EXECUTION COPY

PURCHASE AGREEMENT

AMONG

CCE HOLDINGS, LLC,

ENRON OPERATIONS SERVICES, LLC,

ENRON TRANSPORTATION SERVICES, LLC,

EOC PREFERRED, L.L.C.

AND

ENRON CORP.

Dated as of June 24, 2004

PURCHASE AGREEMENT

PURCHASE AGREEMENT, dated as of June 24, 2004 (this "Agreement"), by CCE Holdings, LLC, a Delaware limited liability company ("Purchaser"), Enron Operations Services, LLC, a Delaware limited liability company ("EOS"), Enron Transportation Services, LLC, a Delaware limited liability company ("ETS"), EOC Preferred, L.L.C., a Delaware limited liability company ("EOC"), and Enron Corp., an Oregon corporation ("Enron" and, collectively with EOS, ETS and EOC, "Sellers").

WITNESSETH:

WHEREAS, commencing on December 2, 2001, Enron and certain of its subsidiaries, including EOS and ETS, filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (as defined herein); and

WHEREAS, Sellers collectively own 100% of the membership interests (collectively, the "Equity Interest") of CrossCountry Energy, LLC, a Delaware limited liability company (the "Company"); and

WHEREAS, the Company directly or indirectly owns (i) beneficially an aggregate of one thousand (1,000) shares of common stock, par value $0.01 per share, of Transwestern Pipeline Company, Inc., a Delaware corporation ("Transwestern"), which constitutes 100% of the issued and outstanding shares of capital stock of Transwestern; (ii) an aggregate of five hundred (500) shares of Class B common stock, par value $1.00 per share, of Citrus Corp., a Delaware corporation ("Citrus"), which constitutes fifty percent (50%) of the issued and outstanding shares of capital stock of Citrus; (iii) an aggregate of four hundred (400) shares of common stock, par value $10.00 per share, of Northern Plains Natural Gas Company, a Delaware corporation ("Northern Plains"), which constitutes 100% of the issued and outstanding shares of capital stock of Northern Plains; (iv) one thousand (1,000) shares of common stock, par value $1.00 per share, of NBP Services Corporation, a Delaware corporation ("NBP Services"), which constitutes 100% of the issued and outstanding shares of capital stock of NBP Services; and (v) 100% of the membership interest of CrossCountry Energy Services, LLC, a Delaware limited liability company ("CES"); and

WHEREAS, Sellers desire to sell to Purchaser, and Purchaser desires to purchase from Sellers, the Equity Interest pursuant to the terms of this Agreement and an Order of the Bankruptcy Court approving such sale under, among other things, sections 105 and 363 of the Bankruptcy Code; and

WHEREAS, certain terms used in this Agreement are defined in Section 11.1.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

SALE AND PURCHASE OF EQUITY INTEREST

1.1 Sale and Purchase of Equity Interest. Upon the terms and subject to the conditions contained herein, on the Closing Date, Sellers shall sell, assign, transfer, convey and deliver to Purchaser, and Purchaser shall purchase from Sellers, the Equity Interest, free and clear of all Liens (other than Liens created by Purchaser) to the extent permitted under Section 363 of the Bankruptcy Code.

ARTICLE II

PURCHASE PRICE AND PAYMENT

2.1 Purchase Price. The purchase price for the Equity Interest shall be an amount equal to (i) $2,350,000,000 less the Transwestern Debt Amount (the "Preliminary Purchase Price"), plus (ii) an amount, which may be positive or negative, calculated pursuant to Schedule 2.1 (the Preliminary Purchase Price, after giving effect to all adjustments contemplated pursuant to Schedule 2.1, is referred to herein as the "Purchase Price").

2.2 Deposit.

(a) Upon or prior to the execution of this Agreement, Purchaser shall deposit with JPMorgan Chase Bank, in its capacity as Deposit Escrow Agent (the "Deposit Escrow Agent"), pursuant to that certain Deposit Escrow Agreement, dated as of the date hereof, among Purchaser, each of the Sellers and the Deposit Escrow Agent (the "Deposit Escrow Agreement"), one or more original irrevocable letters of credit (the "Initial Letters of Credit"), each in the form of Appendix A to the Deposit Escrow Agreement, for an aggregate amount equal to $30,000,000 (the "Initial Deposit Amount") and an original irrevocable letter of credit (the "June 24 Letter of Credit") in the form of Appendix A to the Deposit Escrow Agreement, for an amount equal to $20,000,000 (the "June 24 Deposit Amount", and together with the Initial Deposit Amount, the "Deposit Amount"). If Purchaser is selected as the Winning Bidder in the Auction, Purchaser will have the option at any time prior to the close of business on the third (3rd) Business Day after the Approval Order is entered by the Bankruptcy Court on the electronic docket to deliver to the Deposit Escrow Agent one or more additional original irrevocable letters of credit (the "Additional Letters of Credit" and, together with the Initial Letters of Credit and the June 24 Letter of Credit, the "Letters of Credit"), each in the form of Appendix A to the Deposit Escrow Agreement, for an aggregate amount equal to $30,000,000 (the "Additional Deposit Amount"). Upon delivery of the Additional Letters of Credit, the Deposit Amount shall equal $80,000,000 for all purposes herein. Solely upon the delivery of the Additional Letters of Credit, Section 12.18 of this Agreement shall automatically become binding upon and enforceable against the Sellers without any further action by the parties hereto. The Letters of Credit will be drawn upon by the Deposit Escrow Agent only in the circumstances described in, and to the extent permitted by, Section 2.2(c) and the Deposit Escrow Agreement. The Letters of Credit and any funds

drawn thereunder shall be held by the Deposit Escrow Agent and applied, or returned to Purchaser, in accordance with the provisions of this Section 2.2 and the Deposit Escrow Agreement. Upon Closing and as provided in Section 2.2(b), the Letters of Credit and any funds drawn thereunder shall be released to Purchaser.

(b) Pursuant to the Deposit Escrow Agreement, the Letters of Credit shall be released and returned to Purchaser in the event that this Agreement is validly terminated by (i) Purchaser (A) pursuant to Sections 3.2(a), 3.2(c), 3.2(d), 3.2(e) or 3.2(h) or (B) pursuant to Section 3.2(b) in the event that the Closing does not occur on or prior to the Outside Date due to the failure to satisfy the closing conditions set forth in Sections 7.1(a), 7.1(b), 7.1(d), 7.1(e), 7.2(a) – (e), or 7.3(d), or (ii) by Sellers (A) pursuant to Sections 3.2(a), 3.2(c) or 3.2(d), (B) pursuant to Section 3.2(g) if at the time of such termination a Capital Markets Event has occurred and is continuing such that the closing condition set forth in Section 7.2(d) would not be satisfied, (C) pursuant to Section 3.2(b) in the event that the Closing does not occur on or prior to the Outside Date due to the failure to satisfy the closing conditions set forth in Sections 7.1(a), 7.1(b), 7.1(d), 7.1(e) or 7.3(d) or (D) pursuant to Section 3.2(f) in the event that such termination by Sellers is solely based upon a breach of Purchaser's representations in Section 5.4 due to an Action or Order of which Purchaser is not aware as of the date of this Agreement that seeks to restrain or prohibit or otherwise challenge the consummation, legality and validity of the transactions contemplated hereby or that directly results from and relates to the execution of this Agreement and in any such case is filed or threatened to be filed after the date hereof by a Person other than Purchaser, the Financing Sources or any of their respective Affiliates or Representatives or any other Person acting, directly or indirectly, on behalf of or at the behest of or with the encouragement of any of them; provided, that the Letters of Credit (other than the June 24 Letter of Credit, unless the Purchaser has not complied with the obligations under Section 6.3 with respect to the HSR Act, or Section 6.18, in which case the June 24 Letter of Credit shall be forfeited and paid to Sellers in accordance with Section 2.2(c)) shall not be released or returned to Purchaser in the event that any termination referred to in this paragraph (b) relates to or arises from a failure to satisfy the closing condition set forth in (i) Section 7.1(c) (with respect to the HSR Act) or (ii) Section 7.2(f); or

(c) Except as specified in Section 2.2(b), upon the valid termination of this Agreement, the Letters of Credit shall be drawn upon for the Deposit Amount and the Deposit Amount shall be paid to Sellers as liquidated damages, with each Seller receiving a pro rata share of the Deposit Amount in accordance with each Seller's Percentage Interest. For the avoidance of doubt and, except as provided in Section 2.2(b), if all of the conditions set forth in Sections 7.1 and 7.2 have been satisfied (assuming for such purposes that the Closing would have occurred on the date of termination of this Agreement), and Purchaser fails to pay the Purchase Price in accordance with the terms of this Agreement, Sellers shall be entitled to the Deposit Amount. Upon the payment to Sellers of the Deposit Amount pursuant to this Section 2.2(c), the parties hereto and their Affiliates and Representatives shall, subject to Section 3.3, be fully released and discharged from all liabilities and obligations under or resulting from this Agreement, and no party shall have any other remedy or cause of action against any other party under or relating to this Agreement.

2.3 Payment of Purchase Price. At the Closing, Purchaser shall pay (i) the Preliminary Purchase Price plus (ii) the Estimated Purchase Price Adjustment to Sellers by wire transfer of immediately available funds into an account or accounts designated in writing by Sellers. The parties agree to pay, if applicable, the True-up Amount in accordance with Schedule 2.1. The Purchase Price to be paid to Sellers under this Section 2.3 shall be paid to each Seller pro rata in accordance with each Seller's Percentage Interest.

ARTICLE III

CLOSING AND TERMINATION

3.1 Time and Place of Closing. The closing of the sale and purchase provided for in Article I (the "Closing") shall take place at the New York City offices of Weil, Gotshal & Manges LLP, at 10:00 A.M. New York City time, on the later of (i) the second (2^{nd}) Business Day after the date on which the conditions to the Closing set forth in Article VII (excluding conditions that, by their terms, cannot be satisfied until the Closing) have been satisfied or waived by the party entitled to waive such condition, or (ii) the thirtieth (30^{th}) day after Sellers give notice to Purchaser of the date Sellers anticipate all such conditions will be satisfied or waived, or at such other place, date and time as the parties may agree (the actual date on which the Closing is to occur pursuant to this Section 3.1 shall be referred to as the "Closing Date"); provided, however, that neither Sellers nor Purchaser shall be required to close the transactions contemplated by this Agreement until all conditions to the obligations of Sellers or Purchaser, as the case may be, shall have been satisfied or waived in accordance with the provisions of Article VII.

3.2 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

(a) At any time prior to the Closing Date by the mutual written consent duly authorized by the Board of Directors or Board of Managers, as applicable, of each of the Sellers and Purchaser;

(b) By either Sellers or Purchaser, if the Closing has not occurred on or before December 17, 2004 (as may be extended by written agreement of the parties, the "Outside Date"); provided, however, that the terminating party is not in default of its obligations under this Agreement in any material respect;

(c) By either Sellers or Purchaser, if there shall be any Applicable Law that makes consummation of the transactions contemplated hereby illegal or otherwise prohibited (and such Law is not overturned or otherwise made inapplicable to the transactions contemplated hereby within a period of one hundred and twenty (120) days) or if any Order is entered by a Governmental Authority of competent jurisdiction having valid enforcement authority permanently restraining, prohibiting or enjoining any of the Sellers or Purchaser from consummating the transactions contemplated hereby and such Order shall become final and non-appealable;

(d) By either Sellers or Purchaser, at any time following (i) Sellers' execution of a definitive agreement for an Alternative Transaction, (ii) ninety (90) days after the entry of the Bidding Procedures Order if Sellers have not selected a Winning Bidder or (iii) the public announcement of Sellers' decision not to effect a sale of the Equity Interest pursuant to this Agreement and to instead effect a Distribution (provided that if Purchaser is selected as the Winning Bidder after the completion of the Auction, Sellers shall no longer have the right to terminate this Agreement pursuant to this clause (iii));

(e) By Purchaser, so long as Purchaser is not then in breach of its obligations under this Agreement in any material respect, upon a breach of any covenant or agreement of Sellers set forth in this Agreement, or if any representation or warranty of Sellers shall have been or becomes untrue, in each case such that the conditions set forth in Section 7.2(a) or Section 7.2(b), as the case may be, would not be satisfied and such breach or untruth (i) cannot be cured by the Outside Date or (ii) has not been cured within thirty (30) Business Days of the date on which Sellers receive written notice thereof from Purchaser (describing with reasonable specificity the purported breach or untruth); provided, however, that Purchaser shall not be entitled to terminate this Agreement pursuant to the foregoing clause (ii) so long as Sellers are using their commercially reasonable efforts to cure such breach or untruth and such breach or untruth is capable of cure on or before the Outside Date;

(f) By Sellers, so long as Sellers are not then in breach of their obligations under this Agreement in any material respect, upon a breach of any covenant or agreement of Purchaser set forth in this Agreement, or if any representation or warranty of Purchaser shall have been or becomes untrue, in each case such that the conditions set forth in Section 7.3(a) or Section 7.3(b), as the case may be, would not be satisfied and such breach or untruth (i) cannot be cured by the Outside Date or (ii) has not been cured within thirty (30) Business Days of the date on which Purchaser receives written notice thereof from Sellers (describing with reasonable specificity the purported breach or untruth); provided, however, that Sellers shall not be entitled to terminate this Agreement pursuant to the foregoing clause (ii) so long as Purchaser is using its commercially reasonable efforts to cure such breach or untruth and such breach or untruth is capable of cure on or before the Outside Date;

(g) By Sellers, upon notice to Purchaser if (i) a Commitment Letter shall have expired or have been terminated or (ii) (A) Purchaser has provided notice to Sellers pursuant to Section 6.10(a) or (B) Sellers request Purchaser to deliver to Sellers an officer's certificate stating that a Commitment Letter is in full force and effect and that, after inquiry of the Financing Source, Purchaser does not know of any facts that would reasonably be expected to impair or delay in any material respect or prevent the consummation of the financing contemplated by such Commitment Letter and Purchaser does not within ten (10) days of the receipt of such request deliver such certificate to Sellers; provided, however, that the right to terminate this Agreement under this Section 3.2(g) shall not be available to Sellers if within thirty (30) days of receiving notice by Sellers of their intention to terminate this Agreement under this Section 3.2(g), Purchaser (i) secures an extension of such Commitment Letter (if expired or terminated), (ii) secures an amendment of such Commitment Letter that allows it to

deliver the certificate referenced in this Section 3.2(g), or (iii) secures a Commitment Letter for alternate or additional financing upon terms and from a financing source that is reasonably acceptable to Sellers. Notwithstanding the foregoing, Sellers shall not have the right to terminate this Agreement pursuant to this Section 3.2(g) if Purchaser's inability to deliver the certificate referenced in this Section 3.2(g) was caused by a material breach by Sellers of their obligations under this Agreement or any representation or warranty of Sellers having been or having become untrue in any material respect;

(h) By Purchaser, so long as Purchaser is not then in breach of its obligations under this Agreement in any material respect, if (i) Sellers do not file with the Bankruptcy Court on or before the fourth (4^{th}) Business Day following the date of this Agreement the Bidding Procedures Motion and thereafter use their commercially reasonable efforts to serve the Bidding Procedures Motion as required by orders of the Bankruptcy Court or applicable rules in existence at 10:00 A.M. (New York City time) on the Business Day prior to the day the Bidding Procedures Motion is filed, (ii) the Bankruptcy Court does not enter the Bidding Procedures Order on or before the fortieth (40^{th}) day following the date the Bidding Procedures Motion is filed, (iii) following entry of the Bidding Procedures Order, the Bidding Procedures Order is reversed, revoked, voided, vacated, modified or stayed by an Order of any Governmental Authority in any manner that is materially adverse to Purchaser (a "Modifying Order") and such Modifying Order is not reversed, revoked, voided, vacated, stayed or further modified within thirty (30) days such that the Bidding Procedures Order is in full force and effect, (iv) the Bankruptcy Court does not enter the Approval Order on or before the eightieth (80^{th}) day following the date the Bidding Procedures Order is entered, or (v) following entry of the Approval Order, the Approval Order is materially and adversely modified by a Modifying Order and such Modifying Order is not reversed, revoked, voided, vacated, stayed or further modified within thirty (30) days such that the Approval Order is in full force and effect; or

(i) By Sellers, if Purchaser fails to close the transactions contemplated hereunder on the Closing Date as determined in accordance with Section 3.1.

3.3 Effect of Termination. No termination of this Agreement pursuant to Section 3.2 shall be effective until notice thereof shall be given to the non-terminating parties specifying the provision hereof pursuant to which such termination is made. If validly terminated pursuant to Section 3.2, this Agreement shall become wholly void and of no further force and effect without liability to Purchaser, Sellers or any of the Transfer Group Companies or the Northern Border Companies or any of their respective Subsidiaries, Affiliates, officers, directors, employees, agents, advisors or other representatives, except that the obligations of the parties under the Deposit Escrow Agreement, this Section 3.3, Sections 2.2, 6.6, 6.7, Article XII (other than Section 12.18) and, to the extent necessary to effectuate the foregoing enumerated provisions, Article XI of this Agreement shall remain in full force and effect (it being understood that in no event shall Sellers be obligated to make any payment to Purchaser upon termination of this Agreement, and in no event shall Purchaser be obligated to make any payments to Sellers upon termination of this Agreement other than the forfeiture of the Deposit Amount to Sellers in accordance with Section 2.2(c)).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLERS

Each of the Sellers hereby represents and warrants, individually and not jointly (except for Enron, which represents and warrants individually and jointly), to Purchaser as follows:

4.1 Organization and Good Standing. Each Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was formed and, subject to the limitations imposed on Enron, EOS and ETS as a result of having filed a petition for relief under the Bankruptcy Code, each Seller has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

4.2 Authorization of Agreement. Each Seller has the requisite power and authority to execute this Agreement and the Transaction Documents to which it is a party, subject to entry of the Approval Order, to consummate the transactions contemplated by this Agreement and the Transaction Documents to which it is a party. The execution and delivery of this Agreement and the Transaction Documents to which it is a party by each Seller and the consummation by each Seller of the transactions contemplated by this Agreement and the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of each Seller. This Agreement and the Transaction Documents to which it is a party have been duly executed and delivered by each Seller and, assuming due execution and delivery by Purchaser and the entry of the Approval Order, constitute valid and binding obligations of each Seller, enforceable against each Seller in accordance with their respective terms.

4.3 No Violation; Consents.

(a) Subject to receiving the consents or waivers referred to on Schedule 4.3(a) and the consents referred to in Section 4.3(b), the execution and delivery by Sellers of this Agreement and the Transaction Documents to which each Seller is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate any provision of the certificate of incorporation, bylaws, limited liability company agreement or other similar organizational documents of any of the Sellers or any Transfer Group Company, (ii) conflict with, require the consent of a third party under, violate, require or accelerate the time of any payment by any Transfer Group Company to any Person under, result in the breach of, constitute a default under, or give rise to any right of acceleration, cancellation or termination of any material right or obligation of Sellers or any Transfer Group Company under, any material agreement or other instrument to which Seller or any Transfer Group Company is a party or by which Sellers or any Transfer Group Company or any of their respective properties or assets are bound, (iii) subject to the entry of the Approval Order, violate any Order of any Governmental Authority to which Sellers or any Transfer Group Company is bound or subject, (iv) subject to the entry of the Approval Order, violate any Applicable Law or (v) except as provided in this Agreement, result in the imposition or creation of any Lien upon the Equity Interest, other than, in the case of clauses (ii) through (v), any conflict, violation, breach, default, requirement for

consents, rights of acceleration, cancellation, termination or Lien that would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect or a Transfer Group Material Adverse Effect.

(b) Except as set forth on Schedule 4.3(b) and except for (i) any filings required under the HSR Act, (ii) such filings with, and Orders of, the FCC as may be required under the Communications Act and (iii) the entry of the Approval Order, the entry of the Bidding Procedures Order, no Order or Permit issued by, or declaration or filing with, or notification to, or waiver from or consent from, any Governmental Authority is required on the part of Sellers in connection with the execution and delivery of this Agreement, or the compliance or performance by Sellers with any provision contained in this Agreement or the consummation of the transactions contemplated hereby, except for any such requirements, the failure of which to be obtained or made would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect or a Transfer Group Material Adverse Effect.

4.4 Ownership and Transfer of Equity Interest. Sellers are the record and beneficial owners of the Equity Interest with each having such percentage interest (the "Percentage Interest") of the Equity Interest as set forth on Schedule 4.4 hereto. The Equity Interest constitutes one hundred percent (100%) of the outstanding membership interests in the Company. Each Seller has the requisite power and authority to sell and transfer its Percentage Interest as provided in this Agreement and, subject to (i) the entry of the Approval Order, (ii) the release of Liens imposed on the Equity Interest in connection with the DIP Agreement and (iii) the Liens listed on Schedule 4.4, such delivery will convey to Purchaser good and marketable title to such Equity Interest, free and clear of any and all Liens to the extent permitted under section 363 of the Bankruptcy Code.

4.5 Transfer Group Companies.

(a) Schedule 4.5(a) sets forth the name of each Transfer Group Company and, with respect to each such Transfer Group Company, the jurisdiction in which it is incorporated or organized, the number of shares of its authorized capital stock or other equity interests, the number and class of shares or equity interests thereof duly issued and outstanding, the names of all stockholders or other equity owners and the number of shares of stock or other equity interests owned by each equity owner thereof. The outstanding shares of capital stock or other equity interests of each Transfer Group Company are validly issued, fully paid and non-assessable, and all such shares or other equity interests represented as being owned by the relevant Transfer Group Company are owned by it free and clear of any and all Liens except as set forth on Schedule 4.5(a).

(b) Except as set forth on Schedule 4.5(b), (i) there is no existing option, warrant, right, call, commitment or other agreement to which any Transfer Group Company is a party requiring, and there are no securities of any Transfer Group Company outstanding which, upon conversion, would require, the issuance, sale or transfer of any additional shares of capital stock or other equity interests of any Transfer Group Company or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase shares of capital stock

or other equity interests of any Transfer Group Company and (ii) no Transfer Group Company has any obligation to repurchase, acquire or redeem any capital stock or other equity securities of any Transfer Group Company.

(c) Each Transfer Group Company is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is formed and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted, with such exceptions that would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect. Each Transfer Group Company is duly qualified to transact business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

(d) Northern Plains holds a 0.500% general partnership interest in Northern Border Partners, L.P., a publicly-traded master limited partnership ("Northern Border") and a 0.505% general partnership interest in Northern Border's Affiliate, Northern Border Intermediate Limited Partnership ("NBI"). Northern Plain's wholly-owned subsidiary, Pan Border Gas Company, holds a 0.325% general partnership interest in Northern Border and a 0.3283% general partnership interest in NBI.

(e) None of the Transfer Group Companies has any Subsidiary, or holds an equity interest in any other Person, that is not a Transfer Group Company other than the Northern Border Companies and Persons in which the Northern Border Companies hold a minority equity interest.

(f) Except for the agreements set forth in Schedule 4.5(f) hereto, there are no agreements to which Citrus is a party that restricts Citrus's ability to pay dividends to its shareholders.

4.6 Financial Statements; Northern Border SEC Reports.

(a) Sellers have made available to Purchaser (i) copies of the audited consolidated balance sheet of Citrus as at December 31, 2003 and the related audited consolidated statements of income, stockholders' equity and cash flows of Citrus for the twelve (12) month period then ended, (ii) copies of the audited balance sheet of Transwestern as at December 31, 2003, and the related audited statements of income, stockholders' equity and cash flows of Transwestern for the twelve (12) month period then ended, (iii) copies of the unaudited consolidated balance sheet of the Northern Plains Group Companies as at December 31, 2003, and the related consolidated unaudited statements of income, stockholders' equity and cash flows of the Northern Plains Group Companies for the twelve (12) month period then ended (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with the books and records of Citrus, Transwestern and the Northern Plains Group Companies as at the date and for the period indicated, and, except as set forth in Schedule 4.6, in accordance with GAAP and present fairly in all material respects the consolidated financial

position, results of operations and cash flows of each of Citrus, Transwestern and the Northern Plains Group Companies as at the date and for the period indicated (in each case subject, as to unaudited Financial Statements, to year-end audit adjustments and full footnote disclosure). For the purposes hereof, the audited consolidated balance sheet of Citrus, the audited balance sheet of Transwestern as at December 31, 2003 and the unaudited consolidated balance sheet of the Northern Plains Group Companies as at December 31, 2003 shall be referred to as the "Balance Sheets" and December 31, 2003 shall be referred to as the "Balance Sheet Date".

(b) Sellers have made available to Purchaser copies of the unaudited consolidating balance sheet of the Company as at March 31, 2004 and the related pro forma consolidating statements of income of the Company for the three (3) month period then ended. Such unaudited financial statements have been compiled from the books and records of the Company and its subsidiaries as at the date and for the period indicated, with the exception of omitted footnotes that customarily accompany reported financial statements present fairly in all material respects the financial position and results of operations of the Company as at the date and for the period indicated, and may vary from formal audited reports prepared in accordance with GAAP or FERC requirements.

(c) Northern Border has filed all required forms, reports and documents with the Securities and Exchange Commission (the "SEC") since January 1, 2002 (the "Northern Border SEC Reports"), each of which has complied in all material respects with all applicable requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), each as in effect on the dates such forms, reports and documents were filed. To the Knowledge of Sellers, none of the Northern Border SEC Reports, including without limitation, any financial statements or schedules included or incorporated by reference therein, contained, when filed, any untrue statements of a material fact or omitted to state a material fact required to be stated or incorporated by reference therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The consolidated financial statements of Northern Border included in the Northern Border SEC Reports complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect on the dates such Northern Border SEC Reports were filed, and fairly present, in all material respects and in conformity with GAAP applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated financial position of Northern Border and its consolidated subsidiaries as of the dates thereof and their consolidated results of operations and changes in financial position for the periods then ended (subject, in the case of the unaudited interim financial statements, to normal year-end adjustments).

4.7 No Undisclosed Liabilities.

(a) Except as set forth on Schedule 4.7(a), or as would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect or a Transfer Group Material Adverse Effect, the Citrus Group Companies, the Transwestern Group Companies and the Northern Plains Group Companies have no indebtedness, obligation or liability of any kind (whether accrued, absolute, contingent or otherwise, and whether due or to

become due) that would have been required to be reflected in, reserved against or otherwise described on the consolidated balance sheet of Citrus, Transwestern or the Northern Plains Group Companies or in the notes thereto in accordance with GAAP, respectively, which (i) is not shown on the Balance Sheets or the notes thereto or (ii) was not incurred in the Ordinary Course of Business since the Balance Sheet Date, except for any indebtedness, obligation or liability arising after the date of this Agreement which is permitted pursuant to Section 6.2.

(b) Except as disclosed or reflected in the Northern Border SEC Reports, or as would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect or a Transfer Group Material Adverse Effect, the Northern Border Companies have no indebtedness, obligation or liability of any kind (whether accrued, absolute, contingent or otherwise, and whether due or to become due) that would have been required, based on information known to Sellers or any of the Northern Border Companies as of the date of execution of this Agreement, to be reflected in, reserved against or otherwise described on the consolidated balance sheet of Northern Border and its subsidiaries included in the most recent Northern Border SEC Reports or in the notes thereto in accordance with GAAP, which (i) is not shown on a balance sheet of the Northern Border Companies or the notes thereto or (ii) was not incurred in the ordinary course of business since the Balance Sheet Date.

(c) None of the Company, CrossCountry Citrus Corp., Transwestern Holding Company, Inc., NBP Services, CES or CrossCountry Alaska LLC, on an unconsolidated basis, has any indebtedness, obligations or liabilities of any kind (whether accrued, absolute, contingent or otherwise) except for (i) liabilities incurred since the date of this Agreement in the Ordinary Course of Business (except in the case of NBP Services and CES, incurred at any time in the Ordinary Course of Business), (ii) liabilities that do not exceed $1,000,000 in the aggregate, (iii) as set forth in Schedule 4.7(c) or (iv) in the case of the Company, liabilities incurred in accordance with the terms and provisions of the Contribution Agreement (including the agreements entered into, and actions taken, in connection with the Contribution Agreement).

4.8 Absence of Certain Developments.

(a) Except as expressly contemplated by this Agreement or the Contribution Agreement and the schedules thereto (including the agreements entered into, and actions taken, in connection with the Contribution Agreement) or as set forth on Schedule 4.8(a), since the Balance Sheet Date, (i) the business of the Transfer Group Companies has been conducted in the Ordinary Course of Business in all material respects or, from and after the date of this Agreement, otherwise in accordance with Section 6.2, (ii) no event has occurred that would reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect or a Seller Material Adverse Effect or (iii) through the date of this Agreement, there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any Transfer Group Company's capital stock to a Person who is not a Transfer Group Company.

(b) Except as expressly contemplated by this Agreement, set forth on Schedule 4.8(b) or disclosed or reflected in the Northern Border SEC Reports, since the Balance

Sheet Date, the business of the Northern Border Companies has been conducted in the ordinary course of business and, to Sellers' Knowledge, no event has occurred that would reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

4.9 Title to Properties.

(a) Except as set forth on Schedule 4.9(a), each of the Transfer Group Companies has good and valid title to or holds a valid leasehold, license or other interest in, or right-of-way easement through (collectively, the "Rights of Way"), all real property used by it in the Ordinary Course of Business, with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect, in each case free and clear of all Liens, except for (i) Liens set forth on Schedule 4.9(a) and (ii) Permitted Exceptions.

(b) With respect to each material parcel of real property that is leased by a Transfer Group Company as tenant (the "Leased Real Property"), to the Knowledge of Sellers, (i) none of the Transfer Group Companies has received any notice of default under any lease pertaining to any of the Leased Real Property in the twelve (12) month period prior to the date hereof and (ii) there are no uncured defaults under any lease without regard to when notice may have been given that would give the counterparty the right to terminate such lease, in each case with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

(c) Each of the Transfer Group Companies has good and marketable title to all personal property reflected in the Financial Statements or acquired after the Balance Sheet Date, but not including any personal property disposed of in the Ordinary Course of Business since the Balance Sheet Date, and with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect, in each case free and clear of all Liens, except for (i) Liens set forth on Schedule 4.9(c) and (ii) Permitted Exceptions.

4.10 Intangible Property. Except as set forth on Schedule 4.10, none of the Transfer Group Companies has any interest in any material patents, patent licenses, trade names, trademarks, service marks or copyrights. Except as set forth on Schedule 4.10, to Sellers' Knowledge, the use of any intellectual property set forth on Schedule 4.10 by the Transfer Group Companies does not conflict with the asserted rights of others, with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

4.11 Material Contracts.

(a) Set forth on Schedule 4.11(a) is a list of the following Contracts to which a Transfer Group Company is a party or by which any Transfer Group Company is bound as of the date of this Agreement (collectively, the "Material Contracts"):

(i) any Contract relating to indebtedness for borrowed money, letter of credit or guarantee of the indebtedness for borrowed money of Persons other than the Transfer Group Companies (excluding renewals and extensions of credit) that Sellers reasonably anticipate will, in accordance with its terms, involve aggregate payments by a Transfer Group Company of more than $2,000,000 within its remaining term;

(ii) any lease under which any Transfer Group Company is the lessor or lessee of real or personal property, which lease (A) cannot be terminated by such Transfer Group Company without payment penalty upon not more than one hundred and eighty (180) days' notice and (B) involves an annual base rental in excess of $2,000,000;

(iii) any Contract that expressly limits in any material respect the ability of a Transfer Group Company to (A) engage in any of its existing lines of business or to conduct any such business in any particular geographic area or (B) compete with any other Person in any such business;

(iv) any employment or consulting Contract for employees, officers, directors or consultants of a Transfer Group Company whose guaranteed annual compensation thereunder is in excess of $200,000 annually for either of the calendar years 2003 or 2004 and that cannot be terminated on thirty (30) days' notice without penalty or other future obligation;

(v) any Contract for the pending purchase by or sale of real or personal property of a Transfer Group Company (other than ordinary course sales of natural gas, natural gas liquids or other items of inventory) for an amount in excess of $2,000,000;

(vi) any Contract relating to gas purchase, gas sale, gas processing, gas storage, natural gas liquids sale or gathering that Sellers reasonably anticipate will, in accordance with its terms, require payments by a Transfer Group Company in excess of $5,000,000 within the twelve (12) month period ending December 31, 2004;

(vii) any firm transportation Contract that requires, in accordance with its terms, payments to a Transfer Group Company in excess of $5,000,000 within the twelve (12) month period ending December 31, 2004, and any interruptible transportation Contract that Sellers reasonably anticipate will, in accordance with its terms, involve payments to a Transfer Group Company in excess of $5,000,000 within the twelve (12) month period ending December 31, 2004 (collectively, the "Transportation Contracts");

(viii) any Contract requiring a capital expenditure or a commitment for a capital expenditure by a Transfer Group Company not contemplated by the capital forecast information previously provided to Purchaser and in excess of $2,000,000;

(ix) any Contract not in the Ordinary Course of Business and requiring expenditures by a Transfer Group Company in excess of $2,000,000 annually;

(x) any hedging Contract, forward sale Contract and derivative Contract in excess of a notional amount of $2,000,000 and a term longer than one (1) year;

(xi) any partnership or joint venture Contract between a Transfer Group Company and any other Person (other than a Transfer Group Company) containing a commitment to fund, loan or pay amounts in excess of $2,000,000;

(xii) any Contract for the purchase or sale of any assets of any of the Transfer Group Companies for consideration in excess of $2,000,000;

(xiii) any regulatory rate settlement agreement of (i) Transwestern approved by the FERC since the 1995 Global Settlement and 1996 Mini-Settlement approved by the FERC on July 27, 1995 and October 19, 1996, respectively or (ii) Florida Gas approved by the FERC since the 1997 Rate Case Settlement Agreement approved by the FERC on September 24, 1997;

(xiv) the Capital Stock Agreement; and

(xv) the Contribution Agreement.

(b) Set forth on Schedule 4.11(b) is a list of each Contract that a Transfer Group Company has with a Seller or an Affiliate of a Seller (other than a Transfer Group Company), as of the date hereof (collectively, the "Affiliate Contracts").

(c) Except as set forth on Schedule 4.11(c), all of the Material Contracts are in full force and effect and are the legal, valid and binding obligations of the Transfer Group Company party thereto, and, to the Knowledge of Sellers, each of the other parties thereto, except (i) to the extent that such enforceability may be limited by bankruptcy, insolvency reorganization, moratorium or other similar laws relating to creditors' rights generally, subject to general principles of equity, (ii) to the extent such Contract has expired by its terms and (iii) for such exceptions that would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect. In addition, (x) none of the Transfer Group Companies is in default under any Material Contract, which default has not been waived, and (y) to the Knowledge of Sellers, no other party to any Material Contract is in default under any Material Contract, except, in the case of (x) and (y), for any default that would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

4.12 Firm and Interruptible Transportation Contracts. Except as set forth on Schedule 4.12, (a) none of the Transfer Group Companies has received notice that it is subject to any pending dispute with any of the counterparties under any Transportation Contract (the "Principal Shippers"), (b) no Principal Shipper has notified any of the Transfer Group

Companies in writing of any adverse modification or change in such Transportation Contract and (c) none of the Transfer Group Companies has received formal written notice from any Principal Shipper expressing its intention to terminate any Transportation Contract except for those exceptions to (a), (b) and (c) that would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

4.13 Employee Benefits.

(a) Schedule 4.13(a) sets forth a list of all material "employee benefit plans", as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), sponsored or maintained by any Transfer Group Company or to which any Transfer Group Company contributes or is obligated to contribute thereunder with respect to current or former officers, directors or employees of the Transfer Group Companies or with respect to which any Transfer Group Company may have material liability (the "Employee Benefit Plans").

(b) Except as already listed on Schedule 4.13(a), Schedule 4.13(b) sets forth a list of all material bonus plans, employment, change in control, consulting or other compensation agreements, incentive, equity or equity-based compensation, deferred compensation arrangements, stock purchase, fringe benefit, severance pay, sabbatical or paid time off, sick leave, vacation pay, salary continuation, disability, hospitalization, medical insurance, life, dental, vision, accidental death and dismemberment or other insurance benefits, scholarship programs or any other employee benefit plan, program or arrangement sponsored or maintained by any Transfer Group Company or to which any Transfer Group Company contributes or is required to contribute thereunder with respect to current or former officers, directors or employees of the Transfer Group Companies or with respect to which any Transfer Group Company may have material liability (together with the Employee Benefit Plans, the "Benefit Arrangements").

(c) True and correct copies of the following documents, to the extent applicable, with respect to each of the Benefit Arrangements, have been made available or delivered to Purchaser: (i) any plans and related trust documents, and all amendments thereto and, with respect to any Benefit Arrangements sponsored or maintained by the Transfer Group Companies, all material contracts or material agreements related to such plans, (ii) the Forms 5500 for the most recent three (3) years and schedules thereto, (iii) financial statements and actuarial valuations for the current year, to the extent available, and for the most recent three (3) years, (iv) the most recent IRS determination letter, (v) the most recent summary plan descriptions and material modifications and (vi) written descriptions of all non-written Benefit Arrangements.

(d) Except as set forth on Schedule 4.13(d), each of the Benefit Arrangements has been maintained in accordance with its terms and all provisions of Applicable Law, except where the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Sellers Material Adverse Effect or a Transfer Group Material Adverse Effect.

(e) Except as set forth on Schedule 4.13(e), no Benefit Arrangement (i) is a "multiemployer plan" as defined in Section 3(3 7) of ERISA, or (ii) is a "multiple employer welfare arrangement" as defined in Section 3(40)(A) of ERISA. During the six (6) years immediately prior to the Closing, no Transfer Group Company has incurred or experienced an event that has given rise, or could reasonably be expected to give rise, to a withdrawal liability under Section 4201, 4063 or 4064 of ERISA or any actual or contingent liability under Section 4201 of ERISA except for any such liability that does not have and would not reasonably be expected to have a Seller Material Adverse Effect or a Transfer Group Material Adverse Effect.

(f) No Benefit Arrangement is a foreign plan governed by the laws of a foreign jurisdiction.

(g) Except as set forth on Schedule 4.13(g), the consummation of the transactions contemplated by this Agreement (either alone or together with another event) will not entitle any Person to any material benefit under any Benefit Arrangement or materially accelerate vesting, payment or materially increase the amount of compensation due to any Person.

(h) Except as set forth on Schedule 4.13(h), no Transfer Group Company has any obligation with respect to the Enron Corp. Cash Balance Plan (the "Cash Balance Plan") to directly or indirectly indemnify any individual fiduciary with respect to such plan in his or her capacity as a fiduciary of the plan.

(i) With respect to each Benefit Arrangement which is sponsored by a Transfer Group Company or any such plan or arrangement or portion thereof which after the Closing Date will be sponsored or maintained by a Transfer Group Company, there are no material claims pending (other than routine claims for benefits), no prohibited transaction involving the assets of any such plan or arrangement and all contributions required to have been made have been made or properly accrued.

(j) As of the date hereof, the Cash Balance Plan has not received an unfavorable ruling on a determination letter request from the IRS.

4.14 Taxes.

(a) Except as set forth on Schedule 4.14(a), all income and franchise Tax Returns and all other material Tax Returns required to be filed by, or with respect to, the Transfer Group Companies (i) have been filed and (ii) all Taxes that were shown to be due on such Tax Returns have been paid, except where the failure to file such Tax Returns or to pay such Taxes would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

(b) Except as set forth on Schedule 4.14(b), Sellers have given, or otherwise made available to Purchaser, copies of those portions of all Tax Returns, examination reports and

statements of deficiencies relating to the Transfer Group Companies for tax years 2000, 2001 and 2002.

(c) Except as set forth on Schedule 4.14(c), (i) there are no outstanding agreements extending or waiving the statutory period of limitation applicable to any claim for, or the period for the collection or assessment or reassessment of, Taxes due from the Transfer Group Companies for any taxable period that would reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect, and (ii) no power of attorney is currently in force with respect to any matter relating to Taxes of any of the Transfer Group Companies. The period for assessment for federal income Taxes of each of the Sellers and the Transfer Group Companies is closed for Tax periods beginning before January 1, 1996.

(d) Except as set forth on Schedule 4.14(d), none of the Transfer Group Companies has been a member of a group which files a consolidated federal income tax return other than a group in which Enron is the parent.

(e) No Seller is a foreign person within the meaning of Section 1445 of the Code.

(f) Except as set forth on Schedule 4.14(f), none of the Transfer Group Companies has any liability for the Taxes of any Person as defined in Section 7701 (a)(1) of the Code (other than another Transfer Group Company) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise, in each case where such liability for Taxes would reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

(g) As of the effective time of any Conversion Transaction or Section 338(h)10) Election, (i) each of the Company and CES is disregarded as an entity separate from Enron for U.S. federal income tax purposes under Treas. Reg § 301 .7701-3(c)(iv), and (ii) each of CrossCountry Citrus Corp., Transwestern Holding Company, Inc., Transwestern, Northern Plains, Pan Border Gas Company and NBP Services is a member of a "selling consolidated group" (within the meaning of Section 338(h)(10)(B) of the Code) of which Enron is the common parent (and a "consolidated target" within the meaning of Treas. Reg. § 1.338(h)(10)-1(b)(1) of the consolidated group of which Enron is the common parent).

4.15 Labor.

(a) None of the Transfer Group Companies is a party to any labor or collective bargaining agreement, and there are no labor or collective bargaining agreements that pertain to employees of the Transfer Group Companies.

(b) There are no pending strikes, work stoppages, slowdowns, lockouts or arbitrations against any Transfer Group Company that would reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect. There are no pending unfair labor practice charges, grievances or complaints filed with any Governmental

Authority based on the employment or termination by any Transfer Group Company of any individual that would reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

4.16 Litigation. Except as set forth on Schedule 4.16 and except for matters before the Bankruptcy Court, there are no Actions or Orders pending or, to Sellers' Knowledge, overtly threatened against Sellers or any Transfer Group Company that seek to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby or that would reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect or a Transfer Group Material Adverse Effect.

4.17 Compliance with Laws; Permits.

(a) Except with respect to Environmental Laws (which are addressed in Section 4.18) and Employee Benefits (which are addressed in Section 4.13(e)), and except as set forth on Schedule 4.17(a), each of the Transfer Group Companies is in compliance with all Applicable Laws, except for such non-compliances as would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect. Each of the Transfer Group Companies has all Permits from any Governmental Authority that are required to operate its respective business, except for those the absence of which would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect or a Transfer Group Material Adverse Effect.

(b) Except as disclosed in the Northern Border SEC Reports, the Northern Border Companies (i) are in compliance with all Applicable Laws, except for such non-compliances as would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect and (ii) have all Permits from any Governmental Authority that are required to operate their respective businesses, except for those the absence of which would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

4.18 Environmental Matters. Except as set forth on Schedule 4.18 and except for facts, circumstances or conditions that would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect:

(a) The operations of the Transfer Group Companies are in compliance with all Environmental Laws, which compliance includes the possession and maintenance of, and compliance with, all Permits required under all applicable Environmental Laws;

(b) None of the Transfer Group Companies is the subject of any outstanding Order with any Governmental Authority under any Environmental Laws;

(c) There are no investigations of the business, operations, or currently or previously owned, operated or leased property of the Transfer Group Companies pending or, to

the Knowledge of Sellers, threatened, that could reasonably be expected to result in the Transfer Group Companies incurring any liability pursuant to any Environmental Law; and

(d) None of the Transfer Group Companies is subject to any pending, or, to the Knowledge of Sellers, threatened Action, whether judicial or administrative, alleging noncompliance with or potential liability under any Environmental Law.

4.19 Insurance. Set forth on Schedule 4.19 is a list of all material policies of insurance by which the Transfer Group Companies' assets or business activities are covered as of the date of this Agreement. Except as set forth on Schedule 4.19, to the Knowledge of Sellers, all such policies are in full force and effect and there are no claims pending as of the date hereof under any of such policies where underwriters have reserved their rights or disclaimed coverage under such policies with such exceptions in each case that would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect. To Sellers' Knowledge, such insurance is maintained with amounts and deductibles and/or self-insured retentions as are customarily maintained by entities engaged in business of the same type and size as such Transfer Group Company with such exceptions that, in the event of a loss, would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

4.20 Financial Advisors. Except as set forth on Schedule 4.20, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for Sellers or their Affiliates in connection with the transactions contemplated by this Agreement. Neither Purchaser nor any Transfer Group Company or Northern Border Company is or will become obligated to pay any fee or commission or like payment to any broker, finder or financial advisor as a result of the consummation of the transactions contemplated by this Agreement based upon any arrangement made by or on behalf of Sellers or any of their Affiliates.

4.21 Citrus Trading. Except as set forth on Schedule 4.21, Citrus Trading is not a party to or bound by any material Contract (other than the Citrus Trading Gas Contracts) and does not have any knowledge of any material indebtedness or liability (whether accrued, contingent or otherwise) or any actual, or to the Sellers' Knowledge, threatened litigation or FERC proceeding involving Citrus Trading. Citrus Trading does not engage and has not engaged, in speculative natural gas trading activity or any natural gas market making activity. Citrus Trading has never purchased or sold natural gas via EnronOnline. Citrus Trading buys and sells natural gas only to serve the markets along the Florida Gas pipeline system, primarily in the State of Florida, subject to Citrus Trading's right to cease to buy or sell natural gas at any time. Citrus Trading has never engaged in trading activity in the California natural gas market.

4.22 No Other FERC Proceedings. Except as set forth on Schedule 4.22, as of the date of this Agreement, there are no pending or, to the Knowledge of Sellers, threatened FERC proceedings involving Transwestern or Florida Gas, except for such proceedings which would not reasonably be expected to have, individually or in the aggregate, a Transfer Group Material Adverse Effect.

4.23 Limitation of Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE IV OF THIS AGREEMENT, NO SELLER IS MAKING ANY OTHER REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, CONCERNING THE EQUITY INTEREST, OR THE BUSINESS, ASSETS OR LIABILITIES OF THE TRANSFER GROUP COMPANIES OR THE NORTHERN BORDER COMPANIES. PURCHASER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO SELLER HAS MADE, AND EACH SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND PURCHASER HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE RELATING TO, AND PURCHASER HEREBY EXPRESSLY WAIVES AND RELINQUISHES ANY AND ALL RIGHTS, CLAIMS AND CAUSES OF ACTION AGAINST SELLERS AND THEIR REPRESENTATIVES IN CONNECTION WITH THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) HERETOFORE FURNISHED TO PURCHASER AND ITS REPRESENTATIVES BY OR ON BEHALF OF SELLERS. WITHOUT LIMITING THE FOREGOING, NO SELLER IS MAKING ANY REPRESENTATION OR WARRANTY TO PURCHASER WITH RESPECT TO (A) THE INFORMATION SET FORTH IN (I) THE TRANSWESTERN CONFIDENTIAL INFORMATION MEMORANDUM DATED AS OF JULY 2002, (II) THE NORTHERN PLAINS NATURAL GAS COMPANY CONFIDENTIAL INFORMATION MEMORANDUM DATED AS OF JULY 2002, (III) THE CONFIDENTIAL INFORMATION MEMORANDUM DATED JULY 2002 RELATING TO CITRUS AND ITS SUBSIDIARIES, (IV) THE PLAN OR (V) THE DISCLOSURE STATEMENT OR (B) ANY FINANCIAL PROJECTION OR FORECAST RELATING TO THE BUSINESS, ASSETS OR LIABILITIES OF ANY OF THE TRANSFER GROUP COMPANIES OR THE NORTHERN BORDER COMPANIES. WITH RESPECT TO ANY PROJECTION OR FORECAST DELIVERED ON BEHALF OF SELLERS TO PURCHASER OR ITS REPRESENTATIVES, PURCHASER ACKNOWLEDGES THAT (A) THERE ARE UNCERTAINTIES INHERENT IN ATTEMPTING TO MAKE SUCH PROJECTIONS AND FORECASTS, (B) IT IS FAMILIAR WITH SUCH UNCERTAINTIES, (C) IT IS TAKING FULL RESPONSIBILITY FOR MAKING ITS OWN EVALUATION OF THE ADEQUACY AND ACCURACY OF ALL SUCH PROJECTIONS AND FORECASTS FURNISHED TO IT AND (D) IT SHALL HAVE NO CLAIM AGAINST SELLERS OR THEIR RESPECTIVE AFFILIATES WITH RESPECT THERETO.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Sellers as follows:

5.1 Organization and Good Standing. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

5.2 Authorization of Agreement.

(a) Purchaser has the requisite power and authority to execute this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated by this Agreement and the Transaction Documents to which it is a party. The execution and delivery of this Agreement and the Transaction Documents to which Purchaser is a party by Purchaser and the consummation by Purchaser of the transactions contemplated by this Agreement and the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of Purchaser. This Agreement and the Transaction Documents to which Purchaser is a party have been duly executed and delivered by Purchaser and, assuming due execution and delivery by Sellers, constitute the valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms.

5.3 No Violation; Consents.

(a) Except as set forth on Schedule 5.3(a), the execution and delivery by Purchaser of this Agreement and the Transaction Documents to which Purchaser is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate any provision of the certificate of formation or limited liability company agreement of Purchaser, (ii) conflict with, require the consent of a third party under, violate, result in the breach of, constitute a default under, or give rise to any right of acceleration, cancellation or termination of any material right or obligation of Purchaser under any material agreement or other instrument to which Purchaser is a party or by which Purchaser or any of its properties or assets are bound, (iii) violate any Order of any Governmental Authority to which Purchaser is bound or subject or (iv) violate any Applicable Law, other than, in the case of clauses (ii) through (iv), any conflict, violation, breach, default, requirement for consents, rights of acceleration, cancellation, termination or Lien that would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

(b) Except as set forth on Schedule 5.3(b) and except for (i) filings as may be required under the HSR Act and (ii) such filings with, and orders of, the FCC as may be required under the Communications Act, no Order or Permit issued by, or declaration or filing with, or notification to, or waiver from or consent from, any Governmental Authority is required on the part of Purchaser in connection with the execution and delivery of this Agreement, or the compliance or performance by Purchaser with any of the provisions contained in this Agreement or the consummation of the transactions contemplated hereby, except for any such requirements, the failure of which to be obtained or made would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

5.4 Litigation. There is no Action or Order pending or, to the knowledge of Purchaser, threatened against Purchaser or any of its Affiliates or Subsidiaries that seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby or which would reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

5.5 Investment Intention. Purchaser is acquiring the Equity Interest for its own account, for investment purposes only and not with a view to the distribution (as such term is used in Section 2(a)(11) of the Securities Act) thereof Purchaser understands that the Equity Interest has not been registered under the Securities Act and cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is available.

5.6 Financial Capability. On or prior to the date hereof, Purchaser has delivered to Sellers true and complete copies of the following:

(a) a binding Commitment Letter for Equity Bridge Facility addressed to Southern Union Panhandle LLC and Southern Union Company from JPMorgan Chase Bank, JPMorgan Securities, Inc., Merrill Lynch Capital Corp. and Merrill Lynch, Pierce, Fenner & Smith Inc. for the transactions contemplated by this Agreement;

(b) a binding letter from Southern Union Panhandle LLC and Southern Union Company to advance to Purchaser as equity financing the amounts advanced to Southern Union Panhandle LLC and Southern Union Company pursuant to the Commitment Letter for Equity Bridge Facility referred to in the preceding clause (a);

(c) a binding letter from General Electric Capital Corporation to provide equity financing to Purchaser for the transactions contemplated by this Agreement; and

(d) a binding Commitment Letter addressed to Purchaser from JPMorgan Chase Bank, JPMorgan Securities, Inc., Merrill Lynch Capital Corp. and Merrill Lynch, Pierce, Fenner & Smith Inc. to provide (i) debt financing to Purchaser for the transactions contemplated by this Agreement, and (ii) a term loan and a revolving credit facility to refinance the existing credit facilities of Transwestern.

The letters referred to in paragraphs (a) through (d) of this Section 5.6 provide for funding in an aggregate amount sufficient to purchase the Equity Interest at the Purchase Price and to consummate the transactions contemplated by this Agreement, including, without limitation, payments of fees and expenses contemplated hereunder. None of the letters referred to in the preceding clauses (a)-(d) has been withdrawn, and Purchaser is not aware of any facts or circumstances that would cause Purchaser to be unable to obtain financing in accordance with the terms of such letters, other than any such change, circumstance or event which results from (a) any of the events described in Section 3.2(d), (b) any material breach by Sellers of any covenant or agreement in this Agreement or any representation or warranty of Sellers having been or becoming untrue in any material respect, or (c) a Capital Markets Event.

5.7 Financial Advisors. Except as set forth on Schedule 5.7 no Person has acted, directly or indirectly, as a broker, finder or financial advisor for Purchaser in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof.

5.8 Understandings or Arrangements Relating to the Citrus Group Companies. As of the date of this Agreement, neither Purchaser or the Financing Sources, or any of their respective Affiliates or Representatives, has made or entered into any agreements,

understandings or arrangements, or, since June 1, 2003, has had any substantive conversations, with El Paso Corporation or any of its Affiliates or Representatives related to the sale or other transfer of the capital stock or the assets of any or all of the Citrus Group Companies.

ARTICLE VI

COVENANTS

6.1 Access to Information. Prior to Closing, Sellers shall, and shall use commercially reasonable efforts to cause the Citrus Group Companies to, and shall cause the other Transfer Group Companies to, permit Purchaser and its Representatives (including its legal advisors and accountants) to have reasonable access, during normal business hours and upon reasonable advance notice, to the properties, books, records and personnel of the Transfer Group Companies; provided, that in no event shall any Seller or any Transfer Group Company be obligated to provide (i) access or information in violation of Applicable Law, (ii) bids, letters of intent, expressions of interest or other proposals received from others in connection with the transactions contemplated by this Agreement and information and analysis relating to such communications or (iii) any information, the disclosure of which would jeopardize any privilege available to any Seller, any of the Transfer Group Companies or any of their respective Affiliates relating to such information or would cause any Seller, any of the Transfer Group Companies or any of their respective Affiliates to breach a confidentiality obligation to which it is bound. In connection with such access, Purchaser's Representatives shall cooperate with Sellers' and the Transfer Group Companies' Representatives and shall use their commercially reasonable efforts to minimize any disruption of the business of Sellers and the Transfer Group Companies. Purchaser agrees to abide by the terms of the Confidentiality Agreements and any safety rules or rules of conduct reasonably imposed by the relevant Seller or Transfer Group Company with respect to such access and any information furnished to them or their Representatives pursuant to this Section 6.1. Purchaser shall indemnify, defend and hold harmless the Seller Indemnified Parties and the Transfer Group Companies from and against any and all Losses asserted against or suffered by them relating to, resulting from, or arising out of, examinations or inspections made by Purchaser or its Representatives pursuant to this Section 6.1.

6.2 Conduct of the Business Pending the Closing.

(a) Except as otherwise expressly contemplated by this Agreement and the schedules attached hereto or with the prior written consent of Purchaser (which consent shall not be unreasonably withheld, delayed or conditioned), during the period from the date of this Agreement to and through the Closing Date, Sellers shall, subject to (i) the limitations imposed on any of the Sellers as a result of Enron, EOS and ETS and their respective Affiliates having filed petitions for relief under the Bankruptcy Code and (ii) any applicable fiduciary or contractual obligations, use commercially reasonable efforts to cause the Transfer Group Companies to (A) conduct their respective businesses in all material respects in the Ordinary Course of Business, and (B) preserve in all material respects the present business operations, organization and goodwill of the Transfer Group Companies. For the avoidance of doubt, the foregoing shall not require Sellers or any of the Transfer Group Companies to make any

payments, incur any costs or enter into or amend any contractual arrangements, agreements or understandings, unless such payment, incurrence or other action is required by Applicable Law, by contractual obligation with such third parties or to operate in the Ordinary Course of Business.

(b) Except as otherwise expressly contemplated by this Agreement or with the prior written consent of Purchaser (which consent shall not be unreasonably withheld, delayed or conditioned), Sellers shall, subject to (i) the limitations imposed on any of the Sellers prior to the date of this Agreement as a result of Enron, EOS and ETS and their respective Affiliates having filed petitions for relief under the Bankruptcy Code and (ii) any applicable fiduciary or contractual obligations, use commercially reasonable efforts to not permit any of the Citrus Group Companies to, and shall not permit any of the other Transfer Group Companies to:

(i) except as set forth on Schedule 6.2(b)(i) or as contemplated by the Contribution Agreement or in the schedules thereto, declare, set aside, make or pay any non-cash dividend or other non-cash distribution in respect of the capital stock of any Transfer Group Company or repurchase, redeem or otherwise acquire for non-cash consideration any outstanding shares of the capital stock or other securities of, or other ownership interests in, any Transfer Group Company (it being understood that prior to the Closing, Sellers shall have the right to cause Transwestern to dividend the Transwestern Receivables to Sellers without any liability to Sellers or any adjustment to the Purchase Price and nothing in this Agreement shall be deemed to prevent, delay or hinder Sellers' right to cause such dividend to be made);

(ii) except as set forth on Schedule 6.2(b)(ii), transfer, issue, sell or dispose of any shares of capital stock or other securities of any of the Transfer Group Companies or the 500,000 common units of Northern Border beneficially owned by Northern Plains as of the date of this Agreement or grant options, warrants, calls or other rights to purchase or otherwise acquire shares of the capital stock or other securities of the Transfer Group Companies or the 500,000 common units of Northern Border beneficially owned by Northern Plains as of the date of this Agreement;

(iii) effect any recapitalization, reclassification, stock split, or like change in the capitalization of any Transfer Group Company;

(iv) except as set forth on Schedule 6.2(b)(iv), amend the certificate of incorporation, bylaws or other organizational documents of any of the Transfer Group Companies;

(v) except as provided under the severance and retention plans and other employment arrangements listed on Schedule 6.2(b)(v) and except as would not create or increase any liability of any Citrus Group Company, Transwestern or Northern Plains Group Company beyond any amount reflected on the Balance Sheets, (A) materially increase the annual level of compensation of any employee of the Transfer Group Companies (other than increases in the Ordinary Course of Business

and that in the aggregate will not result in a material increase in the benefits or compensation expense of the Transfer Group Companies taken as a whole), (B) grant any unusual or extraordinary bonus, benefit or other direct or indirect compensation to any employee, director or consultant of the Transfer Group Companies, other than in the Ordinary Course of Business, (C) materially increase the coverage or benefits available under any (or, except as permitted under clause (D) or as provided on Schedule 6.2(b)(v), create or adopt any new) Benefit Arrangement, Employee Benefit Plan or arrangement made to, for, or with any of the directors, officers, employees, agents or representatives of the Transfer Group Companies or otherwise materially modify or amend or terminate any such arrangement or plan or (D) other than in the Ordinary Course of Business, hire any person or enter into any employment, deferred compensation, severance, consulting, or similar agreement (or amend any such agreement) to which any Transfer Group Company is a party or involving a director, officer or employee of the Transfer Group Companies in his or her capacity as a director, officer or employee of the Transfer Group Companies, other than (1) with respect to any Person who fills a vacant position or (2) with respect to a technical consulting engagement; provided that any such agreement or amendment (x) has a term of one year or less, and in the case of (1), provides for no increase in compensation other than in the Ordinary Course of Business and, (y) in the case of (2), will not provide the technical consultant with more than $200,000 of base annual salary, or (z) in the case of hirings, agreements and amendments that do not meet the requirements of subclauses (x) or (y) will not, when aggregated with all other such hirings, agreements and amendments that do not meet the requirements of subclauses (x) or (y), require total payments of base annual salary in excess of $2,000,000 or payments to any individual in excess of $350,000.

(vi) except as set forth on Schedule 6.2(b)(vi) and except for (A) trade payables, (B) indebtedness under existing lines of credit, (C) any extension, renewal or refinancing of existing indebtedness, (D) indebtedness for borrowed money incurred or guarantees issued in the Ordinary Course of Business and (E) indebtedness in an amount sufficient to allow the Transfer Group Companies to make any required capital contributions in accordance with the terms of the Northern Border Partnership Agreement, borrow monies for any reason, draw down on any line of credit or debt obligation, or become the guarantor, surety, endorser or otherwise liable for any debt, obligation or liability (contingent or otherwise) of any other Person (other than another Transfer Group Company or any Northern Border Company);

(vii) subject any of the material properties or assets (whether tangible or intangible) of the Transfer Group Companies to any Lien, except for (A) Permitted Exceptions or (B) Liens arising in the Ordinary Course of Business or by operation of Law, or subject the Equity Interest to any Lien, except, prior to the Closing, the Liens on the Equity Interest imposed in connection with the DIP Agreement;

(viii) except as set forth on Schedule 6.2(b)(viii), (A) acquire any properties or assets other than in the Ordinary Course of Business, except for any such

acquisitions of properties or assets with a fair market value of up to $5,000,000 in the aggregate or (B) sell, assign, transfer, convey, lease or otherwise dispose of any of the material properties or assets of the Transfer Group Companies other than in the Ordinary Course of Business, except for any such dispositions of properties or assets with a fair market value of up to $5,000,000 in the aggregate;

(ix) until written notice is provided to Purchaser, enter into any labor or collective bargaining agreement of the Transfer Group Companies, through negotiation or otherwise, or make any material commitment or incur any material liability to any labor organization with respect to the Transfer Group Companies;

(x) except as set forth on Schedule 6.2(b)(x), repurchase, discharge or satisfy any claim, debt or obligation of any of the Transfer Group Companies in an amount in excess of $2,000,000 in the aggregate, other than (A) in the Ordinary Course of Business, (B) pursuant to the terms of any Contract as in effect on the date of this Agreement or permitted to be entered into hereafter or (C) in the pursuit, prosecution or resolution of any pending FERC proceedings;

(xi) subject to Section 6.4, permit any of the Transfer Group Companies to enter into, or agree to enter into, any merger or consolidation with, any corporation or other entity;

(xii) pursuant to or within the meaning of the Bankruptcy Code or any similar federal, state or foreign law for the relief of debtors, commence a voluntary case, consent to the entry of an Order for relief against any of them in an involuntary case, consent to the appointment of a receiver, trustee, assignee, liquidator or similar official of them or for all or substantially all of its property or assets, or make a general assignment for the benefit of its creditors;

(xiii) fail to maintain, in full force and effect, to the extent commercially reasonably available, insurance coverage that is equivalent in all material respects to the insurance coverage currently in effect for the Transfer Group Companies under the Insurance Policies or comparable insurance; provided, however, that Sellers shall not be in breach of this Section 6.2(b)(xiii) if any current insurer refuses to renew or continue to extend insurance coverage to the Transfer Group Companies so long as Sellers use commercially reasonable efforts to obtain equivalent insurance coverage from another reputable insurer and nothing herein shall prevent Sellers from replacing any existing insurance from a current insurer with substantially equivalent insurance from another reputable insurer;

(xiv) amend, modify or change the Contribution Agreement or the Principal Contribution Transaction Documents (other than an amendment of the Transition Services Agreement and the Transition Services Supplemental Agreement solely providing for the extension of the term for a period of up to one (1) year) in any material respect;

(xv) except as set forth on Schedule 6.2(b)(xv) make any single loan, advance or capital contribution to, or investment in, any Person who is not a Transfer Group Company or Northern Border Company (or any entity in which a Northern Border Company has an ownership interest) in excess of $5,000,000 or a series of such loans, advances and capital contributions to, or investments in, any such Person in excess of $15,000,000 in the aggregate, except for loans, advances, capital contributions and investments (A) pursuant to and in accordance with the terms of any Material Contract, in each case existing as of the date of this Agreement, or (B) in the Ordinary Course of Business;

(xvi) except as set forth on Schedule 6.2(b)(xvi), make or commit to make any single capital expenditure in excess of $5,000,000 or commit to make a series of capital expenditures in excess of $15,000,000 in the aggregate (in each case, other than capital expenditures included in the capital forecast previously provided to Purchaser); or

(xvii) authorize, or commit or agree to take, any of the actions referred to in paragraphs (i) through (xvi) above.

6.3 Appropriate Action; Filings.

(a) Through the Closing Date, Sellers and Purchaser will each cooperate with each other and use (and will cause their respective Subsidiaries and Affiliates to use) commercially reasonable efforts (i) to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary, proper or advisable on its part under this Agreement, Applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement, (ii) to obtain promptly from any Governmental Authority any Orders or Permits required to be obtained by Sellers or Purchaser or any of their respective Subsidiaries in connection with the authorization, execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and (iii) to promptly make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement and prompt consummation of the transactions contemplated hereby required under (A) the HSR Act, (B) the Communications Act and (C) any other Applicable Law. For the avoidance of doubt, Sellers shall not be obligated to pay any consideration or incur any additional costs to obtain any consents from third parties that may be necessary, proper or advisable to consummate the transactions contemplated by this Agreement. In addition, each party will provide prompt notification to the other party when any such Action, Order, Permit, filing application petition or notice referred to in the foregoing clause (iii) is obtained, taken or made, as applicable. Notwithstanding any provision of this Agreement to the contrary, neither Sellers nor any of the Transfer Group Companies shall be required to take any action (including, without limitation, to make any statement) that would, in the reasonable judgment of the Sellers, be expected to materially hinder or delay Sellers' ability, following a valid termination of this Agreement pursuant to Section 3.2, to effect a Distribution.

(b) As promptly as practicable, but in any event no later than fifteen (15) days after the entry of the Bidding Procedures Order, Sellers and Purchaser shall each file or cause to be filed with the Federal Trade Commission ("FTC") and the Department of Justice ("DOJ") any notifications and report forms, together with all required supplemental information, required to be filed under the HSR Act and the regulations promulgated thereunder with respect to the transactions contemplated by this Agreement, and request early termination of the waiting period with respect to the transactions contemplated by this Agreement. Sellers and Purchaser shall consult with each other as to the appropriate time of filing such notifications and shall use commercially reasonable efforts to make such filings at the agreed upon time, to respond promptly to any requests for additional information made by either of such agencies, to cooperate with each other in connection with resolving any investigation or other inquiry concerning the transactions contemplated by this Agreement commenced by either of such agencies and to cause the waiting periods under the HSR Act to terminate or expire at the earliest possible date after the date of filing; provided that neither Sellers nor Purchaser shall be required to continue to pursue approval to the extent either agency or staff of either agency has indicated, in the good-faith belief of both Purchaser's and Sellers' legal counsel, that it will invoke judicial process to enjoin consummation of the transactions contemplated by this Agreement prior to the expiration of the waiting period. Purchaser will promptly take all actions within its control and necessary to comply with any requests made, or conditions set, by the FTC and the DOJ to consummate the transactions contemplated by this Agreement, including the divestiture of assets of any Transfer Group Company or Northern Border Company; provided, however, that in no event shall Purchaser be required (i) to divest any asset or modify any arrangement with respect to any of the operations of the Transfer Group Companies (other than any of their equity interests in, or assets of, any or all of the Northern Border Companies) if such divestiture or modification would have a Transfer Group Material Adverse Effect or (ii) to take or refrain from taking any action if such action or refraining would have a Transfer Group Material Adverse Effect. Notwithstanding the foregoing, in no event shall Purchaser be required to take any action to obtain the consent or approval of the FTC or the DOJ to the transactions contemplated hereby if the FTC or the DOJ: (i) imposes as a condition to obtaining any such consent or approval any limitations or conditions materially adverse to the business of Purchaser and Southern Union Company, taken as a whole, or Panhandle Eastern Pipe Line Company, LLC and its Subsidiaries, taken as a whole or (ii) imposes any limitations or conditions whatsoever on General Electric Capital Corporation or any of its Affiliates (other than Purchaser).

6.4 Bankruptcy Filings, Covenants and Agreements.

(a) No later than four (4) Business Days following the execution of this Agreement, Sellers shall file with the Bankruptcy Court (i) the Sale Motion, seeking entry of the Approval Order, and (ii) the Bidding Procedures Motion, seeking entry of the Bidding Procedures Order. Sellers agree that they shall use commercially reasonable efforts to have the Bankruptcy Court enter the Bidding Procedures Order as soon as practicable following the filing of the Bidding Procedures Motion. Purchaser agrees that it will promptly take such actions as are reasonably requested by Sellers to assist in obtaining the Approval Order and the Bidding Procedures Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of

performance by Purchaser under this Agreement and demonstrating that Purchaser is a "good faith" purchaser under section 363(m) of the Bankruptcy Code. Purchaser shall not, without the prior written consent of Sellers, file, join in, or otherwise support in any manner whatsoever any motion or other pleading relating to the sale of the Equity Interest hereunder. In the event the entry of the Approval Order or the Bidding Procedures Order shall be appealed, Sellers and Purchaser shall each use its commercially reasonable efforts to defend such appeal.

(b) From the date of execution of this Agreement and until the date the Bankruptcy Court approves the Bidding Procedures Order, Sellers shall not, and shall not cause, authorize or permit any of their respective Affiliates, and their respective officers, directors, employees, attorneys, investment bankers, accountants and other agents and representatives (collectively, "Representatives") to, directly or indirectly, (i) solicit, initiate, negotiate, assist, facilitate or encourage the submission of, or accept or agree to, or otherwise take any affirmative action with respect to the purchase of the Equity Interest by any Person other than Purchaser, (ii) furnish any non-public information to any Person other than Purchaser, its Affiliates or their Representatives relating to any of the Transfer Group Companies (except in connection with providing notices of the Bidding Procedures Motion and/or the Sale Motion), or (iii) enter into any negotiations or discussions or agreement or arrangement in connection with the purchase of the Equity Interest, the equity interests of any of the Transfer Group Companies or all or substantially all of the assets of Transwestern by any Person other than Purchaser (an "Alternative Transaction"); provided, however, that nothing in this Section 6.4(b) shall prohibit or restrict Sellers or their Affiliates or their respective Representatives from taking appropriate actions to preserve Sellers' flexibility to effect a Distribution. For the avoidance of doubt, any statements made by Sellers in the Bidding Procedures Motion or in the hearing in connection therewith shall not be deemed to be a solicitation for purposes of this Agreement. Nothing in this Section 6.4 shall prohibit or restrict Sellers and their Affiliates and Representatives from providing information about the Bidding Procedures Motion or the Bidding Procedures Order to any Person who makes an offer or expresses an indication of interest which was not solicited after the date of this Agreement in violation of this Section 6.4(b). Sellers shall not be required to comply with the foregoing provisions of this Section 6.4(b) to the extent Sellers (i) take any action required in connection with obtaining the Bidding Procedures Order or the Approval Order or (ii) in good faith determine (after consultation with bankruptcy counsel) that compliance with such provisions would likely be inconsistent with the fiduciary duties of Sellers' directors in respect of the Bankruptcy Cases.

(c) Following the entry of the Bidding Procedures Order and until the Auction Termination Date, Sellers and their respective Affiliates and Representatives shall be permitted to market and solicit inquiries, proposals, offers or bids from, and negotiate with, any Person other than Purchaser relating to an Alternative Transaction, and may take any other affirmative action in connection therewith (including, but not limited to, (i) entering into any definitive agreement or letter-of-intent with respect thereto or (ii) issuing press releases, placing advertisements or making other releases or disclosures in connection therewith), subject only to any limitations set forth in the Bidding Procedures Order, and nothing in this Agreement will, or is intended to, in any way be deemed to restrict such actions or efforts; provided, however, that during such time, Sellers and their respective Affiliates and Representatives shall not solicit the

submission of any offer for an Alternative Transaction that does not involve the purchase of the entire Equity Interest or all of the assets of the Company; provided further, however, that if a Person other than Purchaser submits an unsolicited offer or indication of interest regarding a transaction for all or a portion of the Equity Interest, the equity interests of any Transfer Group Company or all or substantially all of the assets of Transwestern, the immediately preceding proviso shall in no way restrict the ability of any Seller or any of its Affiliates or Representatives from taking any action otherwise permitted by this Section 6.4(c) in connection with such offer or indication of interest. For the avoidance of doubt, any statements made by Sellers or any of its Representatives in the Bidding Procedures Motion or in the hearing in connection therewith shall not be deemed to be a solicitation for purposes of this Agreement. Notwithstanding the foregoing, Sellers may only enter into, and seek Bankruptcy Court approval of, (i) any definitive agreement with respect to an Alternative Transaction if such Alternative Transaction is a Superior Transaction or (ii) a Distribution, and in each case only on or prior to the Auction Termination Date, unless Purchaser is not selected as the Winning Bidder pursuant thereto. None of the Sellers nor any of their respective Affiliates or Representatives shall have any liability to Purchaser or any of its Affiliates or Representatives, either under or relating to this Agreement or any Applicable Law, by virtue of entering into or seeking Bankruptcy Court approval of such a definitive agreement for a Superior Transaction that is permitted by this Section 6.4(c).

(d) If Purchaser is selected as Winning Bidder, from the Auction Termination Date until the earlier of (i) the Closing Date and (ii) the valid termination of this Agreement pursuant to Section 3.2, Sellers shall not, directly or indirectly, pursue or facilitate any Alternative Transaction or, solicit, accept, facilitate, review, cooperate with, discuss, or provide information in connection with, any offer, inquiry, proposal, bid or indication of interest from any Person, or respond to any inquiries from or engage in any negotiations with any Person, or share any information regarding Purchaser or any of the Transfer Group Companies, with respect to or in possible contemplation of any Alternative Transaction, and Sellers shall not assist, cooperate with or help to facilitate any other Person in taking or effecting any such actions; provided, however, that nothing herein shall limit the ability of the Sellers to take any action (including, without limitation, to make any statement) to preserve the flexibility to effect a Distribution following a valid termination of this Agreement pursuant to Section 3.2. The parties hereto agree that if Purchaser is selected as the Winning Bidder, from and after the Auction Termination Date, Sellers shall not have the right to terminate this Agreement pursuant to Section 3.2(d)(iii).

(e) No Seller will seek approval of the Bankruptcy Court to amend, modify or change the initial overbid increment in respect of bids for an Alternative Transaction.

6.5 Preservation of Records; Cooperation. Subject to Section 9.2(d) hereof (relating to the preservation of Tax records), each of Sellers and Purchaser shall, and, after the Closing Date, Purchaser shall use commercially reasonable efforts to cause the Citrus Group Companies to, and shall cause the other Transfer Group Companies to, preserve and keep in their possession all records held by them on and after the date of this Agreement relating to the business of the Transfer Group Companies, until the earlier of (x) seven (7) years from the

Closing Date or such longer period as may be required by Applicable Law and (y) the closing of the Bankruptcy Cases, and shall make such records and then existing personnel available to the other party as may reasonably be required by such party in connection with, among other things, any insurance claims involving, legal proceedings involving, or governmental investigations of, Sellers or Purchaser or any of their respective Affiliates or in order to enable Sellers or Purchaser to comply with their respective obligations under this Agreement and each other agreement, document or instrument contemplated hereby or thereby; provided, however, that in no event shall Sellers, Purchaser or any of their respective Affiliates be obligated to provide any information the disclosure of which would (i) jeopardize any privilege available to such party relating to such information or (ii) cause such party to breach a confidentiality obligation to which it is bound. After the expiration of any applicable retention period, before Purchaser shall dispose of any of such records, at least ninety (90) days prior notice to such effect shall be given by Purchaser to Sellers (or a Person designated by Sellers) and Sellers shall have the opportunity (but not the obligation), at their sole cost and expense, to remove and retain all or any part of such records as they may in their sole discretion select.

6.6 Confidentiality.

(a) The parties acknowledge that Southern Union Company and Enron previously executed a confidentiality agreement dated April 2, 2004, and General Electric Capital Corporation and Enron previously executed a confidentiality agreement effective as of April 2, 2004 (as each may be amended and supplemented, the "Confidentiality Agreements"), which Confidentiality Agreements shall continue in full force and effect until completion of the Closing, at which time the obligations of Southern Union Company and General Electric Capital Corporation thereunder with respect to the Evaluation Material (as defined in the Confidentiality Agreements) relating solely to the Transfer Group Companies shall terminate. Purchaser hereby agrees to be bound, *mutatis mutandis,* by the terms and conditions of the Confidentiality Agreements to which Southern Union Company and General Electric Capital Corporation are bound as if Purchaser were an original party thereto.

(b) Subject to the provisions of Section 6.4, the parties agree that the terms and conditions of the transactions contemplated by this Agreement and information provided to Purchaser and its Affiliates and Representatives and the Purchaser Related Parties in connection with the execution hereof shall be subject to the same standard of confidentiality as set forth in the Confidentiality Agreements. Notwithstanding the foregoing, the parties hereto acknowledge and understand that (i) in connection with seeking the Bidding Procedures Order and the Approval Order and implementation thereof, this Agreement (together with the exhibits and schedules attached hereto) will be filed with the Bankruptcy Court and made publicly available, and (ii) disclosures relating to the transactions contemplated by this Agreement will be made to the Creditors' Committee and to its Representatives, and the parties agree that such filing and disclosures will be not be deemed to violate any confidentiality obligations owing to any party, whether pursuant to this Agreement, the Confidentiality Agreements or otherwise. Notwithstanding the foregoing, neither this Section 6.6 nor the Confidentiality Agreements shall in any way limit: (i) the disclosure of information by Sellers in connection with the administration of the Bankruptcy Cases, (ii) the disclosure of information by Sellers to the SEC.

FERC, PBGC and any other Governmental Authority, (iii) the disclosure of information that is related to a Distribution following a valid termination of this Agreement pursuant to Section 3.2, or (iv) any other action or disclosure permitted to be made by Sellers and their respective Affiliates and Representatives pursuant to Section 6.4.

6.7 Public Announcements. Prior to the Closing Date, none of Sellers or Purchaser, or any of their respective Affiliates or Representatives, shall (except as may otherwise be permitted under the terms of this Agreement or the Bidding Procedures Order or as may be deemed reasonably necessary to fulfill disclosure requirements in connection with the Plan) issue any press release or public statement concerning this Agreement or the transactions contemplated by this Agreement without obtaining the prior written approval of the other parties hereto, unless such disclosure is required by Applicable Law, an Order of the Bankruptcy Court or by obligations pursuant to any agreement with any national securities exchange; provided, that the party intending to make such release shall give the other parties prior notice and shall use its commercially reasonable efforts consistent with such Applicable Law, Order or obligation to consult with the other parties with respect to the text thereof. Notwithstanding the foregoing, this Section 6.7 shall not in any way prohibit or restrict Sellers from issuing any press release or public statement, placing any advertisement or making any other releases or disclosures permitted under Section 6.4.

6.8 Directors' and Officers' Indemnification. For a period of not less than six (6) years after the Closing Date, Purchaser shall cause the certificate of incorporation and bylaws or other organizational documents of each Transfer Group Company to continue to include the same provisions concerning the exculpation, indemnification, advancement of expenses to and holding harmless of, all past and present employees, officers, agents and directors of such Transfer Group Company for acts or omissions occurring at or prior to the Closing as are contained in such documents as of the date of execution of this Agreement, and Purchaser shall use commercially reasonable efforts to cause each of the Citrus Group Companies to, and shall cause each other Transfer Group Company to, jointly and severally honor all such provisions, including making any indemnification payments and expense advancements thereunder. In the event that any indemnifiable claim is asserted or made within such six (6) year period, all rights to indemnification and advancement of expenses in respect of such claim shall continue to the extent currently permitted under the relevant Transfer Group Company's certificate of incorporation and bylaws or other organizational documents until such claim is disposed of or all Orders in connection with such claim are fully satisfied.

6.9 Further Assurances. Sellers and Purchaser agree that from and after the Closing Date, each of them will, and will cause their respective Affiliates to, execute and deliver such further instruments of conveyance and transfer and take such other action as may reasonably be requested by any party hereto to carry out the purposes and intents of this Agreement.

6.10 Financing.

(a) Purchaser shall use its reasonable best efforts to obtain and effectuate the Financing on the terms set forth in the Commitment Letters. Purchaser shall perform all obligations required to be performed by it in accordance with the terms of the Commitment Letters, and shall use its reasonable best efforts to maintain the Commitment Letters in full force and effect through the Closing. Purchaser shall from time to time provide such information to Sellers as Sellers may reasonably request regarding the status of the Financing. Purchaser agrees to notify Sellers immediately if, at any time prior to the Closing Date, (i) any of the Commitment Letters shall expire or be terminated for any reason; (ii) any Financing Source that is a party to a Commitment Letter notifies Purchaser that such source no longer intends to provide financing to Purchaser, except pursuant to assignment rights expressly set forth in the Commitment Letters, the syndication of any commitment or the addition of parties to any such commitments or Commitment Letters (provided that the aggregate amount of such commitments is not reduced thereby or such assignment does not impair the ability to obtain the Financing), and all such additional or substituted parties shall be deemed Financing Sources for purposes of this Agreement, (iii) for any reason Purchaser no longer believes in good faith that it will be able to obtain any of the financing substantially on the terms described in the Commitment Letters or (iv) a Capital Markets Event occurs. Purchaser shall not, or permit any of its Subsidiaries or Affiliates to, without the prior written consent of Sellers, take any action or enter into any transaction, including, without limitation, any merger, acquisition, joint venture, disposition, lease, contract or debt or equity financing that would reasonably be expected to impair, delay or prevent the financing contemplated by the Commitment Letters. Purchaser shall not amend or alter, or agree to amend or alter, the Commitment Letters in any manner without the prior written consent of Sellers, provided that such consent will not be required if such amendment, alteration or agreement to amend or alter would not reasonably be expected to hinder or delay the Closing. Notwithstanding the foregoing provisions of this Section 6.10(a), Purchaser may obtain alternative Financing, provided that such alternative Financing will not reasonably be expected to hinder or delay the Closing and that the Commitment Letters remain in full force and effect.

(b) Subject to the limitations set forth in Section 6.1, Sellers will cooperate as reasonably requested with Purchaser in connection with the Financing, including providing information with respect to any offering memorandum or similar disclosure document. Purchaser will promptly reimburse Sellers for all reasonable expenses incurred by any of them pursuant to this Section 6.10(b).

6.11 Payment of Pro Rata Distributions. Purchaser agrees that within two (2) Business Days after the Northern Plains Group Companies receive any quarterly distribution (the "Northern Border Distribution") from Northern Border in respect of their general partner interests and common units paid after the Closing which relates to a quarter that ends prior to the Closing Date, it will cause all of the applicable Northern Plains Group Companies to pay to Sellers the amount of such distribution; provided that to the extent that any Northern Border Distribution relates to a quarter that begins prior to but ends after the Closing Date, Purchaser shall cause the applicable Northern Plains Group Companies to pay to Sellers for such quarter an amount equal to the product of (a) the aggregate amount of such Northern Border Distribution

and (b) a fraction, the numerator of which is the number of days from the first day of the applicable quarter through the Closing Date and the denominator of which is ninety (90). Purchaser shall provide Sellers with a reasonably detailed calculation of any pro rata Northern Border Distribution paid to Sellers pursuant to this Section 6.11. Any dispute regarding such calculation shall be resolved by an independent accounting firm chosen in the manner provided in Schedule 2.1. Amounts paid pursuant to this Section 6.11 shall be treated as an adjustment to the Purchase Price for Tax purposes. Each of Purchaser and its Affiliates shall (a) take all actions necessary (including voting its equity interest on behalf of the Northern Plains Group Companies) to effect, or cause to be effected, any distribution to which the Northern Plains Group Companies are entitled pursuant to the Northern Border Partnership Agreement and (b) not take or fail to take, or cause to be taken, any action that would impair the ability of the Northern Plains Group Companies to receive any distribution to which it is entitled pursuant to the terms of the Northern Border Partnership Agreement.

6.12 Release of Guarantees. Sellers and certain of their respective Affiliates are guarantors with respect to certain indebtedness of the Transfer Group Companies, as set forth on Schedule 6.12 (collectively, the "Guaranteed Indebtedness"). Prior to the Closing, Purchaser shall cause Sellers or their respective Affiliates, as applicable, to be replaced by Purchaser or any Affiliate of Purchaser as guarantor or other applicable status with respect to all of the Guaranteed Indebtedness.

6.13 Understandings or Arrangements Relating to the Citrus Group Companies. Except as specifically provided on Schedule 6.13, prior to the Closing Date, Purchaser shall not, and Purchaser shall cause its Affiliates or Representatives and the Purchaser Related Parties and their Affiliates and Representatives to not, make or enter into any agreements, understandings or arrangements, or have any substantive conversations, with El Paso Corporation or any of its Affiliates or Representatives related to the sale or other transfer of the capital stock or the assets of any or all of the Citrus Group Companies.

6.14 Severance Agreements, Plans and Policies.

(a) For a period of twelve (12) months after the Closing Date, Purchaser shall not, and shall cause the Transfer Group Companies (other than the Citrus Group Companies) not to, and shall use commercially reasonable efforts to cause the Citrus Group Companies not to, terminate, revoke, suspend, amend, modify or otherwise change (or take any action that would cause any of the foregoing, or fail to take any action that would avoid the foregoing) any agreement, plan, program or policy described on Schedule 4.13(a) or Schedule 4.13(b) and relating to severance or termination obligations for employees of the Transfer Group Companies in any manner that would have an adverse impact on the employees of the Transfer Group Companies.

(b) With respect to the partition and distribution of assets and liabilities associated with the Enron Gas Pipelines Employee Benefit Trust (the "VEBA") as disclosed on item 8 to Schedule 4.7(a), the amount of assets and liabilities to be transferred to, or assumed by, any Transfer Group Company shall be with respect to the current and former employees of the

Transfer Group Companies and shall be calculated in a manner consistent with the motion of the debtors filed in the Bankruptcy Cases dated July 22, 2003, as may be amended, seeking approval therefore and shall be effectuated in a manner consistent with the motion and any order of the Bankruptcy Court approving the relief requested therein.

(c) Following the date hereof, no Transfer Group Company or Northern Border Company will be required to contribute to or otherwise be liable for any contributions in connection with the Cash Balance Plan including but not limited to, any payments or contributions pursuant to any Order of the Bankruptcy Court, the Contribution Agreement, the Transition Services Agreement or any other agreement, including without limitation, the agreement set forth in Section 5.6(b) of the Contribution Agreement, between any of Sellers, on one hand, and the Transfer Group Companies, on the other hand, relating to the allocation of costs of providing employee benefits to the employees of the Transfer Group Companies. For the avoidance of doubt, the Purchase Price shall be deemed to include all contributions which otherwise would have been allocable to any Transfer Group Company and any Northern Border Company. Following receipt of the Purchase Price in accordance with the terms of this Agreement, the Transfer Group Companies and the Northern Border Companies shall be deemed to have fully satisfied the contribution obligations that they would have been required to contribute to the Cash Balance Plan, including, without limitation, any such obligation arising pursuant to any Order of the Bankruptcy Court or any agreement referenced in this Section 6.14(c).

6.15 Citrus Trading.

(a) Prior to the Closing, all of the Contracts listed on Schedule 6.15(a) (such Contracts, collectively, the "Citrus Trading Gas Contracts") will be terminated, transferred or assigned from Citrus Trading to an entity other than a Transfer Group Company or Northern Border Company, such that the Transfer Group Companies will have no remaining liability under such contracts, or to the extent that any such contract is not so terminated, transferred or assigned, Sellers shall indemnify Purchaser with respect to such contracts pursuant to the Citrus Trading Gas Contract Indemnification Agreement, in the form attached hereto as Exhibit C (the "Citrus Trading Gas Contract Indemnification Agreement").

(b) From and after the Closing, Purchaser shall cause to be paid to Sellers, in accordance with each Seller's Percentage Interest, an aggregate amount equal to fifty percent (50%) of any amounts received by any of the Citrus Group Companies in connection with the resolution of the Duke Litigation or ENA Litigation, less (i) one-half of all reasonable out-of-pocket expenses incurred by the Citrus Group Companies pertaining to such litigation (including, without limitation, reasonable attorney's fees), (ii) an amount sufficient to pay one-half of all Taxes payable by the Citrus Group Companies in respect of any such amounts paid to the Citrus Group Companies and (iii) one-half of any payments made to Auburndale Power Partners, Limited Partnership by Citrus Trading directly from any proceeds of the Duke Litigation or ENA Litigation as provided under the Auburndale Settlement Agreement, but only to the extent that the total of such litigation expenses and Taxes exceeds the amount of cash on hand at Citrus Trading as of the Closing Date reduced by the amount of any of such cash previously used to (x)

reduce the Citrus Trading Contribution Amount under paragraph (b) or (c) of Schedule 2.1 to the Purchase Agreement or (y) reduce any Net Losses (as defined in Section 2(b) of the Citrus Trading Gas Contract Indemnity Agreement) pursuant to Section 2(c) of the Citrus Trading Gas Contract Indemnity Agreement; provided, however, that to the extent that the actual amounts payable to Sellers in respect of the Duke Litigation pursuant to this Section 6.14(b) exceed $25,000,000, then with respect to any such amounts in respect of the Duke Litigation in excess of $25,000,000, Sellers shall only be entitled to an aggregate amount equal to two-thirds of such 50% interest; provided further, however, that the $25,000,000 in the preceding proviso shall be increased by the Final Citrus Trading Capital Contribution. Purchaser shall pay to Sellers such amounts within two (2) Business Days of the Citrus Group Companies receipt thereof. From and after Closing, Purchaser shall in good faith use commercially reasonable efforts to cause the Citrus Group Companies to expeditiously and diligently prosecute the settlement, compromise or other resolution of all claims or proceedings arising from the Duke Litigation, and Sellers shall take such other actions as may be reasonably necessary to support the resolution of such claims or proceedings. Purchaser shall keep Sellers reasonably informed of all material developments regarding the resolution of the Duke Litigation, and shall promptly provide Sellers with all notices, pleadings, determinations and other papers filed in respect thereof.

6.16 Certain Transactions.

(a) At Purchaser's request (the "Request"), either:

(i) Sellers shall, prior to the Closing Date, subject to having obtained any and all necessary approvals and consents from Governmental Authorities, (A) cause each of the H- 10 Companies to convert into a limited liability company or a limited partnership under the laws of the jurisdiction in which each is organized on the date of this Agreement (the "Conversion Transactions") and (B) cause each such limited liability company or limited partnership to be continuously treated as a partnership or a disregarded entity from its owner for United States federal income tax purposes; and (C) cause the stock of Citrus held by CrossCountry Citrus Corp. to be distributed to the Company; or

(ii) Enron and the Purchaser will join in making a timely election under Section 338(h)(10) of the Code and any corresponding elections under state, local or foreign tax law (collectively the "Section 338(h)(10) Election") with respect to the purchase and sale of the stock of the H-10 Companies.

(b) The Purchaser shall make the Request in writing no later than five (5) days prior to the Closing Date and shall specify whether the Purchaser is requesting that the parties make a Section 338(h)(10) Election or effect a Conversion Transaction.

(c) Notwithstanding anything in this Agreement to the contrary, to the extent that the Conversion Transactions cause Sellers to breach any representation, warranty, covenant or other agreement of Sellers contained in this Agreement, such breach shall be given no effect, and Purchaser shall have no right to (x) terminate this Agreement due to such breach by Sellers

or the failure of Sellers to meet any of the conditions set forth in Sections 7.1 or 7.2 by the Outside Date as a result of the Conversion Transactions (for the avoidance of doubt, such breach shall in no way relieve Purchaser of its obligations to close the transactions contemplated by this Agreement), or (y) to seek indemnification from Sellers for such breach. Purchaser shall indemnify, defend and hold harmless the Seller Indemnified Parties from and against any and all (i) Excess Conversion Tax Liability and (ii) Losses that are not attributable to Taxes asserted against or suffered by them relating to, resulting from, or arising out of any Conversion Transaction. Excess Conversion Tax Liability (and the components thereof) shall be computed assuming the correctness of the representations and warranties in Section 4.14(g).

(d) If Purchaser delivers a Request requesting the Conversion Transactions under Section 6.16(a)(i), but for any reason the Conversion Transactions do not occur prior to the Closing Date, Enron shall join Purchaser in making a Section 338(h)(10) Election in accordance with Section 6.16(a)(ii).

6.17 Financial Information.

(a) Sellers shall provide to Purchaser not later than thirty (30) days following the end of each calendar quarter ending after the date hereof:

(i) copies of the unaudited consolidated balance sheet of the Citrus Group Companies as at the end of such quarter and the related statements of income, stockholders' equity and cash flows of the Citrus Group Companies for the three (3) month period then ended;

(ii) copies of the unaudited consolidated balance sheet of the Transwestern Group Companies as at the end of such quarter and the related statements of income, stockholders' equity and cash flows of the Transwestern Group Companies for the three (3) month period then ended; and

(iii) copies of the unaudited consolidated balance sheet of the Northern Plains Group Companies as at the end of such quarter and the related statements of income, stockholders' equity and cash flows of the Northern Plains Group Companies for the three (3) month period then ended.

The Financial Statements and the Northern Border Financial Statements shall be prepared in accordance with the books and records of the Citrus Group Companies, the Transwestern Group Companies and the Northern Plains Group Companies, respectively, as at the date and for the period indicated, and, except as set forth in Schedule 6.17, in accordance with GAAP.

(b) After the entry of the Approval Order, to the extent Purchaser reasonably requires audited or reviewed financial statements with respect to each of the Transfer Group Companies and the Northern Border Companies in order to comply with the reporting requirements of the Securities and Exchange Commission set forth in Regulations S-K and S-X, Sellers will reasonably cooperate with Purchaser (at Purchaser's cost), to deliver such financial statements including any reasonable request that Sellers: (i) request their independent auditors to

prepare and deliver to Purchaser a comfort letter(s), customary in scope and substance for comfort letters delivered in similar circumstances and (ii) request such members of management of the Transfer Group Companies and the Northern Border Companies that would customarily sign a management representation letter for the benefit of the independent auditors in producing such comfort letter(s) to make themselves available. The failure of any independent auditor to provide the documentation referred to in the preceding clause (i) and the failure of any members of management to make themselves available as provided in the preceding clause (ii) shall not constitute a default by Sellers of their obligations hereunder.

6.18. Regulatory Approvals. As promptly following the entry of the Bidding Procedures Order by the Bankruptcy Court as is reasonably practicable, Southern Union Company and Purchaser shall commence commercially reasonable efforts to obtain all of the consents and approvals identified on Schedule 5.3(b) as being required to be obtained in connection with the consummation of the transactions contemplated by this Agreement.

6.19 Citrus Capital Stock Agreement. Immediately prior to the Closing, Enron shall cause EOS, the Company and CrossCountry Citrus Corp. to approve the transfer of the Equity Interest in accordance with the terms of this Agreement. Contemporaneously with the Closing, Enron shall cause the existing members of the board of managers or directors, as applicable, of the Company and of CrossCountry Citrus Corp. to resign, and shall appoint, or cause to be appointed, successor directors to each such board, as designated by Purchaser. At or prior to the Closing, Enron shall assign to the Company, and the Company shall assume from Enron, all rights and obligations of Enron under that certain Capital Stock Agreement dated April, 1986, relating to the ownership of the capital stock of Citrus.

ARTICLE VII

CONDITIONS TO CLOSING

7.1 Conditions Precedent to Obligations of Each Party. The respective obligations of each of the Sellers, on the one hand, and Purchaser, on the other hand, to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions:

(a) No Order issued by any court of competent jurisdiction preventing the consummation of the transactions contemplated by this Agreement shall be in effect, nor shall any material proceeding initiated by any Governmental Authority of competent jurisdiction having valid enforcement authority seeking such an Order be pending, nor shall there be any action taken, or any Law or Order enacted, entered or enforced that has not been subsequently overturned or otherwise made inapplicable to this Agreement, that makes the consummation of the transactions contemplated by this Agreement illegal;

(b) The Bankruptcy Court shall have entered an Order approving this Agreement, substantially in the form attached hereto as Exhibit B (it being agreed by the parties hereto that the order attached as Exhibit B to the May 27 Motion shall be deemed to be

substantially in such form) (the "Approval Order"), and such Approval Order shall have become a Final Order;

(c) Any waiting period (including any extension thereof) applicable to the purchase and sale of the Equity Interest to Purchaser under the HSR Act shall have terminated or expired and an Order of the FCC approving the transactions contemplated by this Agreement shall have been obtained;

(d) All Liens on the Equity Interest imposed in connection with the DIP Agreement shall have been released; and

(e) Sellers shall have obtained the consents and releases set forth on Schedule 7.1(e).

7.2 Conditions Precedent to Obligations of Purchaser. The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser, in whole or in part, subject to Applicable Law):

(a) All of the representations and warranties of Sellers contained herein shall be true and correct on and as of the Closing Date, except those representations and warranties of Sellers that speak of a certain date, which representations and warranties shall have been true and correct as of such date; provided, however, that this condition shall be deemed to have been satisfied so long as any failure of such representations and warranties to be true and correct, individually or in the aggregate, would not reasonably be expected to result in a Transfer Group Material Adverse Effect or a Seller Material Adverse Effect;

(b) Each of the Sellers shall have performed and complied with their respective obligations and covenants required by this Agreement to be performed or complied with by Sellers on or prior to the Closing Date, in all material respects;

(c) None of the Transfer Group Companies or the Northern Border Companies shall have filed a petition for relief under the Bankruptcy Code or taken any other action specified in Section 6.2(b)(xii);

(d) There shall not have occurred and be continuing a Capital Markets Event which results in the Purchaser not being able to receive the Financing proceeds contemplated hereby in the aggregate amount at least equal to such amount set forth in Section 5.6; and

(e) Purchaser shall have been furnished with the documents referred to in Section 8.1, including originally executed versions of this Agreement and the Transaction Documents executed by all parties thereto other than Purchaser.

(f) The consents, waivers, authorizations and approvals of Governmental Authorities set forth on Schedule 7.2(f) shall have been duly obtained by final order, shall be in