreement may be executed by each of the parties hereto in any number of counterparts, each of which counterpart, when so executed and the original signature delivered to the other parties, shall be deemed to be an original and all such counterparts shall together constitute one and the same agreement.
27. No party may assign any of its rights or obligations under this Escrow Agreement without the written consent of the other parties.
28. Any corporation into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any corporation succeeding to the business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

IN WITNESS WHEREOF, each of the parties have caused this Escrow Agreement to be executed by a duly authorized officer as of the day and year first written above.

XYZ PEGASUS POWER PARTNERS, LLC

By: _____
Name: _____
Title: _____

ENRON NORTH AMERICA CORP.

By: _____
Name: _____
Title: Director

CITIBANK, N.A., as Escrow Agent

By: _____
Name: _____
Title: _____

Rider 1A

CITIBANK, N.A. (the "Intermediary") and US Bank Trust National Association (the "Collateral Agent").

Rider 3A

7. The Account.

(a) The Intermediary represents and agrees that: (i) it has established and is maintaining on its books and records account number _____, designated _____ (said account, together with any replacements thereof or substitutions therefor, the ***Account***) and (ii) the Account is a "securities account" (within the meaning of Section 8-501(a) of the UCC) in respect of which the Intermediary is a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC) and the Collateral Agent is the "entitlement holder" (within the meaning of Section 8-102(a)(7) of the UCC).

(b) The Intermediary hereby agrees that each item of property (whether cash, a security, an instrument or any other property whatsoever, including all permitted investments) credited to the Account shall be treated as a "financial asset" under Article 8 of the UCC.

(c) All securities and other financial assets credited to the Account that are in registered form or that are payable to or to order shall be (i) registered in the name of, or payable to or to the order of, the Intermediary, (ii) indorsed to or to the order of the Intermediary or in blank or (iii) credited to another securities account maintained in the name of the Intermediary; and in no case will any financial asset credited to the Account be registered in the name of, or payable to or to the order of, the Debtor or indorsed to or to the order of the Debtor, except to the extent the foregoing have been specially indorsed to or to the order of the Intermediary or in blank.

(d) The Intermediary agrees that its "securities intermediary's jurisdiction" (within the meaning of Section 8-110(e) of the UCC) with respect to the Account is the State of New York.