

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 9, 2007

DCP MIDSTREAM PARTNERS, LP

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-32678

(Commission
File Number)

03-0567133

(IRS Employer
Identification No.)

**370 17th Street, Suite 2775
Denver, Colorado**

(Address of principal executive offices)

80202

(Zip Code)

Registrant's telephone number, including area code: **(303) 633-2900**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On May 9, 2007, DCP Midstream Partners, LP (the “Partnership”) acquired from Anadarko Gathering Company (“AGC”) and Anadarko Energy Services Company (“AES”) collectively called “Seller”) certain natural gas gathering and compression assets (collectively the “Assets”) located in Grady, Garvin, and McClain Counties in Oklahoma (the “Acquisition”). The Acquisition was completed in accordance with the Purchase and Sale Agreement, dated March 7, 2007 (the “Purchase Agreement”). The Partnership paid Seller a purchase price of approximately \$181.1 million in cash for the Assets, subject to certain customary purchase price adjustments. A copy of the Purchase Agreement is attached as Exhibit 10.1 to this report and is incorporated by reference into this report in its entirety.

In connection with the Acquisition, the Partnership or wholly-owned subsidiaries of the Partnership, entered into the material definitive agreements described below in this item.

Omnibus Agreement Amendment

On May 9, 2007, in connection with the Acquisition, the Partnership, DCP Midstream, LLC (“DCP Midstream”), the Partnership’s general partner, DCP Midstream GP, LP (the “General Partner”), the General Partner’s general partner, DCP Midstream GP, LLC and DCP Midstream Operating, LP, a wholly-owned subsidiary of the Partnership, amended the Omnibus Agreement by entering into the Third Amendment to Omnibus Agreement (the “Third Amendment”). The Third Amendment increases the annual fee the Partnership pays to DCP Midstream by \$200,000 for incremental general and administrative expenses DCP Midstream will provide to the Partnership in connection with the assets acquired in the Acquisition. The Third Amendment was approved by the Partnership’s Special Committee of its Board of Directors, a committee consisting entirely of independent directors, which addresses all conflicts between the Partnership and the owner of the General Partner.

The Third Amendment is attached as Exhibit 10.2 to this report and is incorporated by reference into this report in its entirety.

Amendment to Credit Agreement

On May 9, 2007, in connection with the Acquisition, the Partnership amended its 5-year credit agreement (the “Credit Agreement”) with its lenders by entering into the First Amendment to Credit Agreement (the “First Amendment”). The First Amendment permits the Partnership to secure indebtedness of an amount not to exceed \$100.0 million, which shall be due and payable no later than August 9, 2007. In addition, the consolidated leverage ratio under the Credit Agreement was amended to allow for a maximum ratio of 5.75 to 1.0 for the quarter ended June 30, 2007.

The First Amendment is attached as Exhibit 10.3 to this report and is incorporated by reference to this report in its entirety.

Bridge Credit Agreement

On May 9, 2007, in connection with the Acquisition, the Partnership and DCP Midstream Operating, LP, a wholly-owned subsidiary of the Partnership, entered into the Bridge Credit Agreement with Wachovia Bank, National Association and Lehman Brothers Commercial Bank, as lenders (the “Bridge Loan”). The Bridge Loan provides for a two-month bridge loan for borrowings up to \$100.0 million, and has terms and conditions substantially similar to those in the Credit Agreement. In conjunction with the Acquisition, the Partnership used borrowings of approximately \$89.0 million from the Credit Agreement to extinguish the term loan portion of the Partnership’s credit facility. As a result of the extinguishment of the term loan portion of the Partnership’s credit facility, the Partnership liquidated \$90.8 million of restricted investments, which, in addition to borrowings of \$88.0 million from the Bridge Loan and \$2.3 million of other liquid investments, were used to fund the Acquisition. In conjunction with the Acquisition, the Partnership’s earnest money deposit of \$9.0 million, paid when the Partnership entered into the Purchase Agreement, was returned to the Partnership and was used to retire indebtedness under the Partnership’s revolving credit facility.

The Bridge Credit Agreement is attached as Exhibit 10.4 to this report and is incorporated by reference to this report in its entirety.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On May 9, 2007, the Partnership completed the acquisition of assets from AGC and AESC as described in Item 1.01 of this report which is incorporated by reference into this item in their entirety.

Item 7.01. Regulation FD Disclosure.

On May 9, 2007, the Partnership issued a press release announcing the closing of the Acquisition. A copy of the press release is furnished and attached as Exhibit 99.1 hereto and is incorporated herein by reference.

A copy of the press release is being furnished and is attached as Exhibit 99.1 hereto and incorporated into this Item 7.01 by reference. In accordance with General Instruction B.2 of Form 8-K, the press release shall not be deemed “filed” for the purpose of Section 18 of the Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information and Exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933 or Exchange Act of 1934, each as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DCP Midstream Partners, LP

By: DCP Midstream GP, LP
its General Partner

By: DCP Midstream GP, LLC
its General Partner

Date: May 14, 2007

/s/ Michael S. Richards

Name: Michael S. Richards
Title: Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Description
Exhibit 10.1	Purchase and Sale Agreement, dated March 7, 2007, between Anadarko Gathering Company, Anadarko Energy Services Company and DCP Midstream Partners, LP
Exhibit 10.2	Third Amendment to Omnibus Agreement, dated October 31, 2006, among DCP Midstream, LLC, DCP Midstream Partners, LP, DCP Midstream GP, LP, DCP Midstream GP, LLC, and DCP Midstream Operating, LP.
Exhibit 10.3	First Amendment to Credit Agreement, dated May 9, 2007, among DCP Midstream Operating, LP, DCP Midstream Partners, LP, Wachovia Bank, National Association, as Administrative Agent and the Lenders named therein.
Exhibit 10.4	Bank Credit Agreement dated May 9, 2007, among DCP Midstream Operating, LP, DCP Midstream Partners, LP, Wachovia Bank, National Association and Lehman Brothers, Commercial Bank.
Exhibit 10.4	Press Release dated May 9, 2007 announcing the acquisition

PURCHASE AND SALE AGREEMENT

BETWEEN

**ANADARKO GATHERING COMPANY AND
ANADARKO ENERGY SERVICES COMPANY**

AS SELLER

AND

DCP MIDSTREAM PARTNERS, LP

AS PURCHASER

Executed on March 7, 2007

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DEFINITIONS

“Adjusted Purchase Price” shall mean the Purchase Price after calculating and applying the adjustments set forth in **Section 2.2**.

“Adjustment Period” has the meaning set forth in **Section 2.2(a)**.

“AES” has the meaning set forth in the preamble.

"AFE" means authority for expenditure.

“Affiliates” with respect to any Person, means any person that directly or indirectly controls, is controlled by or is under common control with such Person.

“AGC” has the meaning set forth in the preamble.

“Agreed Interest Rate” means simple interest calculated at the rate of six percent (6%) per annum.

“Agreement” means this Purchase and Sale Agreement.

“Assets” has the meaning set forth in **Section 1.2**.

“Assumed Seller Obligations” has the meaning set forth in **Section 11.3**.

“Business Day” means each calendar day except Saturdays, Sundays, and Federal holidays.

“Claim” or “Claims” has the meaning set forth in **Section 11.4(a)**.

“Claim Notice” has the meaning set forth in **Section 11.5(b)**.

“Closing” has the meaning set forth in **Section 9.1(a)**.

“Closing Date” has the meaning set forth in **Section 9.1(b)**.

“Closing Payment” has the meaning set forth in **Section 9.4(a)**.

“Code” has the meaning set forth in **Section 2.3**.

“Confidentiality Agreement” has the meaning set forth in **Section 7.1**.

“Contracts” has the meaning set forth in **Section 1.2(a)**.

“Conveyance” has the meaning set forth in **Section 3.1(b)**.

“Defensible Title” means that title of Seller with respect to the Real Property Interests, except for and subject to Permitted Encumbrances (as defined in the Conveyance), is free and clear of liens, encumbrances, obligations, security interests, irregularities, pledges, or other defects.

“Deposit” has the meaning set forth in **Section 2.4**.

"DTPA" has the meaning set forth in **Section 11.9(a)**.

"Effective Time" has the meaning set forth in **Section 1.4(a)**.

"Environmental Laws" means, as the same may have been amended, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1471 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629; the Oil Pollution Act, 33 U.S.C. § 2701 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Atomic Energy Act, 42 U.S.C. § 2011 et seq.; and all applicable related law, whether local, state, territorial, or national, of any Governmental Body having jurisdiction over the property in question addressing pollution or protection of human health, safety, natural resources or the environment and all regulations implementing the foregoing.

"Environmental Liabilities" shall mean any and all environmental response costs (including costs of remediation), damages, natural resource damages, settlements, consulting fees, expenses, penalties, fines, orphan share, prejudgment and post-judgment interest, court costs, attorneys' fees, and other liabilities incurred or imposed (i) pursuant to any order, notice of responsibility, directive (including requirements embodied in Environmental Laws), injunction, judgment or similar act (including settlements) by any Governmental Body or court of competent jurisdiction to the extent arising out of any violation of, or remedial obligation under, any Environmental Laws which are attributable to the ownership or operation of the Assets prior to the Effective Time or (ii) pursuant to any claim or cause of action by a Governmental Body or other Person for personal injury, property damage, damage to natural resources, remediation or response costs to the extent arising out of any violation of, or any remediation obligation under, any Environmental Laws which is attributable to the ownership or operation of the Assets prior to the Effective Time.

"Equipment" has the meaning set forth in **Section 1.2(c)**.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" has the meaning set forth in **Section 1.3**.

"EXCO PSA" shall have the meaning set forth in **Section 8.1(e)**.

"Governmental Authorizations" has the meaning set forth in **Section 5.12**.

"Governmental Body" or "Governmental Bodies" means any federal, state, local, municipal, or other governments; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.

"HSR Act" means the Hart-Scott Rodino Antitrust Improvements Act of 1976.

“Hydrocarbons” means oil, gas, condensate and other gaseous and liquid hydrocarbons or any combination thereof and sulphur extracted from hydrocarbons.

“Imbalance” or “Imbalances” means over-deliveries or under-deliveries with respect to Hydrocarbons allocated to the Assets.

“Indemnified Party” has the meaning set forth in **Section 11.5(a)**.

“Indemnifying Party” has the meaning set forth in **Section 11.5(a)**.

“Indemnity Claim” has the meaning set forth in **Section 11.5(b)**.

“Laws” means all statutes, laws, rules, regulations, ordinances, orders, and codes of Governmental Bodies.

“Material Adverse Effect” means any effect that is adverse to the ownership, operation or value of the Assets, taken as a whole, and as currently operated, that has a value of ten percent (10%) or greater of the Purchase Price; provided, however, that “Material Adverse Effect” shall not include (i) any effect resulting from entering into this Agreement or the announcement of the transactions contemplated by this Agreement, (ii) any effect resulting from changes in general market, economic, financial or political conditions or any outbreak of hostilities or war, (iii) any effect that affects the Hydrocarbon exploration, production, development, processing, gathering and/or transportation industry generally (including changes in commodity prices or general market prices in the Hydrocarbon exploration, production, development, processing, gathering and/or transportation industry generally), and (iv) any effect resulting from a change in Laws or regulatory policies.

"NORM" means naturally occurring radioactive material.

“Person” means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Body or any other entity.

"Personal Property Leases" has the meaning set forth in **Section 5.10(iv)**.

“Pipelines” has the meaning set forth in **Section 1.2(f)**.

“Preference Right” means any right or agreement that enables any Person to purchase or acquire any Asset or any interest therein or portion thereof as a result of or in connection with (i) the sale, assignment or other transfer of any Asset or any interest therein or portion thereof or (ii) the execution or delivery of this Agreement or the consummation or performance of the terms and conditions contemplated by this Agreement.

“Property Costs” has the meaning set forth in **Section 1.4(b)**.

“Purchase Price” has the meaning set forth in **Section 2.1**.

“Purchaser” has the meaning set forth in the preamble.

"Purchaser Indemnitees" shall mean Purchaser and Purchaser’s Affiliates and each of their respective officers, directors, employees, agents, representatives, insurers, successors and permitted assigns.

“Real Property Interests” shall mean the easements, rights-of-way, surface leases and fee interests in real property identified on **Schedule 1.2(b)**.

“Records” has the meaning set forth in **Section 1.2(h)**.

“REGARDLESS OF FAULT” has the meaning set forth in **Section 11.4(a)**.

“Retained Obligations” shall mean Claims arising out of or related to:

- (a) the Excluded Assets;
- (b) Property Costs with respect to periods prior to the Effective Time; provided that with respect to ad valorem, property and similar Taxes imposed upon or arising from the Assets, the period shall not include periods on and after January 1 of the year in which the Closing Date occurs;
- (c) Taxes related to the Assets, including any Taxes for which Seller is liable as a successor or transferee for all periods prior to the Effective Time, but excluding (i) ad valorem, property and similar Taxes imposed upon or arising from the Assets and (ii) sales or transfer taxes resulting from the transfer of the Assets to Purchaser; and
- (d) any liabilities of Seller (i) with respect to employees of Seller arising under any “employee benefit plan” (as defined in Section 3(3) of ERISA) that is sponsored by, contributed to, or maintained by, Seller, or (ii) arising under ERISA for which Purchaser may have any liability under ERISA solely as a result of the consummation of the transaction contemplated by this Agreement.

“Seller” has the meaning set forth in the preamble.

“Seller Indemnitees” shall mean Seller and Seller’s Affiliates and each of their respective officers, directors, employees, agents, representatives, insurers, successors and permitted assigns.

“Surface Contracts” has the meaning set forth in **Section 1.2(b)**.

“System” shall mean the natural gas gathering system and appurtenances thereto that is depicted in the map attached as **Exhibit A**. Notwithstanding anything to the contrary, the System shall not include any pipelines, equipment or other properties that are located upstream of the inlet flange of the meters where Hydrocarbons are delivered into the pipelines consisting of such natural gas gathering system.

“Tax Allocated Value” has the meaning set forth in **Section 2.3**.

“Taxes” means all federal, state, local, and foreign income, profits, franchise, sales, use, ad valorem, property, severance, production, excise, stamp, documentary, real property transfer or gain, gross receipts, goods and services, registration, capital, transfer, or withholding taxes or other governmental fees or charges imposed by any taxing authority, including any interest, penalties or additional amounts which may be imposed with respect thereto.

“Tax Returns” has the meaning set forth in **Section 5.8**.

“Transfer Requirement” means any consent, approval, authorization or permit of, or filing with or notification to, any Person which is required to be obtained, made or complied with for or in connection with any sale, assignment or transfer of any Asset or any interest therein, other than any consent of, notice to, filing with, or other action by Governmental Bodies in connection with the sale or conveyance of Surface Contracts or interests therein, if they are not required prior to the assignment of such Surface Contracts or interests or they are customarily obtained subsequent to the sale or conveyance (including consents from state agencies).

“Transition Services Agreement” shall have the meaning set forth in **Section 7.13**.

PURCHASE AND SALE AGREEMENT

This Agreement is executed on March 7, 2007, by and between ANADARKO GATHERING COMPANY, a Delaware corporation ("AGC"), and ANADARKO ENERGY SERVICES COMPANY, a Delaware corporation ("AES"; AGC and AES collectively called "Seller"), and DCP MIDSTREAM PARTNERS, LP, a Delaware limited partnership ("Purchaser").

RECITALS

- A. Seller owns various natural gas gathering pipeline properties, either of record or beneficially, more fully described in the exhibits hereto.
- B. Seller desires to sell, transfer and assign to Purchaser, and Purchaser desires to acquire from Seller, the properties and rights of Seller hereafter described, in the manner and upon the terms and conditions hereafter set forth.
- C. Capitalized terms used herein shall have the meanings ascribed to them in this Agreement as such terms are identified and/or defined in the preceding Definitions section hereof.

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

ARTICLE 1 PURCHASE AND SALE

Section 1.1Purchase and Sale.

At the Closing, and upon the terms and subject to the conditions of this Agreement, Seller agrees to sell, transfer, assign and convey the Assets to Purchaser, and Purchaser agrees to purchase, accept and pay for the Assets and to assume certain obligations attributable to the Assets.

Section 1.2Assets.

As used herein, the term "Assets" means, subject to the terms and conditions of this Agreement, all of Seller's and, with respect to **Sections 1.2(c), (d) and (f)** only, Seller's and its Affiliates', right, title, interest and estate, real or personal, recorded or unrecorded, movable or immovable, tangible or intangible, in and to the following (but excluding the Excluded Assets):

- (a) All contracts, agreements and instruments identified on **Schedule 1.2(a)** ("Contracts");
- (b) All easements, permits, licenses, servitudes, rights-of-way, surface leases, fee interests in real property and other surface rights appurtenant to, and used or held for use primarily in connection with the System, including those identified on **Schedule 1.2(b)** ("Surface Contracts");

(c) All equipment, machinery, fixtures and other tangible personal property and improvements located on the System or used or held for use primarily in connection with the operation of the System, including those identified on **Schedule 1.2(c)** (“Equipment”);

(d) Computers and other personal property used in connection with the operation of the System that are located in field offices; and laptops, tools, and spare parts used in connection with operation of the System that are in the possession of employees;

(e) All rights of Seller under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors (other than Affiliates of Seller) to the extent relating to products sold, or services provided, to Seller to the extent used or held for use in connection with or affecting any of the Assets;

(f) All pipelines, gathering systems and appurtenances thereto being part of the System or used, or held for use, primarily in connection with the operation of the System (“Pipelines”);

(g) All Hydrocarbon linefill and Hydrocarbons existing within the Pipelines from and after the Effective Time; and

(h) All land files; gas contract files; gas gathering and processing files; abstracts; title opinions; land surveys; maps; engineering data and reports; and other books, records, data, files, and accounting records, regardless of whether paper or electronic media, in each case to the extent related primarily to the Assets, or used or held for use primarily in connection with the maintenance or operation thereof, but excluding (i) any books, records, data, files, maps and accounting records to the extent disclosure or transfer is restricted by third-party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 7.8**, (ii) computer or communications software or intellectual property (including tapes, codes, data and program documentation and all tangible manifestations and technical information relating thereto), (iii) attorney-client privileged communications and work product of Seller’s legal counsel (other than title opinions), (iv) reserve studies and evaluations, and (v) records relating to the negotiation and consummation of the sale of the Assets (subject to such exclusions, the “Records”); provided, however, that Seller may retain the originals of such Records as Seller has determined may be required for litigation, tax, accounting, and auditing purposes and provide Purchaser with copies thereof at Purchaser’s cost until such purpose no longer reasonably exists; and then Seller shall promptly deliver such records to the address then provided by Purchaser.

Section 1.3**Excluded Assets.**

Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the purchase and sale contemplated hereby (collectively, the “Excluded Assets”):

(a) all corporate, financial, income and franchise tax and legal records of Seller that relate to Seller’s business generally (whether or not relating to the Assets), and all books, records and files to the extent that the same relate to the Excluded Assets and those records retained by Seller pursuant to **Section 1.2(h)** and copies of any other Records retained by Seller pursuant to **Section 1.5**;

(b) all geological and geophysical data (including all seismic data, including reprocessed data) and all logs, interpretive data, technical evaluations, technical outputs, reserve estimates and economic estimates;

(c) all rights to any refund of Taxes or other costs or expenses borne by Seller or Seller's predecessors in interest and title attributable to periods prior to the Effective Time;

(d) Seller's area-wide bonds, permits and licenses or other permits, licenses or authorizations used in the conduct of Seller's business generally;

(e) those items listed in **Schedule 1.3(e)**;

(f) all trade credits, account receivables, note receivables, and other receivables attributable to the Assets with respect to any period of time prior to the Effective Time;

(g) all right, title and interest of Seller in and to vehicles used in connection with the Assets;

(h) all rights, titles, claims and interests of Seller or any Affiliate of Seller (i) to or under any policy or agreement of insurance or any insurance proceeds; except to the extent Purchaser assumes liability for a Claim for which Seller is insured, and (ii) to or under any bond or bond proceeds;

(i) any patent, patent application, logo, service mark, copyright, trade name or trademark of or associated with Seller or any Affiliate of Seller or any business of Seller or of any Affiliate of Seller; and

(j) any pipelines, equipment or other properties that are located upstream of the inlet flange of the meters where Hydrocarbons are delivered into the Pipelines.

Section 1.4 Effective Time; Proration of Costs and Revenues.

(a) Subject to **Section 1.5**, possession of the Assets shall be transferred from Seller to Purchaser at the Closing, but, if Closing occurs, certain financial benefits and burdens of the Assets shall be transferred effective as of 7:00 A.M., local time, where the respective Assets are located, on May 1, 2007 (the "Effective Time"), as described below.

(b) Purchaser shall be entitled to all Hydrocarbon linefill and Hydrocarbons from or attributable to the Assets at and after the Effective Time (and all products and proceeds attributable thereto), and to all other income, proceeds, receipts and credits earned with respect to the Assets at or after the Effective Time, and shall be responsible for (and entitled to any refunds with respect to) all Property Costs incurred at and after the Effective Time (or, with respect to ad valorem, property and similar Taxes imposed upon or arising from the Assets, for the period from and after January 1, 2007). Seller shall be entitled to Hydrocarbons from or attributable to the Assets prior to the Effective Time (and all products and proceeds attributable thereto), and to all other income, proceeds, receipts and credits earned with respect to the Assets prior to the Effective Time, and shall be responsible for (and entitled to any refunds with respect to) all Property Costs incurred prior to the Effective Time (other than with respect to ad valorem, property and similar Taxes imposed upon or arising from the Assets and attributable to the period on or after January 1, 2007 but prior to the Effective Time, which Taxes constitute a Property Cost that Purchaser shall assume and be liable to pay, and entitled to any refunds with respect thereto). "Earned" and "incurred", as used in this Agreement, shall be interpreted in accordance with generally accepted accounting principles. "**Property Costs**" means all costs attributable to the ownership and operation of the Assets (including without limitation (a) ad valorem, property and similar Taxes based upon or measured by the ownership or operation of the Assets, but excluding any other Taxes, (b) Imbalances, and (c) obligations to make any payments owing to third parties that (i) arise under a contract or agreement or (ii) relate to amounts held in suspense) and capital expenditures incurred in the ownership and operation of the Assets, but excluding without limitation liabilities, losses, costs, and expenses attributable to (i) Claims for personal injury or death, or property damage or to the extent based on a violation of any Law, (ii) obligations to dismantle, abandon and salvage facilities, and (iii) obligations to remediate any contamination of groundwater, surface water, soil, Equipment or Pipelines under applicable Environmental Laws, all of which are addressed in **Article 11**. For purposes of this **Section 1.4**, determination of whether Property Costs are attributable to the period before or after the Effective Time shall be based on when services are rendered, when the goods are delivered, or when the work is performed. For clarification, the date an item or work is ordered is not the date of a pre-Effective Time transaction for settlement purposes, but rather the date on which the item ordered is delivered to the job site, or the date on which the work ordered is performed, shall be the relevant date. For purposes of allocating Hydrocarbons (and accounts receivable with respect thereto), under this **Section 1.4**, Hydrocarbons shall be deemed to be "from or attributable to" the Assets when they pass through the delivery point sales meters on the Pipelines. Seller shall utilize reasonable interpolative procedures to arrive at an allocation of Hydrocarbon production when exact meter readings or gauging and strapping data is not available. Seller shall provide to Purchaser, no later than three (3) Business Days prior to Closing, all data necessary to support any estimated allocation, for purposes of establishing the adjustment to the Purchase Price pursuant to **Section 2.2** hereof that will be used to determine the Closing Payment (as defined in **Section 9.4(a)**). Taxes, right-of-way fees and other Property Costs that are paid periodically shall be prorated based on the number of days in the applicable period falling before and the number of days in the applicable period falling at or after the Effective Time (or, in the case of ad valorem, property and similar Taxes, January 1, 2007). In each case, Purchaser shall be responsible for the portion allocated to the period at and after the Effective Time (or, in the case of ad valorem, property and similar Taxes, January 1, 2007) and Seller shall be responsible for the portion allocated to the period before the Effective Time (or, in the case of ad valorem, property and similar Taxes, January 1, 2007).

Section 1.5 Delivery and Maintenance of Records.

(a) Seller, at Purchaser's cost, shall use reasonable efforts to deliver the Records (FOB Seller's office) to the office designated in writing by Purchaser within sixty (60) days following Closing. Seller may retain original Records of those items as set forth in **Section 1.2(h)** and/or copies of any Records. If Seller elects to retain original files, Purchaser will be provided with copies of same, at Seller's cost.

(b) Purchaser, for a period of seven (7) years following Closing, will (i) retain the Records, (ii) provide Seller, its Affiliates, and its and their officers, employees and representatives with access to the Records during normal business hours for review and copying at Seller's expense, and (iii) provide Seller, its Affiliates, and its and their officers, employees and representatives with access, during normal business hours, to materials received or produced after Closing relating to any Indemnity Claim made under **Section 11.4** of this Agreement for review and copying at Seller's expense.

ARTICLE 2

PURCHASE PRICE

Section 2.1 **Purchase Price.**

The purchase price for the Assets (the “Purchase Price”) shall be \$180,250,000 adjusted as provided in **Section 2.2**.

Section 2.2 Adjustments to Purchase Price.

The Purchase Price for the Assets shall be adjusted as follows with all such amounts being determined in accordance with generally accepted accounting principles:

- (a) Reduced by the aggregate amount of the following proceeds received by Seller between the Effective Time and the Closing Date (with the period between the Effective Time and the Closing Date referred to as the “Adjustment Period”): (i) proceeds from the sale of Hydrocarbons (net of any gathering, processing and transportation costs and any Hydrocarbon severance, sales or excise Taxes not reimbursed to Seller by the purchaser of Hydrocarbons) attributable to the Assets during the Adjustment Period, and (ii) other proceeds earned with respect to the Assets during the Adjustment Period;
- (b) Increased by the fair market value of merchantable Hydrocarbons stored in tanks (but excluding Hydrocarbon linefill located in Pipelines and volumes of liquid Hydrocarbons located in tanks along the Pipelines that are below the minimum required to operate such tanks) attributable to the ownership and operation of the Assets that belong to Seller as of the Effective Time;
- (c) Increased or reduced as agreed upon in writing by Seller and Purchaser;
- (d) Increased by the amount of all Property Costs and other costs attributable to the ownership and operation of the Assets which are paid by Seller and incurred at or after the Effective Time, except any Property Costs and other such costs already deducted in the determination of proceeds in **Section 2.2(a)**; and
- (e) Decreased by an amount equal to the amount of any ad valorem, property and similar Taxes assessed against or pertaining to the Assets for periods after January 1 through the Effective Time with respect to the calendar year in which Closing occurs.

Each adjustment made pursuant to **Sections 2.2(a) and (b)** shall serve to satisfy, up to the amount of the adjustment, Purchaser's entitlement under **Section 1.4** to Hydrocarbons attributable to the Assets during the Adjustment Period, and to the value of other income, proceeds, receipts and credits earned with respect to the Assets during the Adjustment Period, and as such, Purchaser shall not have any separate rights to receive any Hydrocarbons or income, proceeds, receipts and credits with respect to which a downward adjustment has been made. Similarly, the adjustment described in **Section 2.2(d)** shall serve to satisfy, up to the amount of the adjustment, Purchaser's obligation under **Section 1.4** to pay Property Costs and other costs attributable to the ownership and operation of the Assets which are incurred during the Adjustment Period, and as such, Purchaser shall not be separately obligated to pay for any Property Costs or other such costs with respect to which an upward adjustment has been made.

The Purchase Price, adjusted as set forth in **Sections (a) through (e)**, less the Deposit, shall be increased by simple interest thereon from the Effective Time to the Closing Date, with all interest computed at the Agreed Interest Rate.

A final settlement of the adjustments set forth in **Sections 2.2 (a), (b), (c) and (e)**, shall be made in accordance with **Section 9.4(b)**. Notwithstanding anything to the contrary, Property Costs shall also be estimated and adjusted under **Sections 2.2(d) and 9.4(b)**, but shall remain subject to **Section 11.2** and indemnification under **Section 11.4**.

Section 2.3

Concurrent with the execution of this Agreement, Purchaser and Seller will agree upon an allocation of the unadjusted Purchase Price among the Assets, in compliance with the principles of Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury regulations thereunder. Such allocation of value shall be attached to this Agreement as **Schedule 2.3** for purposes of Internal Revenue Service Form 8594. The “Tax Allocated Value” for any Asset equals the portion of the unadjusted Purchase Price allocated to such Asset on **Schedule 2.3**, increased or reduced as described in this **Article 2**. Any such adjustments to the Purchase Price shall be applied on a pro rata basis to the amounts set forth on **Schedule 2.3** for all Assets. After Seller and Purchaser have agreed on the Tax Allocated Values for the Assets, Seller will be deemed to have accepted such Tax Allocated Values for purposes of this Agreement and the transactions contemplated hereby, but otherwise makes no representation or warranty as to the accuracy of such values. Seller and Purchaser agree (i) that the Tax Allocated Values shall be used by Seller and Purchaser as the basis for reporting asset values and other items for purposes of all federal, state, and local Tax Returns, including without limitation Internal Revenue Service Form 8594 and (ii) that neither they nor their Affiliates will take positions inconsistent with the Tax Allocated Values in notices to Governmental Bodies or in audit or other proceedings with respect to Taxes.

Section 2.4	<u>Deposit.</u>
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Concurrently with the execution of this Agreement, Purchaser has paid to Seller an earnest money deposit in an amount equal to five percent (5%) of the Purchase Price (the "Deposit"). If the Closing occurs, the Deposit with simple interest accruing thereon from the date hereof to the date immediately preceding the Effective Time computed at the Agreed Interest Rate shall be returned to Purchaser by Seller on the Closing Date following the receipt by Seller of the Closing Payment, or if the Closing does not occur, shall be otherwise distributed in accordance with the terms of this Agreement.

ARTICLE 3
TITLE MATTERS

Section 3.1 **Seller's Title.**

(a) Except for the special warranty of title referenced in **Section 3.1(b)**, Seller makes no warranty or representation, express, implied, statutory or otherwise, with respect to Seller's title to any of the Assets and Purchaser hereby acknowledges and agrees that Purchaser's sole remedy for any defect of title shall be pursuant to the special warranty of title contained in the Conveyance referenced in **Section 3.1(b)**.

(b) The conveyance to be delivered by Seller to Purchaser shall be substantially in the form of **Exhibit B** hereto (the "Conveyance") and contain a special warranty of Defensible Title by, through and under Seller and its Affiliates but not otherwise, but shall otherwise be without warranty of title of any kind, express, implied or statutory or otherwise.

(c) Purchaser shall not be entitled to protection under Seller's special warranty of title in the Conveyance against any matter that would cause Seller not to have Defensible Title that is disclosed in writing to Purchaser or of which Purchaser has actual knowledge prior to the date hereof.

(d) Notwithstanding anything herein provided to the contrary, if any title defect results from any matter which could also result in the breach of any representation or warranty of Seller set forth in **Article 5**, then Purchaser shall only be entitled to assert such matter as a breach of Seller's special warranty of title contained in the Conveyance to the extent not prohibited by **Section 3.1(c)**, but shall be precluded from also asserting such matter as the basis of the breach of any such representation or warranty of Seller set forth in **Article 5**.

Section 3.2 **[RESERVED]**

Section 3.3 **[RESERVED]**

Section 3.4 **[RESERVED]**

Section 3.5 **Casualty or Condemnation Loss.**

(a) Subject to the provisions of **Section 3.5(b)**, Purchaser shall assume all risk of loss with respect to, and any change in the condition of the Assets from the Effective Time until Closing and the depreciation of personal property due to ordinary wear and tear.

(b) Subject to the provisions of **Sections 8.1(f)** and **8.2(e)** hereof, if, after the date of this Agreement but prior to the Closing Date, any portion of the Assets is destroyed by fire or other casualty or is taken in condemnation or under right of eminent domain, and the loss as a result of such individual casualty or taking is less than seven and one-half percent (7.5%) of the unadjusted Purchase Price, Purchaser shall nevertheless be required to close and Seller shall elect by written notice to Purchaser prior to Closing either (i) to cause the Assets affected by any casualty or taking to be repaired or restored to at least its condition prior to such casualty, at Seller's sole cost, which repair or restoration may take place after Closing so long as Seller and Purchaser have agreed on a reasonable time period in which to complete such repairs and restoration and Seller executes an access agreement in form and substance reasonably acceptable to Purchaser and Seller, or (ii) to indemnify Purchaser through a document reasonably acceptable to Seller and Purchaser against any costs or expenses that Purchaser reasonably incurs to repair the Assets subject to any casualty or taking. In each case, Seller shall retain all rights to insurance and other claims against third parties with respect to the casualty or taking except to the extent the parties otherwise agree in writing.

Section 3.6**[RESERVED]****Section 3.7****Government Approvals Respecting Assets.**

(a) **Federal and State Approvals.** With respect to consents and approvals customarily obtained from Governmental Bodies after closing in transactions of this nature, Purchaser, within thirty (30) days after Closing, shall file for approval with the applicable Governmental Bodies all assignment documents and other state and federal transfer documents required to effectuate the transfer of the Assets. Purchaser further agrees promptly after Closing to take all other actions reasonably required of it by federal or state agencies having jurisdiction to obtain all requisite regulatory approvals with respect to this transaction, and to use its reasonable commercial efforts to obtain the approval by such federal or state agencies, as applicable, of Seller's assignment documents requiring federal or state approval in order for Purchaser to be recognized by the federal or state agencies as the owner of the Assets. Purchaser shall provide Seller with approved copies of the assignment documents and other state and federal transfer documents, as soon as they are available.

**ARTICLE 4
ENVIRONMENTAL MATTERS**

Section 4.1**[RESERVED]****Section 4.2****NORM, Wastes and Other Substances.**

Purchaser acknowledges that the Assets have been used for the gathering and transportation of Hydrocarbons and that there may be petroleum, produced water, wastes, or other substances or materials located in, on or under the System or associated with the Assets. Equipment and sites included in the Assets may contain asbestos, hazardous substances, or NORM. NORM may affix or attach itself to the inside of pipes, materials, and equipment as scale, or in other forms. The pipes, materials, and equipment included in the Assets may contain NORM and other wastes or hazardous substances. NORM containing material and/or other wastes or hazardous substances may have come in contact with various environmental media, including without limitation, water, soils or sediment. Special procedures may be required for the assessment, remediation, removal, transportation, or disposal of environmental media, wastes, asbestos, hazardous substances, and NORM from the Assets.

Section 4.3**Inspection Indemnity.**

PURCHASER HEREBY AGREES TO DEFEND, INDEMNIFY, RELEASE, PROTECT, SAVE AND HOLD HARMLESS THE SELLER INDEMNITEES FROM AND AGAINST ANY AND ALL LOSSES AND CLAIMS ARISING OUT OF OR RELATING TO ANY DUE DILIGENCE ACTIVITY CONDUCTED BY PURCHASER OR ITS AGENTS, WHETHER BEFORE OR AFTER THE EXECUTION OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY LOSSES RESULTING, IN WHOLE OR IN PART, FROM THE NEGLIGENCE OR STRICT LIABILITY OF SELLER, BUT EXCLUDING ANY LOSSES TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A SELLER INDEMNITEE.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF SELLER

Section 5.1 **Generally.**

(a) Any representation or warranty qualified “to the knowledge of Seller” or “to Seller’s knowledge” or with any similar knowledge qualification is limited to matters within the actual knowledge of (i) the officers of Seller and its Affiliates or (ii) the employees of Seller who have responsibility for the Assets and who have the following titles: Antioch Operations Manager and Midstream Commercial Regional Manager. “Actual knowledge” for purposes of this Agreement means information actually personally known by such officers or employees.

(b) Inclusion of a matter on a Schedule in relation to a representation or warranty which addresses matters having a Material Adverse Effect shall not be deemed an indication that such matter does, or may, have a Material Adverse Effect. Likewise, the inclusion of a matter on a Schedule in relation to a representation or warranty shall not be deemed an indication that such matter necessarily would, or may, breach such representation or warranty absent its inclusion on such Schedule. Matters may be disclosed on a Schedule to this Agreement for purposes of information only.

(c) Subject to the foregoing provisions of this **Section 5.1**, the disclaimers and waivers contained in **Sections 11.8** and **11.9** and the other terms and conditions of this Agreement, Seller represents and warrants to Purchaser the matters set out in **Sections 5.2** through **5.20**.

Section 5.2 **Existence and Qualification.**

Each of AGC and AES is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business as a foreign corporation where the Assets are located, except where the failure to so qualify would not have a Material Adverse Effect.

Section 5.3 **Power.**

Each of AGC and AES has the corporate power to enter into and perform this Agreement and consummate the transactions contemplated by this Agreement.

Section 5.4 **Authorization and Enforceability.**

The execution, delivery and performance of this Agreement, and the performance of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller (and all documents required hereunder to be executed and delivered by Seller at Closing will be duly executed and delivered by Seller) and this Agreement constitutes, and at the Closing such documents will constitute, the valid and binding obligations of Seller, enforceable against Seller in accordance with their terms except as such enforceability may be limited by applicable bankruptcy or other similar laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.5**No Conflicts.**

To Seller's knowledge, subject to compliance with the Preference Rights and Transfer Requirements set forth in **Schedule 5.13**, the execution, delivery and performance of this Agreement by Seller, and the transactions contemplated by this Agreement will not (i) violate any provision of the certificate of incorporation or bylaws of Seller, (ii) result in default (with due notice or lapse of time or both) or the creation of any lien or encumbrance or give rise to any right of termination, cancellation or acceleration under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license or agreement to which Seller is a party or which affect the Assets, (iii) violate any judgment, order, ruling, or decree applicable to Seller as a party in interest, (iv) violate any Laws applicable to Seller or any of the Assets, except for (a) rights to consent by, required notices to, filings with, approval or authorizations of, or other actions by any Governmental Body where the same are not required prior to the assignment of the related Asset or they are customarily obtained subsequent to the sale or conveyance thereof and (b) any matters described in clauses (ii), (iii) or (iv) above which would not have a Material Adverse Effect.

Section 5.6**Liability for Brokers' Fees.**

Purchaser shall not directly or indirectly have any responsibility, liability or expense, as a result of undertakings or agreements of Seller, for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any agreement or transaction contemplated hereby.

Section 5.7**Litigation.**

Except as set forth in: (a) **Schedule 5.7(a)**, to Seller's knowledge, no investigation, proceeding, action, suit, or other legal proceeding of any kind or nature before any Governmental Body or arbitrator (including any take-or-pay claims) which could have a Material Adverse Effect is pending or, to Seller's knowledge, threatened to which Seller is a party and which relates to the Assets; and (b) **Schedule 5.7(b)**, to Seller's knowledge, no notice in writing from any Governmental Body which could have a Material Adverse Effect has been received by Seller claiming any violation of or noncompliance with any Law with respect to the Assets (including any such Law concerning the conservation of natural resources).

Section 5.8**Taxes and Assessments.**

With respect to all Taxes related to the Assets, to the knowledge of Seller, (a) all reports, returns, statements (including estimated reports, returns or statements), and other similar filings (the "Tax Returns") relating to the Assets required to be filed by Seller with respect to such Taxes have been timely filed with the appropriate Governmental Body in all jurisdictions in which such Tax Returns are required to be filed, (b) such Tax Returns are true and correct in all material respects, and (c) all Taxes reported on such Tax Returns have been paid, except those being contested in good faith.

To Seller's knowledge, with respect to all Taxes related to the Assets, except as set forth on **Schedule 5.8**, (i) there are not currently in effect any extension or waiver of any statute of limitations of any jurisdiction regarding the assessment or collection of any such Tax; (ii) there are no administrative proceedings or lawsuits pending against the Assets or Seller by any taxing authority; and (iii) there are no Tax liens on any of the Assets except for liens for Taxes not yet due.

Section 5.9**Compliance with Laws.**

Except as disclosed on **Schedule 5.9**, to the knowledge of Seller, the Assets are, and the operation of the Assets is, in compliance with the provisions and requirements of all Laws of all Governmental Bodies having jurisdiction with respect to the Assets, or the ownership, operation, development, maintenance, or use of any thereof, except where the failure to so comply would not have a Material Adverse Effect. Notwithstanding the foregoing, Seller makes no representation or warranty, express or implied, under this Section relating to any Environmental Liabilities or Environmental Law.

Section 5.10**Contracts.**

Except as disclosed on **Schedule 5.10(a)**, to the knowledge of Seller, Seller has paid its share of all costs payable by it under the contracts and agreements described in **Schedule 1.2(a)**, and Seller has not received as of the date hereof written notice of termination or breach thereof. Seller is in compliance with all Contracts listed on **Schedule 1.2(a)** except as disclosed on **Schedule 5.10(a)** and except such non-compliance as would not, individually or the aggregate, have a Material Adverse Effect. To Seller's knowledge, **Schedule 5.10(b)** sets forth all of the following contracts and agreements to which any of the Assets are bound as of the date hereof or Closing:

(i) any agreement with any Affiliate of Seller;

(ii) any agreement or contract for the gathering, processing, transportation, purchase, sale, exchange, or other disposition of Hydrocarbons that is not cancelable without penalty or other payment on not more than 30 days prior written notice;

(iii) any tax partnership agreement of or binding upon Seller affecting any of the Assets; and

(iv) leases of personal property used or held for use primarily in the operation of the Assets to which Seller is a party or by which it is bound ("Personal Property Leases") involving annual payments in excess of \$150,000, other than any Personal Property Leases that have been terminated or will expire by their terms before or upon the Closing.

Section 5.11**[RESERVED]****Section 5.12****Governmental Authorizations.**

To Seller's knowledge, except as disclosed on **Schedule 5.12**, Seller has obtained and is maintaining all federal, state and local governmental licenses, permits, franchises, orders, exemptions, variances, waivers, authorizations, certificates, consents, rights, privileges and applications therefor (the "Governmental Authorizations") that are presently necessary or required for the ownership and operation of the Assets as currently owned and operated, the loss of which would, individually or in the aggregate, have a Material Adverse Effect. To the knowledge of Seller, except as disclosed in **Schedule 5.7(a)**, **Schedule 5.7(b)** or **Schedule 5.12** and except as would not, individually or in the aggregate, have a Material Adverse Effect, (i) Seller has operated the Assets in accordance with the conditions and provisions of such Governmental Authorizations, and (ii) no written notices of violation have been received by Seller, and no proceedings are pending or, to Seller's knowledge, threatened in writing that might result in any modification, revocation, termination or suspension of any such Governmental Authorizations or which would require any corrective or remediation action by Seller.

Section 5.13**Preference Rights and Transfer Requirements.**

To Seller's knowledge, none of the Assets, or any portion thereof, is subject to any Preference Right or Transfer Requirement which may be applicable to the transactions contemplated by this Agreement, except for (i) Preference Rights and Transfer Requirements contained in easements, rights-of-way or equipment leases and (ii) Preference Rights and Transfer Requirements as are set forth on **Schedule 5.13**.

Section 5.14**[RESERVED]****Section 5.15****Outstanding Capital Commitments.**

As of the date hereof, there are no outstanding AFEs or other commitments to make capital expenditures which are binding on the Assets and which Seller reasonably anticipates will individually require expenditures by the owner of the Assets after the Closing Date in excess of \$75,000 other than those shown on **Schedule 5.15**.

Section 5.16 Imbalances.

To Seller's knowledge, **Schedule 5.16** accurately sets forth in all material respects all of Seller's Imbalances as of January 1, 2007 arising with respect to the Assets and, except as disclosed in **Schedule 5.16**, as of January 1, 2007, (i) no Person is entitled to receive any material portion of the Seller's Hydrocarbons attributable to the Assets or to receive material cash or other payments to "balance" any disproportionate allocation of Hydrocarbons attributable to the Assets under any gas processing or dehydration agreement, gas gathering and transportation agreements, gas purchase agreement, or other agreements, whether similar or dissimilar, (ii) Seller is not obligated to deliver any material quantities of gas or to pay any material penalties or other amounts, in connection with the violation of any of the terms of any gas contract or other agreement with shippers with respect to the Assets, and (iii) Seller is not obligated to pay any material penalties or other material payments under any gas transportation or other agreement as a result of the delivery of quantities of gas in excess of the contract requirements.

Section 5.17**Condemnation.**

To Seller's knowledge, there is no actual or threatened taking (whether permanent, temporary, whole or partial) of any part of the Assets by reason of condemnation or the threat of condemnation.

Section 5.18**Bankruptcy.**

To Seller's knowledge, there are no bankruptcy, reorganization, or similar arrangement proceedings pending, being contemplated by or threatened against Seller or any Affiliate of Seller.

Section 5.19**NGA.**

No consent is required in connection with the transaction contemplated hereby under the Natural Gas Policy Act of 1978, as amended. Seller is not an interstate pipeline company within the meaning of the Natural Gas Act of 1938.

Section 5.20**Investment Company.**

Seller is not an investment company or a company controlled by an investment company within the meaning of the Investment Company Act of 1940, as amended.

**ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser represents and warrants to Seller the following:

Section 6.1**Existence and Qualification.**

Purchaser is a limited partnership duly formed, validly existing and in good standing under the laws of the state of Delaware; and Purchaser is duly qualified to do business as a foreign limited partnership in every jurisdiction in which it is required to qualify in order to conduct its business except where the failure to so qualify would not have a material adverse effect on Purchaser or its properties; and Purchaser is duly qualified to do business as a foreign limited partnership in the respective jurisdictions where the Assets are located.

Section 6.2**Power.**

Purchaser has the limited partnership power to enter into and perform this Agreement and consummate the transactions contemplated by this Agreement.

Section 6.3**Authorization and Enforceability.**

The execution, delivery and performance of this Agreement, and the performance of the transaction contemplated hereby, have been duly and validly authorized by all necessary limited partnership action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser (and all documents required hereunder to be executed and delivered by Purchaser at Closing will be duly executed and delivered by Purchaser) and this Agreement constitutes, and at the Closing such documents will constitute, the valid and binding obligations of Purchaser, enforceable in accordance with their terms except as such enforceability may be limited by applicable bankruptcy or other similar laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 6.4**No Conflicts.**

The execution, delivery and performance of this Agreement by Purchaser, and the transactions contemplated by this Agreement will not (i) violate any provision of the limited partnership agreement or other governing documents of Purchaser, (ii) result in a default (with due notice or lapse of time or both) or the creation of any lien or encumbrance or give rise to any right of termination, cancellation or acceleration under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license or agreement to which Purchaser is a party, (iii) violate any judgment, order, ruling, or regulation applicable to Purchaser as a party in interest, or (iv) violate any Law applicable to Purchaser or any of its assets, or (v) require any filing with, notification of or consent, approval or authorization of any Governmental Body or authority, except any matters described in clauses (ii), (iii), (iv) or (v) above which would not have a material adverse effect on Purchaser or the transactions contemplated hereby.

Section 6.5**Liability for Brokers' Fees.**

Seller shall not directly or indirectly have any responsibility, liability or expense, as a result of undertakings or agreements of Purchaser, for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any agreement or transaction contemplated hereby.

Section 6.6**Litigation.**

There are no actions, suits or proceedings pending, or to the actual knowledge of Purchaser's officers, threatened in writing before any Governmental Body against Purchaser or any Affiliate of Purchaser which are reasonably likely to impair materially Purchaser's ability to perform its obligations under this Agreement.

Section 6.7**Financing.**

As of Closing, Purchaser will have sufficient cash, available lines of credit or other sources of immediately available funds (in United States dollars) to enable it to pay the Closing Payment to Seller at the Closing.

Section 6.8**[RESERVED]****Section 6.9****Limitation.**

Except for the representations and warranties expressly made by Seller in **Article 5** of this Agreement, or confirmed in any certificate furnished or to be furnished to Purchaser pursuant to this Agreement, Purchaser represents and acknowledges that (i) there are no representations or warranties, express, statutory or implied, as to the Assets or prospects thereof, and (ii) Purchaser has not relied upon any oral or written information provided by Seller. Without limiting the generality of the foregoing, Purchaser represents and acknowledges that Seller has made and will make no representation or warranty regarding any matter or circumstance relating to Environmental Laws, Environmental Liabilities, the release of materials into the environment or protection of human health, safety, natural resources or the environment or any other environmental condition of the Assets. Purchaser further represents and acknowledges that it is knowledgeable of the oil and gas business and of the usual and customary practices of owners such as Seller and that it has had access to the Assets, the officers and employees of Seller, and the books, records and files of Seller relating to the Assets, and in making the decision to enter into this Agreement and consummate the transactions contemplated hereby, Purchaser has relied solely on the basis of its own independent due diligence investigation of the Assets.

Section 6.10**SEC Disclosure.**

Purchaser is acquiring the Assets for its own account for use in its trade or business, and not with a view toward or for sale associated with any distribution thereof, nor with any present intention of making a distribution thereof within the meaning of the Securities Act of 1933, as amended and applicable state securities laws.

Section 6.11**Bankruptcy.**

There are no bankruptcy, reorganization or receivership proceedings pending against, being contemplated by, or threatened against Purchaser.

**ARTICLE 7
COVENANTS OF THE PARTIES**

Section 7.1**Access.**

Between the date of execution of this Agreement and continuing until ten (10) Business Days prior to the Closing Date, Seller will give Purchaser and its representatives access to the Assets and access to the Records in Seller's possession, for the purpose of conducting an investigation of the Assets, but only to the extent that Seller may do so without violating any obligations to any third party and to the extent that Seller has authority to grant such access without breaching any restriction binding on Seller. Notwithstanding anything to the contrary contained herein, Purchaser shall not conduct any environmental assessment of the Assets from the date hereof through the Closing Date and shall not have access to the Assets for such purpose. Any access by Purchaser under this **Section 7.1** shall be limited to Seller's normal business hours, and any weekends and after hours requested by Purchaser that can be reasonably accommodated by Seller, and Purchaser's investigation shall be conducted in a manner that minimizes interference with the operation of the Assets. All information obtained by Purchaser and its representatives under this Section shall be subject to the terms of **Section 11.4(b)(vi)** and the terms of that certain confidentiality agreement between Anadarko Petroleum Corporation and Purchaser dated December 1, 2006, as amended (the "Confidentiality Agreement").

Section 7.2**Government Reviews.**

Seller and Purchaser shall in a timely manner (a) make all required filings, if any, with and prepare applications to and conduct negotiations with, each governmental agency as to which such filings, applications or negotiations are necessary or appropriate in the consummation of the transactions contemplated hereby specifically including but not limited to the HSR Act, (b) provide such information as each may reasonably request to make such filings, prepare such applications and conduct such negotiations, and (c) request early termination or waiver of any applicable waiting period under the HSR Act. Each party shall cooperate with and use all commercially reasonable efforts to assist the other with respect to such filings, applications and negotiations.

Section 7.3**Notification of Breaches.**

Until the Closing,

(a) Purchaser shall notify Seller promptly after Purchaser obtains actual knowledge that any representation or warranty of Seller or Purchaser contained in this Agreement is untrue in any material respect or will be untrue in any material respect as of the Closing Date or that any covenant or agreement to be performed or observed by Seller prior to or on the Closing Date has not been so performed or observed in any material respect.

(b) Seller shall notify Purchaser promptly after Seller obtains actual knowledge that any representation or warranty of Seller or Purchaser contained in this Agreement is untrue in any material respect or will be untrue in any material respect as of the Closing Date or that any covenant or agreement to be performed or observed by Purchaser prior to or on the Closing Date has not been so performed or observed in any material respect.

(c) If any of Purchaser's or Seller's representations or warranties is untrue or shall become untrue in any material respect between the date of execution of this Agreement and the Closing Date, or if any of Purchaser's or Seller's covenants or agreements to be performed or observed prior to or on the Closing Date shall not have been so performed or observed in any material respect, but if such breach of representation, warranty, covenant or agreement shall (if curable) be cured by the Closing (or, if the Closing does not occur, by the date set forth in **Section 10.1**), then such breach shall be considered not to have occurred for all purposes of this Agreement.

Section 7.4**Operatorship.**

(a) Seller will prepare and Seller and Purchaser will execute on the Closing Date all assignments necessary to convey to Purchaser all Surface Contracts in the form as prescribed by the applicable Governmental Body and otherwise acceptable to Purchaser and Seller.

(b) Purchaser shall, promptly following Closing, file all appropriate forms and declarations or bonds with federal and state agencies relative to its assumption of operatorship. Seller shall execute and deliver to Purchaser and Purchaser shall promptly file the appropriate forms with the applicable regulatory agency transferring operatorship of such Assets to Purchaser.

Section 7.5**Public Announcements.**

Until the Closing, neither party shall make any press release or other public announcement regarding the existence of this Agreement, the contents hereof or the transactions contemplated hereby without the prior written consent of the other; provided, however, the foregoing shall not restrict disclosures by Purchaser or Seller which are required by applicable securities or other laws or regulations or the applicable rules of any stock exchange having jurisdiction over the disclosing party or its Affiliates; and provided, further, that Purchaser may disclose the existence and contents of this Agreement and the transactions contemplated hereby to the Standard & Poor's and Moody's rating agencies (provided that such agencies are obligated to keep such information confidential). At or within 60 days after Closing, the content of any press release or public announcement shall be subject to the prior review and reasonable approval of Seller and Purchaser.

Section 7.6**Operation of Business.**

Except as set forth on **Schedule 7.6**, until the Closing, Seller (i) will operate its business in the ordinary course, consistent with past practices, (ii) will not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, commit to any operation, or series of related operations, reasonably anticipated by Seller to require future capital expenditures by Seller or Buyer in respect of the Assets in excess of \$150,000.00, or make any capital expenditures in excess of \$150,000.00, or terminate, materially amend, execute or extend any material agreements affecting the Assets, (iii) will maintain insurance coverage on the Assets presently furnished by nonaffiliated third parties in the amounts and of the types presently in force, (iv) will use commercially reasonable efforts to maintain in full force and effect all Contracts and Surface Contracts, (v) will maintain all material governmental permits and approvals affecting the Assets, (vi) will not transfer, sell, hypothecate, encumber or otherwise dispose of any material Assets except for sales and dispositions of Hydrocarbons and Equipment made in the ordinary course of business consistent with past practices, and (vii) will not commit to do any of the foregoing. Purchaser's approval of any action restricted by this **Section 7.6** shall be considered granted within ten (10) days (unless a shorter time is reasonably required by the circumstances and such shorter time is specified in Seller's written notice) of Seller's notice to Purchaser requesting such consent unless Purchaser notifies Seller to the contrary in writing during that period. In the event of an emergency, Seller may take such action as a prudent operator would take and shall notify Purchaser of such action promptly thereafter.

Section 7.7**[RESERVED]****Section 7.8****Preference Rights and Transfer Requirements.**

Purchaser's purchase of the Assets is expressly subject to all validly existing and applicable Preference Rights and Transfer Requirements. Prior to the Closing Date, Seller shall initiate all procedures which in Seller's good faith judgment are reasonably required to comply with or obtain the waiver of all Preference Rights and Transfer Requirements set forth in **Schedule 5.13** with respect to the transactions contemplated by this Agreement. Seller shall not be obligated to pay any consideration to (or incur any cost or expense for the benefit of) the holder of any Preference Right or Transfer Requirement in order to obtain the waiver thereof or compliance therewith.

Section 7.9**Tax Matters.**

(a) Subject to the provisions of **Section 12.3**, Seller shall be responsible for all Taxes related to the Assets (other than ad valorem, property, severance and similar Taxes based upon or measured by the ownership or operation of the Assets which are addressed in **Section 1.4**) attributable to any period of time at or prior to the Closing Date, and Purchaser shall be responsible for all such Taxes related to the Assets attributable to any period of time after the Closing Date. Regardless of which party is responsible, Seller shall handle payment to the appropriate Governmental Body of all Taxes with respect to the Assets which are required to be paid prior to Closing (and shall file all Tax Returns with respect to such Taxes). If requested by Purchaser, Seller will assist Purchaser with preparation of all ad valorem and property Tax Returns due on or before December 31, 2007 (including any extensions requested) to the extent such Tax Returns relate or are attributable to the period occurring before the Closing Date. Seller shall deliver to Purchaser within thirty (30) days of filing copies of all Tax Returns filed by Seller after the Closing Date relating to the Assets and any supporting documentation provided by Seller to taxing authorities, excluding Tax Returns related to income tax, franchise tax, or other similar Taxes.

(b) So long as it does not delay the Closing, Purchaser agrees to cooperate (at no cost or liability to Purchaser) with Seller so that Seller's transfer of the Assets to Purchaser shall, at Seller's election, be accomplished in a manner enabling the transfer to qualify as a part of a like-kind exchange of property by Seller within the meaning of Section 1031 of the Code. If Seller so notifies Purchaser of this election, Purchaser shall reasonably cooperate with Seller to effect such like-kind exchange, which cooperation shall include, without limitation, taking such actions as Seller reasonably requests in order to pay the Purchase Price in a manner which enables such transfer to qualify as part of a like-kind exchange of property within the meaning of Section 1031 of the Code, and Purchaser agrees that Seller may assign its rights (but not its obligations) under this Agreement to a qualified intermediary as defined in Treasury Regulations Section 1.1031(k) - 1(g)(4)(iii) under United States Treasury Regulations, to qualify the transfer of the Purchase Price as a part of a like-kind exchange of property within the meaning of Section 1031 of the Code. Any assignment of this Agreement to a qualified intermediary shall not release Seller from any of its liabilities or obligations to Purchaser under this Agreement. Seller shall be solely responsible to designate and obtain exchange property and to otherwise comply with Section 1031 of the Code. The rights of the Parties shall not be affected by any determination that the transaction does not qualify as a like-kind exchange.

Section 7.10 **Further Assurances.**

After Closing, Seller and Purchaser each agrees to take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other party for carrying out the purposes of this Agreement or of any document delivered pursuant to this Agreement.

Section 7.11 **[RESERVED]**

Section 7.12 **Non-UCI Compressors.** Prior to Closing, Seller shall purchase at its cost all leased compressors identified on **Schedule 7.12**. Said purchased compressors shall be included in the Assets.

Section 7.13 **Transition Services Agreement.**

Between the date hereof and the Closing Date, each of Seller and Purchaser shall use its reasonable efforts to negotiate in good faith a form of transition services agreement on terms that are mutually acceptable to Seller and Purchaser to be executed at Closing by Seller and Purchaser (the "Transition Services Agreement").

ARTICLE 8
CONDITIONS TO CLOSING

Section 8.1 **Conditions of Seller to Closing.**

The obligations of Seller to consummate the transactions contemplated by this Agreement are subject, at the option of Seller, to the satisfaction on or prior to Closing of each of the following conditions:

- (a) **Representations.** The representations and warranties of Purchaser set forth in **Article 6** shall be true and correct in all material respects (other than those representations and warranties of Purchaser that are qualified by materiality, which shall be true and correct in all respects) as of the Closing Date as though made on and as of the Closing Date;
- (b) **Performance.** Purchaser shall have performed and observed, in all material respects, all covenants and agreements to be performed or observed by it under this Agreement prior to or on the Closing Date;
- (c) **Pending Litigation.** No suit, action or other proceeding by a third party (including any Governmental Body) seeking to restrain, enjoin or otherwise prohibit the consummation of the transactions contemplated by this Agreement shall be pending before any Governmental Body;
- (d) **Deliveries.** Purchaser shall have delivered to Seller duly executed counterparts of the Conveyance and the other documents and certificates to be delivered by Purchaser under **Section 9.3**;
- (e) **EXCO PSA.** The transactions contemplated by that certain Purchase and Sale Agreement dated February 1, 2007 (the “EXCO PSA”), by and among Anadarko Petroleum Corporation, Anadarko E&P Company LP, Howell Petroleum Corporation and Kerr-McGee Oil & Gas Onshore LP, as “Seller,” and EXCO Resources, Inc. as “Purchaser,” shall have been consummated.
- (f) **Casualty or Condemnation.** The aggregate losses from casualties to the Assets and takings of Assets under right of eminent domain shall be less than seven and one-half percent (7.5%) of the unadjusted Purchase Price;
- (g) **Payment.** Purchaser shall have paid the Closing Payment;
- (h) **HSR Act.** Any waiting period applicable to the consummation of the transaction contemplated by this Agreement under the HSR Act shall have lapsed or terminated (by early termination or otherwise); and
- (i) **Transfer Requirements.** All Transfer Requirements that are necessary to transfer the Surface Contracts and Contracts listed on **Schedule 8.1(i)** shall have been obtained.

Section 8.2

Conditions of Purchaser to Closing.

The obligations of Purchaser to consummate the transactions contemplated by this Agreement are subject, at the option of Purchaser, to the satisfaction on or prior to Closing of each of the following conditions:

(a) Representations. The representations and warranties of Seller set forth in **Article 5** shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date (other than representations and warranties that refer to a specified date which need only be true and correct on and as of such specified date), without giving effect to the words “material” or “Material Adverse Effect” or other similar exceptions or qualifiers; *provided*, however, that in the event of a breach of a representation or warranty, the condition set forth in this **Section 8.2(a)** shall be deemed satisfied unless the effect of all such breaches of representations and warranties taken together result in a Material Adverse Effect;

(b) Performance. Seller shall have performed and observed, in all material respects, all covenants and agreements to be performed or observed by it under this Agreement prior to or on the Closing Date;

(c) Pending Litigation. No suit, action or other proceeding by a third party (including any Governmental Body) seeking to restrain, enjoin or otherwise prohibit the consummation of the transactions contemplated by this Agreement shall be pending before any Governmental Body;

(d) Deliveries. Seller shall have delivered to Purchaser duly executed counterparts of the Conveyance and the other documents and certificates to be delivered by Seller under **Section 9.2**;

(e) Casualty or Condemnation. The aggregate losses from casualties to the Assets and takings of Assets under right of eminent domain shall be less than seven and one-half percent (7.5%) of the unadjusted Purchase Price;

(f) HSR Act. Any waiting period applicable to the consummation of the transaction contemplated by this Agreement under the HSR Act shall have lapsed or terminated (by early termination or otherwise);

(g) Transfer Requirements. All Transfer Requirements that are necessary to transfer the Surface Contracts and Contracts listed on **Schedule 8.1(i)** shall have been obtained; and

(h) EXCO PSA. The transactions contemplated by the EXCO PSA shall have been consummated.

ARTICLE 9 CLOSING

Section 9.1

Time and Place of Closing.

(a) Consummation of the purchase and sale transaction as contemplated by this Agreement (the “Closing”), shall, unless otherwise agreed to in writing by Purchaser and Seller, take place at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 5100, Houston, Texas, at 10:00 a.m., local time, on May 9, 2007 or if all conditions in **Article 8** to be satisfied prior to Closing have not yet been satisfied or waived, as soon thereafter as such conditions have been satisfied or waived, subject to the rights of the parties under **Article 10**.

- (b) The date on which the Closing occurs is herein referred to as the “Closing Date.”

Section 9.2 **Obligations of Seller at Closing.**

At the Closing, upon the terms and subject to the conditions of this Agreement, Seller shall deliver or cause to be delivered to Purchaser, the following:

- (a) the Conveyance, in sufficient duplicate originals to allow recording in all appropriate jurisdictions and offices, duly executed by Seller;
- (b) a certificate duly executed by an authorized corporate officer of Seller, dated as of Closing, certifying on behalf of Seller that the conditions set forth in **Sections 8.2(a)** and **8.2(b)** have been fulfilled;
- (c) one (1) original legal opinion of Seller's Associate General Counsel dated as of the Closing regarding the due authorization, execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby in form and substance reasonably satisfactory to Purchaser;
- (d) one (1) original executed statement described in Treasury Regulation §1.1445-2(b)(2) certifying that Seller is not a foreign person within the meaning of the Code; and
- (e) the Transition Services Agreement, duly executed by Seller.

Section 9.3 **Obligations of Purchaser at Closing.**

At the Closing, upon the terms and subject to the conditions of this Agreement, Purchaser shall deliver or cause to be delivered to Seller, the following:

- (a) a wire transfer of the Closing Payment in same-day funds;
- (b) the Conveyance, duly executed by Purchaser;
- (c) a certificate by an authorized corporate officer of Purchaser, dated as of Closing, certifying on behalf of Purchaser that the conditions set forth in **Sections 8.1(a)** and **8.1(b)** have been fulfilled;
- (d) a legal opinion of counsel to Purchaser dated as of the Closing regarding the due authorization, execution, delivery and performance by Purchaser of this Agreement and the transactions contemplated hereby in form and substance reasonably satisfactory to Seller; and
- (e) the Transition Services Agreement, duly executed by Purchaser.

Section 9.4 **Closing Payment & Post-Closing Purchase Price Adjustments.**

- (a) Not later than three (3) Business Days prior to the Closing Date, Seller shall prepare and deliver to Purchaser, based upon the best information available to Seller, a preliminary settlement statement estimating the Adjusted Purchase Price after giving effect to all Purchase Price adjustments provided for in this Agreement. The estimate delivered in accordance with this **Section 9.4(a)** shall constitute the dollar amount to be paid by Purchaser to Seller at the Closing (the “Closing Payment”).

(b) As soon as reasonably practicable after the Closing but not later than one hundred and twenty (120) days following the Closing Date, Seller shall prepare and deliver to Purchaser a statement setting forth the final calculation of the Adjusted Purchase Price and showing the calculation of each adjustment, based, to the extent possible, on actual credits, charges, receipts and other items before and after the Effective Time and taking into account all adjustments provided for in this Agreement. Seller shall at Purchaser's request supply reasonable documentation available to support any credit, charge, receipt or other item. As soon as reasonably practicable but not later than the 45th day following receipt of Seller's statement hereunder, Purchaser shall deliver to Seller a written report containing any changes that Purchaser proposes be made to such statement. The parties shall undertake to agree on the final statement of the Adjusted Purchase Price no later than one hundred eighty (180) days after the Closing Date. In the event that the parties cannot reach agreement within such period of time, either party may refer the remaining matters in dispute for arbitration to KPMG LLP, or such other nationally-recognized independent accounting firm as may be accepted by Purchaser and Seller, for review, arbitration and final determination. The accounting firm shall conduct the arbitration proceedings in Houston, Texas in accordance with the Commercial Arbitration Rules of the American Arbitration Association, to the extent such rules do not conflict with the terms of this **Section 9.4**. The accounting firm's determination shall be made within thirty (30) days after submission of the matters in dispute and shall be final and binding on both parties, without right of appeal. In determining the proper amount of any adjustment to the Purchase Price, the accounting firm shall not increase the Purchase Price more than the increase proposed by Seller nor decrease the Purchase Price more than the decrease proposed by Purchaser, as applicable. The accounting firm shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either party and may not award damages or penalties to either party with respect to any matter. Seller and Purchaser shall each bear its own legal fees and other costs of presenting its case. Each party shall bear one-half of the costs and expenses of the accounting firm. Within ten (10) Business Days after the date on which the parties or the accounting firm, as applicable, finally determines the disputed matters, (x) Purchaser shall pay to Seller the amount by which the Adjusted Purchase Price exceeds the Closing Payment or (y) Seller shall pay to Purchaser the amount by which the Closing Payment exceeds the Adjusted Purchase Price, as applicable. Any post-Closing payment pursuant to this **Section 9.4(b)** shall bear interest at the Agreed Interest Rate from the Closing Date to the date both Purchaser and Seller have executed the final settlement statement.

(c) All payments made or to be made hereunder to Seller shall be by electronic transfer of immediately available funds to the account of Anadarko Petroleum Corporation, Account No. 5762707 at JPMorgan Chase, Chicago, Illinois, ABA No. 021000021, for the credit of Seller or to such other bank and account as may be specified by Seller in writing. All payments made or to be made hereunder to Purchaser shall be by electronic transfer of immediately available funds to a bank and account specified by Purchaser in writing to Seller.

ARTICLE 10

TERMINATION

Section 10.1 Termination.

Unless terminated earlier pursuant to other provisions provided herein, this Agreement may be terminated at any time prior to Closing: (i) by the mutual prior written consent of Seller and Purchaser; or (ii) by Seller, if Closing has not occurred on or before July 9, 2007, other than due to default by Seller, or by Purchaser, if Closing has not occurred on or before July 9, 2007, other than due to default by Purchaser.

Section 10.2 Effect of Termination.

If this Agreement is terminated pursuant to **Section 10.1**, this Agreement shall become void and of no further force or effect (except for the provisions of **Sections 5.6, 6.5, 7.5, 11.4(b)(vi), 11.5, 11.8, 11.9, 12.2, 12.4, and 12.7** through **12.19** of this Agreement all of which shall continue in full force and effect) and Seller shall be free immediately to enjoy all rights of ownership of the Assets and to sell, transfer, encumber or otherwise dispose of the Assets to any party without any restriction under this Agreement. Notwithstanding anything to the contrary in this Agreement, the termination of this Agreement under **Section 10.1(ii)** shall not relieve any party from liability for any willful or negligent failure to perform or observe in any material respect any of its agreements or covenants contained herein which are to be performed or observed at or prior to Closing. In the event this Agreement terminates under **Section 10.1(ii)** because a party has willfully or negligently failed to perform or observe in any material respect any of its agreements or covenants contained herein which are to be performed at or prior to Closing, then the other party shall be entitled to all remedies available at law or in equity and shall be entitled to recover court costs and attorneys' fees in addition to any other relief to which such party may be entitled.

Section 10.3 Distribution of Deposit Upon Termination.

(a) If Seller terminates this Agreement (i) because Purchaser has failed to comply with any provision of **Section 8.1(a), (b) or (d)**; or (ii) as the result of any material default or breach by Purchaser of Purchaser's obligations hereunder, then Seller may retain the Deposit as liquidated damages, free of any claims by Purchaser or any other Person with respect thereto. It is expressly stipulated by the parties that the actual amount of damages resulting from such a termination would be difficult if not impossible to determine accurately because of the unique nature of this Agreement, the unique nature of the Assets, the uncertainties of applicable commodity markets and differences of opinion with respect to such matters, and that the liquidated damages provided for herein are a reasonable estimate by the parties of such damages.

(b) If this Agreement is terminated for any reason other than the reasons set forth in **Section 10.3(a)**, then within ten (10) days Seller shall deliver the Deposit with simple interest thereon accruing from the date of this Agreement to the date of repayment computed at the Agreed Interest Rate to Purchaser, free of any claims by Seller or any other Person with respect thereto.

(c) Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be entitled to receive interest on the Deposit if the Deposit is retained by Seller for a reason set forth in **Section 10.3(a)**.

ARTICLE 11
POST-CLOSING OBLIGATIONS; INDEMNIFICATION;
LIMITATIONS; DISCLAIMERS AND WAIVERS

Section 11.1 **Receipts.**

Except as otherwise provided in this Agreement, any Hydrocarbons attributable to the Assets (and all products and proceeds attributable thereto) and any other income, proceeds, receipts and credits attributable to the Assets which are not reflected in the adjustments to the Purchase Price following the final adjustment pursuant to **Section 9.4(b)** shall be treated as follows: (a) all Hydrocarbons attributable to the Assets (and all products and proceeds attributable thereto) and all other income, proceeds, receipts and credits earned with respect to the Assets to which Purchaser is entitled under **Section 1.4** shall be the sole property and entitlement of Purchaser, and, to the extent received by Seller, Seller shall fully disclose, account for and remit the same promptly to Purchaser, and (b) all Hydrocarbons attributable to the Assets (and all products and proceeds attributable thereto) and all other income, proceeds, receipts and credits earned with respect to the Assets to which Seller is entitled under **Section 1.4** shall be the sole property and entitlement of Seller and, to the extent received by Purchaser, Purchaser shall fully disclose, account for and remit the same promptly to Seller.

Section 11.2 **Expenses.**

Except as otherwise provided in this Agreement, any Property Costs which are not reflected in the adjustments to the Purchase Price following the final adjustment pursuant to **Section 9.4(b)** shall be treated as follows: (a) all Property Costs for which Seller is responsible under **Section 1.4** shall be the sole obligation of Seller and Seller shall promptly pay, or if paid by Purchaser, promptly reimburse Purchaser for and hold Purchaser harmless from and against same; and (b) all Property Costs for which Purchaser is responsible under **Section 1.4** shall be the sole obligation of Purchaser and Purchaser shall promptly pay, or if paid by Seller, promptly reimburse Seller for and hold Seller harmless from and against same. Seller is entitled to resolve all joint interest audits and other audits of Property Costs covering periods for which Seller is in whole or in part responsible, provided that Seller shall not agree to any adjustments to previously assessed costs for which Purchaser is liable without the prior written consent of Purchaser, such consent not to be unreasonably withheld. Seller shall provide Purchaser with a copy of all applicable audit reports and written audit agreements received by Seller and relating to periods for which Purchaser is partially responsible.

Section 11.3 **Assumed Seller Obligations.**

Without limiting Purchaser's rights to indemnity under this **Article 11**, upon Closing Purchaser shall assume and hereby agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the obligations and liabilities of Seller, known or unknown, with respect to the Assets, regardless of whether such obligations or liabilities arose prior to, on or after the Effective Time, including but not limited to obligations to (i) dismantle, salvage and remove any equipment, structures, materials, platforms, flowlines, and property of whatever kind related to or associated with operations and activities conducted on the Assets or otherwise pursuant to the Assets, (ii) clean up, restore and/or remediate the premises covered by or related to the Assets in accordance with applicable agreements and Laws, and (iii) perform all obligations applicable to or imposed by or under the Surface Contracts or the Contracts, or as required by applicable Laws (all of said obligations and liabilities, subject to the exclusions below, herein being referred to as the "Assumed Seller Obligations"); provided, however, that Purchaser does not accrue any rights or assume any obligations or liabilities of Seller to the extent that they are:

(i) attributable to or arise out of the Excluded Assets; or

(ii) the continuing responsibility of the Seller under **Sections 11.1 and 11.2** or matters for which Seller is required to indemnify Purchaser under **Section 11.4(c)**.

Section 11.4 **Indemnities.**

(a) **Definitions.**

“Claim” or “Claims” means, unless specifically provided otherwise, all claims (including, but not limited to, those for damage to property, bodily injury and death, personal injury, illness, disease, maintenance, cure, loss of parental and spousal consortium, wrongful death, loss of support, and wrongful termination of employment), damages, liabilities, losses, demands, liens, encumbrances, fines, penalties, causes of action of any kind (including actions for indirect, consequential, punitive and exemplary damages), obligations, costs (including payment of all reasonable attorneys’ fees and costs of litigation), judgments, interest, and awards or amounts, of any kind or character, whether under judicial proceedings, administrative proceedings, investigation by a Governmental Body or otherwise, or conditions in the premises of or attributable to any Person or Persons or any party or parties, breach of representation or warranty (expressed or implied), under any theory of tort, contract, breach of contract (including any Claims which arise by reason of indemnification or assumption of liability contained in other contracts entered into by an Indemnified Party hereunder), at law or in equity, under statute, or otherwise, arising out of, or incident to or in connection with this Agreement or the ownership or operation of the Assets, including but not limited to Claims which arise out of or are directly or indirectly connected with vessels and/or the ownership, possession, management, manning, maintenance, supply, operation (including, but not limited to, ingress, egress, loading and unloading operations) or navigation of any vessel.

The phrase “**REGARDLESS OF FAULT**” means **WITHOUT REGARD TO THE CAUSE OR CAUSES OF ANY CLAIM, INCLUDING, WITHOUT LIMITATION, EVEN THOUGH A CLAIM IS CAUSED IN WHOLE OR IN PART BY:**

THE NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, COMPARATIVE, CONTRIBUTORY, ACTIVE, PASSIVE, GROSS, OR OTHERWISE), WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER FAULT OF PURCHASER INDEMNITEES, SELLER INDEMNITEES, INVITEES AND/OR THIRD PARTIES; AND/OR

A PRE-EXISTING DEFECT, WHETHER PATENT OR LATENT, OF THE PREMISES OF PURCHASER’S PROPERTY OR SELLER’S PROPERTY (INCLUDING WITHOUT LIMITATION THE ASSETS), INVITEES AND/OR THIRD PARTIES; AND/OR

THE UNSEAWORTHINESS OF ANY VESSEL OR UNAIRWORTHINESS OF ANY AIRCRAFT OF A PARTY WHETHER CHARTERED, OWNED, OR PROVIDED BY PURCHASER INDEMNITEES, SELLER INDEMNITEES, INVITEES AND/OR THIRD PARTIES.

(b) **Purchaser Indemnity Obligation.** Subject only to Section 11.4(c), upon Closing Purchaser shall be responsible for and indemnify, defend, release and hold harmless Seller Indemnitees from and against all Claims caused by, arising out of or resulting from:

- (i) the Assumed Seller Obligations, **REGARDLESS OF FAULT**;
- (ii) the ownership, use or operation of the Assets after the Effective Time, **REGARDLESS OF FAULT**;
- (iii) Purchaser's breach of any of Purchaser's covenants or agreements contained in **Article 7**, **REGARDLESS OF FAULT**;

(iv) any breach of any representation or warranty made by Purchaser contained in **Article 6** of this Agreement or confirmed in the certificate delivered by Purchaser at Closing pursuant to **Section 9.3(c)**;

(v) with respect to the Assets, Environmental Laws, Environmental Liabilities, the release of materials into the environment or protection of human health, safety, natural resources or the environment, or any other environmental condition of the Assets, **REGARDLESS OF FAULT**; and

(vi) Purchaser Indemnitees' access under **Section 4.1**, **Section 7.1**, or otherwise, to the Assets, the Records and other related activities or information prior to the Closing, **REGARDLESS OF FAULT except to the extent caused by the gross negligence or willful misconduct of a Seller Indemnitee.**

Notwithstanding anything to the contrary contained herein, Purchaser shall have no indemnification obligation with respect to any Claim under **Section 11.4(b)(i), (ii) or (v)** to the extent such Claim results from physical actions taken by a Seller Indemnitee after the Closing Date on or directly affecting the System or the real property associated therewith.

(c) **Seller Indemnity Obligation.** Subject to the limitations contained in Section 11.7, upon Closing Seller shall be responsible for and indemnify, defend and hold harmless Purchaser against and from all Claims caused by, arising out of or resulting from:

- (i) the Retained Obligations;
- (ii) Seller's breach of any of its covenants or agreements contained in **Article 7**; and

(iii) any breach of any representation or warranty made by Seller contained in **Article 5** of this Agreement or confirmed in the certificate delivered by Seller at Closing pursuant to **Section 9.2(b)**, without giving effect to the words "material" or "Material Adverse Effect" or other similar exceptions or qualifiers.

(d) **Additional Provisions.**

It is the intention of the parties that this **Article 11** shall govern the allocation of risks and liabilities between Purchaser and Seller except to the extent that it is expressly stated (whether elsewhere in this **Article 11** or in some other Article hereof) that the provisions of such other Article (or part thereof) shall control over the terms of all or part of this **Article 11**.

Notwithstanding anything to the contrary contained in this Agreement, this **Section 11.4** contains the parties' exclusive remedy against each other with respect to breaches of the representations, warranties, covenants and agreements of the parties contained in **Articles 5, 6** and **Sections 7.1, 7.2, 7.3, 7.4, 7.5** and **7.6** and the affirmations of such representations, warranties, covenants and agreements contained in the certificate delivered by each party at Closing pursuant to **Sections 9.2(b)** or **9.3(c)**, as applicable.

Section 11.5 **Indemnification Actions.**

All claims for indemnification under **Section 11.4** shall be asserted and resolved as follows:

(a) For purposes of this **Article 11**, the term "Indemnifying Party" shall mean the party or parties having an obligation to indemnify another party or parties pursuant to the terms of this Agreement. The term "Indemnified Party" shall mean the party or parties having the right to be indemnified by another party or parties pursuant to the terms of this Agreement.

(b) To make a claim for indemnification ("Indemnity Claim") under **Section 11.4**, an Indemnified Party shall notify the Indemnifying Party in writing of its Indemnity Claim, including the specific details of and specific basis under this Agreement for its Indemnity Claim (the "Claim Notice"). The Indemnified Party shall provide its Claim Notice promptly after the Indemnified Party has actual knowledge of the Claim for which it seeks indemnification and shall enclose a copy of all papers (if any) served with respect to the Claim; provided that the failure of any Indemnified Party to give notice of a Claim as provided in this **Section 11.5** shall not relieve the Indemnifying Party of its obligations under **Section 11.4** except to the extent such failure results in insufficient time being available to permit the Indemnifying Party to effectively defend against the Claim or otherwise prejudices the Indemnifying Party's ability to defend against the Claim. In the event that the Indemnity Claim is based upon an inaccuracy or breach of a representation, warranty, covenant or agreement, the Claim Notice shall specify the representation, warranty, covenant or agreement which was inaccurate or breached.

(c) The Indemnifying Party shall have thirty (30) days from its receipt of the Claim Notice to notify the Indemnified Party whether it admits or denies its liability to defend the Indemnified Party against the relevant Claim at the sole cost and expense of the Indemnifying Party. The Indemnified Party is authorized, prior to and during such 30-day period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party and that it reasonably believes is not prejudicial to the Indemnifying Party.

(d) If the Indemnifying Party admits its liability to indemnify the Indemnified Party, it shall have the right and obligation to diligently defend, at its sole cost and expense, the Claim. The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate in contesting any Claim which the Indemnifying Party elects to contest. The Indemnified Party may participate in, but not control, any defense or settlement of any Claim controlled by the Indemnifying Party pursuant to this **Section 11.5(d)**. An Indemnifying Party shall not, without the written consent of the Indemnified Party, (i) settle any Claim or consent to the entry of any judgment with respect thereto which does not include an unconditional written release of the Indemnified Party from all liability in respect of such Claim, or (ii) settle any Claim or consent to the entry of any judgment with respect thereto in any manner that may materially and adversely affect the Indemnified Party (other than as a result of money damages covered by the indemnity).

(e) If the Indemnifying Party does not admit its liability to indemnify the Indemnified Party or admits its liability but fails to diligently prosecute or settle the Claim, then the Indemnified Party shall have the right to defend against the Claim at the sole cost and expense of the Indemnifying Party, with counsel of the Indemnified Party's choosing, subject to the right of the Indemnifying Party to admit its liability and assume the defense of the Claim at any time prior to settlement or final determination thereof. If the Indemnifying Party has not yet admitted its liability for a Claim, the Indemnified Party shall send written notice to the Indemnifying Party of any proposed settlement and the Indemnifying Party shall have the option for ten (10) Business Days following receipt of such notice to (i) admit in writing its liability to indemnify the Indemnified Party from and against the Claim and (ii) if liability is so admitted, reject, in its reasonable judgment, the proposed settlement.

Section 11.6

Release.

(a) **UPON CLOSING, PURCHASER RELEASES, REMISES AND FOREVER DISCHARGES SELLER INDEMNITEES FROM ANY AND ALL CLAIMS, KNOWN OR UNKNOWN, WHETHER NOW EXISTING OR ARISING IN THE FUTURE, CONTINGENT OR OTHERWISE, WHICH PURCHASER MIGHT NOW OR SUBSEQUENTLY MAY HAVE AGAINST SELLER INDEMNITEES, RELATING DIRECTLY OR INDIRECTLY TO THE ASSETS, THIS AGREEMENT, INCLUDING WITHOUT LIMITATION CLAIMS ARISING OUT OF OR INCIDENT TO ENVIRONMENTAL LAWS, ENVIRONMENTAL LIABILITIES, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, INCLUDING, WITHOUT LIMITATION, RIGHTS TO CONTRIBUTION UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980, AS AMENDED, REGARDLESS OF FAULT. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE FOREGOING RELEASE SHALL NOT APPLY: (A) TO ANY PHYSICAL ACTIONS TAKEN BY A SELLER INDEMNITEE AFTER THE CLOSING DATE ON OR DIRECTLY AFFECTING THE SYSTEM OR THE REAL PROPERTY ASSOCIATED THEREWITH OR (B) TO THE EXTENT THAT PURCHASER IS INDEMNIFIED FOR SUCH MATTER UNDER SECTION 11.4(c).**

(b) Purchaser covenants and agrees that it will not attempt to avoid the effect of the release made by it hereinabove by later arguing that at the time of the release it did not fully appreciate the extent of any such Claims, including without limitation, environmental Claims.

Section 11.7

Limitation on Actions.

(a) The representations and warranties of the parties in **Articles 5 and 6** shall terminate six (6) months after the Closing Date. All covenants and agreements shall survive indefinitely. Representations and warranties shall be of no further force and effect after the date of their expiration, provided that there shall be no termination of any bona fide Claim asserted pursuant to this Agreement with respect to the breach of such a representation or warranty on or before its expiration date.

(b) Seller shall not have any liability for any indemnification under **Section 11.4(c)(iii)** until and unless the aggregate amount of the liability for all Claims for which Claim Notices are delivered by Purchaser exceeds ten percent (10%) of the Purchase Price, and then only to the extent such damages exceed such ten percent (10%) of the Purchase Price. The adjustments to the Purchase Price under **Section 2.2** and any payments in respect thereof shall not be limited by this Section.

(c) Notwithstanding anything to the contrary contained elsewhere in this Agreement, Seller shall not be required to indemnify Purchaser for aggregate damages in excess of an amount equal to twenty five percent (25%) of the final Adjusted Purchase Price.

Section 11.8

Disclaimers.

(a) EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE 5 OF THIS AGREEMENT, OR CONFIRMED IN THE CERTIFICATE OF SELLER TO BE DELIVERED PURSUANT TO SECTION 9.2(b), OR IN THE CONVEYANCE, (I) SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) SELLER EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO PURCHASER OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO PURCHASER BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF SELLER OR ANY OF ITS AFFILIATES).

(b) EXCEPT AS EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE 5 OF THIS AGREEMENT, OR CONFIRMED IN THE CERTIFICATE OF SELLER TO BE DELIVERED PURSUANT TO SECTION 9.2(b), OR IN THE CONVEYANCE, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM THE ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY THIRD PARTIES, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO PURCHASER OR ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, AND FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY EQUIPMENT, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT PURCHASER SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS AND THAT PURCHASER HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS PURCHASER DEEMS APPROPRIATE, OR (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT.

(c) SELLER HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, ENVIRONMENTAL LIABILITIES, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND PURCHASER SHALL BE DEEMED TO BE TAKING THE ASSETS "AS IS" AND "WHERE IS" FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION.

Section 11.9

Waiver of Trade Practices Acts.

(a) It is the intention of the parties that Purchaser's rights and remedies with respect to this transaction and with respect to all acts or practices of Seller, past, present or future, in connection with this transaction shall be governed by legal principles other than the Texas Deceptive Trade Practices--Consumer Protection Act, Tex. Bus. & Com. Code Ann. § 17.41 *et seq.* (the "DTPA"). As such, Purchaser hereby waives the applicability of the DTPA to this transaction and any and all duties, rights or remedies that might be imposed by the DTPA, whether such duties, rights and remedies are applied directly by the DTPA itself or indirectly in connection with other statutes; *provided, however*, Purchaser does not waive § 17.555 of the DTPA. Purchaser acknowledges, represents and warrants that it is purchasing the goods and/or services covered by this Agreement for commercial or business use; that it has assets of \$5 million or more according to its most recent financial statement prepared in accordance with generally accepted accounting principles; that it has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of a transaction such as this; and that it is not in a significantly disparate bargaining position with Seller.

(b) Purchaser expressly recognizes that the price for which Seller has agreed to perform its obligations under this Agreement has been predicated upon the inapplicability of the DTPA and this waiver of the DTPA. Purchaser further recognizes that Seller, in determining to proceed with the entering into of this Agreement, has expressly relied on this waiver and the inapplicability of the DTPA.

Section 11.10

Recording.

As soon as practicable after Closing, Purchaser shall record the Conveyance in the appropriate counties and provide Seller with copies of all recorded or approved instruments.

The conveyance in the form attached as **Exhibit B** is intended to convey all of the Assets being conveyed pursuant to this Agreement. Specific portions of the Assets that are leased from, or require the approval to transfer by, a governmental entity are conveyed under the Conveyance and also are described and covered other separate assignments made by Seller to Purchaser on officially approved forms, or forms acceptable to such entity, in sufficient multiple originals to satisfy applicable statutory and regulatory requirements. **The interests conveyed by such separate assignments are the same, and not in addition to, the interests conveyed in the Conveyance attached as Exhibit B. Further, such assignments shall be deemed to contain the special warranty of title of Seller and all of the exceptions, reservations, rights, titles, power and privileges set forth herein and in the Conveyance as fully and only to the extent as though they were set forth in each such separate assignment.**

ARTICLE 12
MISCELLANEOUS

Section 12.1 **Counterparts.**

This Agreement may be executed in counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute but one agreement.

Section 12.2 **Notice.**

All notices which are required or may be given pursuant to this Agreement shall be sufficient in all respects if given in writing and delivered personally, by telecopy or by registered or certified mail, postage prepaid, as follows:

If to Seller: Anadarko Gathering Company
 Anadarko Energy Services Company
 1201 Lake Robbins Drive
 The Woodlands, TX 77380
 Attention: Transactions Manager, Business Development
 Telephone: (832)636-3088
 Telecopy: (832)636-5889

With a copy to: Anadarko Petroleum Corporation
 1201 Lake Robbins Drive
 The Woodlands, TX 77380
 Attention: Associate General Counsel
 Oil, Gas and Minerals
 Telephone: (832)636-7530
 Telecopy: (832)636-5889

If to Purchaser: DCP Midstream Partners, LP
 370 17th Street, Suite 2775
 Denver, CO 80202
 Attention: Greg K. Smith,
 Vice President Business Development
 Telephone: (303) 633-2911
 Telecopy: (303) 633-2921

With a copy to: DCP Midstream Partners, LP
370 17th Street, Suite 2775
Denver, CO 80202
Attention: General Counsel
Telephone: (303) 633-2911
Telecopy: (303) 633-2921

Either party may change its address for notice by notice to the other in the manner set forth above. All notices shall be deemed to have been duly given at the time of receipt by the party to which such notice is addressed.

Section 12.3 Sales or Use Tax Recording Fees and Similar Taxes and Fees.

Purchaser shall bear any sales, use, excise, real property transfer, documentary, stamp or transfer Taxes, recording fees and similar Taxes and fees incurred and imposed upon, or with respect to, the transactions contemplated hereby. Seller and Purchaser shall jointly determine sales tax, if any, that is due in connection with the transactions consistent with the allocation of value determined under **Section 2.3**. Purchaser agrees to pay any such tax to Seller at Closing. If such transactions are exempt from any such taxes or fees upon the filing of an appropriate certificate or other evidence of exemption, Purchaser will timely furnish to Seller such certificate or evidence.

Section 12.4 Expenses.

Except as provided in **Section 12.3**, all expenses incurred by Seller in connection with or related to the authorization, preparation or execution of this Agreement, the Conveyance delivered hereunder and the Exhibits and Schedules hereto and thereto, and all other matters related to the Closing, including without limitation, all fees and expenses of counsel, accountants and financial advisers employed by Seller, shall be borne solely and entirely by Seller, and all such expenses incurred by Purchaser shall be borne solely and entirely by Purchaser.

Section 12.5 Change of Name.

As promptly as practicable, but in any case within thirty (30) days after the Closing Date, Purchaser shall eliminate the names “Anadarko Petroleum Corporation”, “Anadarko” and any variants thereof from the Assets acquired pursuant to this Agreement and, except with respect to such grace period for eliminating existing usage, shall have no right to use any logos, trademarks or trade names belonging to Seller or any of its Affiliates.

Section 12.6 Replacement of Bonds, Letters of Credit and Guarantees.

The parties understand that none of the bonds, letters of credit and guarantees, if any, posted by Seller with Governmental Bodies and relating to the Assets may be transferable to Purchaser. Promptly following Closing, Purchaser shall obtain, or cause to be obtained in the name of Purchaser, replacements for such bonds, letters of credit and guarantees, to the extent such replacements are necessary to permit the cancellation of the bonds, letters of credit and guarantees posted by Seller or to consummate the transactions contemplated by this Agreement.

Section 12.7**Governing Law and Venue.**

THIS AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS OTHERWISE APPLICABLE TO SUCH DETERMINATIONS. JURISDICTION AND VENUE WITH RESPECT TO ANY DISPUTES ARISING HEREUNDER SHALL BE PROPER ONLY IN HARRIS COUNTY, TEXAS.

Section 12.8**Captions.**

The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

Section 12.9**Waivers.**

Any failure by any party or parties to comply with any of its or their obligations, agreements or conditions herein contained may be waived in writing, but not in any other manner, by the party or parties to whom such compliance is owed. No waiver of, or consent to a change in, any of the provisions of this Agreement shall be deemed or shall constitute a waiver of, or consent to a change in, other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 12.10**Assignment.**

No party shall assign all or any part of this Agreement, nor shall any party assign or delegate any of its rights or duties hereunder, without the prior written consent of the other party and any assignment or delegation made without such consent shall be void; provided, however, that Purchaser may assign its rights and duties hereunder to a wholly-owned subsidiary of Purchaser without obtaining the prior written consent of Seller, provided that no such assignment shall relieve Purchaser from any of its duties, obligations or liabilities hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 12.11**Entire Agreement.**

The Confidentiality Agreement, this Agreement and the Exhibits and Schedules attached hereto, and the documents to be executed hereunder constitute the entire agreement between the parties pertaining to the subject matter hereof, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties pertaining to the subject matter hereof.

Section 12.12**Amendment.**

- (a) This Agreement may be amended or modified only by an agreement in writing executed by both parties.
- (b) No waiver of any right under this Agreement shall be binding unless executed in writing by the party to be bound thereby.

Section 12.13**No Third-Party Beneficiaries.**

Nothing in this Agreement shall entitle any Person other than Purchaser and Seller to any Claims, remedy or right of any kind, except as to those rights expressly provided to Seller Indemnitees and Purchaser Indemnitees (provided, however, any claim for indemnity hereunder on behalf of a Seller Indemnitee or a Purchaser Indemnitee must be made and administered by a party to this Agreement).

Section 12.14**References.**

In this Agreement:

- (a) References to any gender includes a reference to all other genders;
- (b) References to the singular includes the plural, and vice versa;
- (c) Reference to any Article or Section means an Article or Section of this Agreement;
- (d) Reference to any Exhibit or Schedule means an Exhibit or Schedule to this Agreement, all of which are incorporated into and made a part of this Agreement;
- (e) Unless expressly provided to the contrary, “hereunder”, “hereof”, “herein” and words of similar import are references to this Agreement as a whole and not any particular Section or other provision of this Agreement;
- (f) “Include” and “including” or any variation thereof shall mean include or including without limiting the generality of the description preceding such term;
- (g) Whenever the parties have agreed that a matter under this Agreement is subject to any approval or consent of the other party, such approval or consent shall not be unreasonably withheld, delayed or conditioned; and
- (h) Reference to “day” or “days” in this Agreement shall refer to calendar days unless otherwise stated.

Section 12.15**Construction.**

Purchaser is a party capable of making such investigation, inspection, review and evaluation of the Assets as a prudent purchaser would deem appropriate under the circumstances including with respect to all matters relating to the Assets, their value, operation and suitability. Each of Seller and Purchaser has had substantial input into the drafting and preparation of this Agreement and has had the opportunity to exercise business discretion in relation to the negotiation of the details of the transactions contemplated hereby. This Agreement is the result of arm’s-length negotiations from equal bargaining positions. In the event of a dispute over the meaning or application of this Agreement, it shall be construed fairly and reasonably and neither more strongly for nor against either party.

Section 12.16**Limitation on Damages**

Notwithstanding any other provision contained elsewhere in this Agreement to the contrary, the parties acknowledge that this Agreement does not authorize one party (or any of such party's Indemnitees) to sue for or collect its or their punitive damages from the other party to this Agreement, or its own (or any of its Indemnitee's) consequential or indirect damages in connection with this Agreement and the transactions contemplated hereby and each party expressly waives for itself and on behalf of its Affiliates and each of their respective Indemnitees, any and all Claims it may have against the other party for its own such damages in connection with this Agreement and the transactions contemplated hereby.

Section 12.17**Conspicuousness.**

The parties agree that provisions in this Agreement in "bold" type satisfy any requirements of the "express negligence rule" and any other requirements at law or in equity that provisions be conspicuously marked or highlighted.

Section 12.18**Severability.**

If any term or other provisions of this Agreement is held invalid, illegal or incapable of being enforced under any rule of law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a materially adverse manner with respect to either party.

Section 12.19**Time of Essence.**

Time is of the essence in this Agreement. If the date specified in this Agreement for giving any notice or taking any action is not a Business Day (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (and the expiration date of such period during which notice is required to be given or action taken) shall be the next day which is a Business Day.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

SELLER:

ANADARKO GATHERING COMPANY

/s/ Albert L. Richey

Albert L. Richey
Vice President, Corporate Development

ANADARKO ENERGY SERVICES COMPANY

/s/ Albert L. Richey

Albert L. Richey
Vice President, Corporate Development

PURCHASER:

DCP MIDSTREAM PARTNERS, LP

By: DCP Midstream GP, LP,
Its General Partner
By: DCP Midstream GP, LLC,
Its General Partner

/s/ Greg K. Smith

Greg K. Smith
Vice President

BRIDGE CREDIT AGREEMENT

Dated as of May 9, 2007

among

DCP MIDSTREAM OPERATING, LP
as the Borrower,

DCP MIDSTREAM PARTNERS, LP
and its subsidiaries
as Guarantors,

THE LENDERS PARTY HERETO

and

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent

WACHOVIA CAPITAL MARKETS, LLC
as Sole Lead Arranger and Sole Book Manager

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Exhibit 11.3(b)	Form of Assignment Agreement

BRIDGE CREDIT AGREEMENT

THIS BRIDGE CREDIT AGREEMENT (this "Credit Agreement"), dated as of May 9, 2007, is entered into among **DCP MIDSTREAM OPERATING, LP**, a Delaware limited partnership (the "Borrower"), **DCP MIDSTREAM PARTNERS, LP**, a Delaware limited partnership (the "Parent") and all Subsidiaries of the Parent (collectively, the "Guarantors"), the Lenders (as defined herein) and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as administrative agent for the Lenders (in such capacity, the "Agent").

RECITALS

WHEREAS, the Borrower has requested that the Lenders make available to it a term loan credit facility in the amount of \$100 million for the purposes set forth herein; and

WHEREAS, the Lenders have agreed to provide the requested term loan credit facility to the Borrower on the terms, and subject to the conditions, set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1.

DEFINITIONS AND ACCOUNTING TERMS

1.1 Definitions.

As used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms herein shall include in the singular number the plural and in the plural the singular:

"2005 CA Agent" means Wachovia Bank, N.A., in its capacity as agent under the 2005 Credit Agreement, together with its permitted successors and/or assigns in such capacity.

"2005 CA Cash Collateral" means the "Cash Collateral" as defined in the 2005 Credit Agreement.

"2005 Credit Agreement" means that certain Credit Agreement dated as of December 7, 2005 among the Borrower, the Guarantors, Wachovia Bank, N.A., as agent, the lenders from time to time party thereto, as amended pursuant to that certain First Amendment to Credit Agreement dated as of May 4, 2007 and as the same may be from time to time further amended, restated, supplemented or otherwise modified in accordance with its terms.

"Acquisition" by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of property or assets (other than capital expenditures or acquisitions of inventory or supplies in the ordinary course of business) of, or of a business unit or division of, another Person or at least a majority of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent of another Person, in each case whether or not involving a merger or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise.

"Account Designation Letter" means the Notice of Account Designation Letter dated the Closing Date from the Borrower to the Agent in substantially the form attached hereto as Exhibit 5.1.

"Adjusted Base Rate" means the Base Rate plus the Applicable Margin for Base Rate Loans.

"Adjusted Eurodollar Rate" means the Eurodollar Rate plus the Applicable Margin for Eurodollar Loans.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly, the power to direct or cause direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise.

"Agency Services Address" means Wachovia Bank, National Association, as Administrative Agent, 201 South College Street, CP-8, Charlotte, North Carolina 28288-0680, or such other address as may be identified by written notice from the Agent to the Borrower and the Lenders.

"Agent" means Wachovia Bank, National Association and any successors and assigns in such capacity.

"Applicable Margin" means, at any time (a) for Eurodollar Loans, 0.75% and (b) for Base Rate Loans, 0%.

"Approved Officer" means the president, a vice president, the treasurer or the assistant treasurer of the applicable Credit Party or such other authorized representative of such Credit Party as may be designated by any one of the foregoing.

"Assignment Agreement" means an Assignment Agreement executed and delivered pursuant to Section 11.3(b).

"Available Cash" has the meaning ascribed to such term in the First Amended and Restated Agreement of Limited Partnership of the Parent as in effect on the Effective Date, with such amendments thereto as agreed to by the Required Lenders.

"Bankruptcy Code" means the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

"Base Rate" means, for any day, the rate per annum equal to the greater of (a) the Federal Funds Rate in effect on such day plus ½ of 1% or (b) the Prime Rate in effect on such day. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively.

"Base Rate Loan" means a Loan which bears interest based on the Base Rate.

"Borrower" means DCP Midstream Operating, LP a Delaware limited partnership.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions are authorized or required by law or other governmental action to close in New York, New York or Charlotte, North Carolina; provided, that in the case of Eurodollar Loans, such day is also a day on which dealings between banks are carried on in U.S. dollar deposits in the London interbank market.

"Businesses" has the meaning set forth in Section 6.12.

"Capital Lease" means, as applied to any Person, any lease of any Property (whether real, personal or mixed) by that Person as lessee that, in accordance with GAAP, is required to be accounted for as a capital lease on the balance sheet of that Person.

"Capital Stock" means (a) in the case of a corporation, all classes of capital stock of such corporation, (b) in the case of a partnership, partnership interests (whether general or limited), (c) in the case of a limited liability company, membership interests and (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means, as at any date, (a) securities guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (b) Dollar denominated time deposits and certificates of deposit of (i) any Lender, (ii) any domestic commercial bank of recognized standing having capital and surplus in excess of \$500,000,000 or (iii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank being an "Approved Bank"), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within six months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Lenders) or recognized securities dealer having capital and surplus in excess of \$500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations and (e) Investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least \$500,000,000 or having portfolio assets of at least \$5,000,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d).

"Change of Control" means as of any date, the failure of (a) the Parent to own, directly or indirectly, 100% of the equity of the Borrower or (b) Duke Energy Field Services, LLC to own, directly or indirectly, a majority of the voting equity of the general partner of the Parent.

"Closing Date" means the date hereof.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, as to each Lender, the commitment of such Lender with respect to the Term Loan Committed Amount and "Commitments" means, collectively, all such commitments of the Lenders.

"Commitment Percentage" means, for each Lender, the percentage identified as its Commitment Percentage opposite such Lender's name on Schedule 1.1, as such percentage may be modified by assignment.

"Conflicts Committee" has the meaning ascribed thereto in the First Amended and Restated Agreement of Limited Partnership of the Parent, as amended or restated from time to time.

"Consolidated EBITDA" means, for any period, an amount equal to Consolidated Net Income for such period plus, to the extent deducted in determining Consolidated Net Income for such period, the aggregate amount of (a) taxes based on or measured by income, (b) Consolidated Interest Expense and (c) depreciation and amortization expense.

"Consolidated Indebtedness" means, without duplication, all Indebtedness of the Parent and its Subsidiaries on a consolidated basis, minus the principal amount of 2005 CA Cash Collateral then held by the 2005 CA Agent.

"Consolidated Interest Coverage Ratio" means, as of the last day of each fiscal quarter of the Parent, the ratio of (a) Consolidated EBITDA for the period of four consecutive fiscal quarters ending on such day to (b) Consolidated Interest Expense for the period of four consecutive fiscal quarters ending on such day.

"Consolidated Interest Expense" means interest expense as would appear on a consolidated statement of income of the Parent and its Subsidiaries prepared in accordance with GAAP; provided, that Consolidated Interest Expense associated with the term loans under the 2005 Credit Agreement for any period shall be reduced by any interest income earned on the 2005 CA Cash Collateral during such period.

"Consolidated Leverage Ratio" means, as of the last day of each fiscal quarter of the Parent, the ratio of (a) Consolidated Indebtedness on such day to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters ending on such day.

"Consolidated Net Income" means, for any period, the net income of the Parent and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided, that Consolidated Net Income shall not include (i) extraordinary gains or extraordinary losses, (ii) net gains and losses in respect of disposition of assets other than in the ordinary course of business, (iii) gains or losses attributable to write-ups or write-downs of assets other than hedging and derivative activities in the ordinary course of business and (iv) the cumulative effect of a change in accounting principles, all as reported in the Parent's consolidated statement(s) of income for the relevant period(s) prepared in accordance with GAAP.

"Consolidated Net Tangible Assets" means, at any date of determination, the total amount of consolidated assets of the Parent and its Subsidiaries after deducting therefrom the value (net of any applicable reserves) of all goodwill, trade names, trademarks, patents and other like intangible assets, all as set forth, or on a pro forma basis would be set forth, on the consolidated balance sheet of the Parent and its Subsidiaries for the most recently completed fiscal quarter, in accordance with GAAP.

"Credit Documents" means this Credit Agreement, the Notes, any Notice of Borrowing, any Notice of Continuation/Conversion and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto.

"Credit Exposure" means, as applied to each Lender the sum of the principal balance of the outstanding Loans of such Lender.

"Credit Facility Swap Contract" means any interest rate Swap Contract entered into by a Credit Party with a Lender or an Affiliate of a Lender with respect to the Obligations.

"Credit Parties" means the Borrower and the Guarantors.

"Debt Rating" means, the long-term senior unsecured, non-credit enhanced debt rating of the Parent by the Designated Rating Agencies.

"Default" means any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" means, at any time, any Lender that, at such time (a) has failed to make a Loan required pursuant to the term of this Credit Agreement, (b) has failed to pay to the Agent or any Lender an amount owed by such Lender pursuant to the terms of this Credit Agreement or (c) has been deemed insolvent by a court of competent jurisdiction or has become subject to a bankruptcy or insolvency proceeding or to a receiver, trustee or similar official.

"Designated Rating Agencies" shall mean any two of S&P, Moody's or any other rating agency selected by the Parent which is recognized by the Securities and Exchange Commission and identified by the Parent from time to time in a Rating Agency Designation and "Designated Rating Agency" shall mean any one of the foregoing. Until such time as the Parent shall have delivered a Rating Agency Designation to the Agent, the Designated Rating Agencies shall be S&P and Moody's.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction) of any Property by a Credit Party (including the Equity Interests of any Subsidiary), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Dollars" and "\$" means dollars in lawful currency of the United States of America.

"Effective Date" means the date on which the conditions set forth in Section 5.1 shall have been fulfilled (or waived in the sole discretion of the Lenders).

"Eligible Assignee" means (a) any Lender approved by the Borrower and the Agent, (b) any existing Lender or an Affiliate of an existing Lender and (c) any other Person approved by the Borrower and the Agent (in each case, which approval by the Borrower and the Agent shall not be unreasonably withheld or delayed); provided, that (A) the Borrower's consent is not required during the existence and continuation of an Event of Default and (B) neither the Borrower nor an Affiliate of the Borrower shall qualify as an Eligible Assignee.

"Environmental Laws" means any legal requirement of any Governmental Authority pertaining to (a) the protection of health, safety, and the indoor or outdoor environment, (b) the conservation, management, or use of natural resources and wildlife, (c) the protection or use of surface water and groundwater or (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation or handling of, or exposure to, any hazardous or toxic substance or material or (e) pollution (including any release to land surface water and groundwater) and includes, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC 9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendment of 1984, 42 USC 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., Hazardous Materials Transportation Act, 49 USC App. 1801 et seq., Occupational Safety and Health Act of 1970, as amended, 29 USC 651 et seq., Oil Pollution Act of 1990, 33 USC 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC 11001 et seq., National Environmental Policy Act of 1969, 42 USC 4321 et seq., Safe Drinking Water Act of 1974, as amended, 42 USC 300(f) et seq., any analogous implementing or successor law, and any amendment, rule, regulation, order, or directive issued thereunder.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"ERISA Affiliate" means an entity, whether or not incorporated, which is under common control with the Parent or any of its Subsidiaries within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group which includes the Parent or any of its Subsidiaries and which is treated as a single employer under Sections 414(b), (c), (m), or (o) of the Code.

"Eurodollar Loan" means a Loan bearing interest at the Adjusted Eurodollar Rate.

"Eurodollar Rate" means with respect to any Eurodollar Loan, for the Interest Period applicable thereto, a rate per annum equal to the London Interbank Offered Rate.

"Eurodollar Reserve Percentage" means, for any day, that percentage (expressed as a decimal) which is in effect from time to time under Regulation D as the maximum reserve requirement (including, without limitation, any basic, supplemental, emergency, special, or marginal reserves) applicable with respect to Eurocurrency liabilities, as that term is defined in Regulation D (or against any other category of liabilities that includes deposits by reference to which the interest rate of Eurodollar Loans is determined).

"Event of Default" has the meaning specified in Section 9.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as amended, modified, succeeded or replaced from time to time.

"Extension of Credit" means, as to any Lender, the making of a Loan by such Lender (or a participation therein by a Lender).

"Federal Funds Rate" means for any day the rate per annum (rounded upward to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions as determined by the Agent.

"GAAP" means generally accepted accounting principles in the United States applied on a consistent basis and subject to Section 1.3.

"Governmental Authority" means any Federal, state, local or foreign court, monetary authority or governmental agency, authority, instrumentality or regulatory body.

"Guarantor" means (a) the Parent, (b) each Subsidiary of the Parent in existence as of the Effective Date (other than the Borrower) and (c) any Person which becomes a "Guarantor" pursuant to Section 7.11 hereof, in each case, together with their successors and permitted assigns.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services purchased, (c) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to the property acquired, (d) all obligations of such Person under lease obligations which shall have been, or should be, in accordance with GAAP, recorded as capital leases in respect of which such Person is liable as lessee, (e) the face amount of all letter of credit indebtedness available to be drawn (other than letter of credit obligations relating to indebtedness included in Indebtedness pursuant to another clause of this definition) and, without duplication, the unreimbursed amount of all drafts drawn thereunder, (f) obligations of others secured by a Lien on property or assets of such Person, whether or not assumed (but in any event not exceeding the fair market value of the property or asset), (g) all guarantees of Indebtedness referred to in clauses (a) through (f) above, (h) all amounts payable by such Person in connection with mandatory redemptions or repurchases of preferred stock, (i) any obligations of such Person (in the nature of principal or interest) in respect of acceptances or similar obligations issued or created for the account of such Person, (j) all Off Balance Sheet Indebtedness of such Person and (k) obligations (contingent or otherwise) existing or arising under any interest rate Swap Contract, to the extent such obligations are classified as "indebtedness" for purposes of GAAP.

"Interest Payment Date" means (a) as to Base Rate Loans, the first day of each calendar quarter of the Borrower and the Maturity Date and (b) as to Eurodollar Loans, the last day of each applicable Interest Period and the Maturity Date and, in addition, where the applicable Interest Period for a Eurodollar Loan is greater than three months, then also on the last day of each three-month period during such Interest Period. If an Interest Payment Date falls on a date which is not a Business Day, such Interest Payment Date shall be deemed to be the next succeeding Business Day, except that in the case of Eurodollar Loans where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day.

"Interest Period" means, with respect to Eurodollar Loans, a period of one, two, three or six months' duration, as the Borrower may elect, commencing, in each case, on the date of the borrowing (including continuations and conversions of Eurodollar Loans); provided, however, (a) if any Interest Period would end on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day (except that where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day), (b) no Interest Period shall extend beyond the Maturity Date and (c) where an Interest Period begins on a day for which there is no numerically corresponding day in the calendar month in which the Interest Period is to end, such Interest Period shall end on the last Business Day of such calendar month.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of the Capital Stock of another Person, (b) an Acquisition or (c) a loan, advance or capital contribution to, guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guarantees Indebtedness of such other Person.

"Investment Grade Rating" means BBB- or better from S&P or Baa3 or better from Moody's.

"Investment Grade Rating Date" means the date on which the Parent first achieves an Investment Grade Rating.

"Lead Arranger" means Wachovia Capital Markets, LLC, in its capacity as Sole Lead Arranger and Sole Book Manager hereunder.

"Lender" means any Person identified as a Lender on the signature pages hereto and any Eligible Assignee which may become a Lender by way of assignment in accordance with the terms hereof, together with their successors or permitted assigns.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, security interest, encumbrance, lien (statutory or otherwise), preference, priority or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the Uniform Commercial Code as adopted and in effect in the relevant jurisdiction or other similar recording or notice statute, and any lease in the nature thereof).

"Loans" means the Term Loans.

"London Interbank Offered Rate" means, with respect to any Eurodollar Loan for the Interest Period applicable thereto, the rate of interest per annum appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided, however, if more than one rate is specified on Telerate Page 3750, the applicable rate shall be the arithmetic mean of all such rates. If, for any reason, such rate is not available, the term "London Interbank Offered Rate" shall mean, with respect to any Eurodollar Loan for the Interest Period applicable thereto, the rate of interest per annum appearing on such other service as may be nominated by the British Bankers' Association as the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided, however, if more than one rate is specified, the applicable rate shall be the arithmetic mean of all such rates.

"Material Adverse Effect" means a material adverse effect on the business, financial positions or results of operations of the Parent and its Subsidiaries taken as a whole.

"Maturity Date" means July 9, 2007.

"Moody's" means Moody's Investors Service, Inc., or any successor or assignee of the business of such company in the business of rating securities.

"Multiemployer Plan" means a Plan covered by Title IV of ERISA which is a multiemployer plan as defined in Section 3(37) or 4001(a)(3) of ERISA.

"Multiple Employer Plan" means a Plan covered by Title IV of ERISA, other than a Multiemployer Plan, which the Parent or any ERISA Affiliate and at least one employer other than the Parent or any ERISA Affiliate are contributing sponsors.

"Net Cash Proceeds" means with respect to the sale or issuance of any Capital Stock by the Borrower or any of its Subsidiaries, or the incurrence or issuance of any Indebtedness by the Borrower or any of its Subsidiaries, the excess of (a) the sum of the cash and Cash Equivalents received in connection with such transaction over (b) the underwriting discounts and commissions, and other reasonable and customary out-of-pocket expenses, incurred by the Borrower or such Subsidiary in connection therewith.

"Non-Excluded Taxes" has the meaning specified in Section 4.4(a).

"Notes" means the Term Loan Notes, together with any amendment, restatement or supplement thereof.

"Notice of Borrowing" means a request by the Borrower for a Loan in the form of Exhibit 2.3.

"Notice of Continuation/Conversion" means a request by the Borrower for the continuation or conversion of a Loan in the form of Exhibit 2.5.

"Obligations" means, without duplication, all of the obligations of the Credit Parties to the Lenders and the Agent, whenever arising, under this Credit Agreement, the Notes, Credit Facility Swap Contracts, Treasury Management Agreements or any of the other Credit Documents.

"Off Balance Sheet Indebtedness" means any obligation of a Person that would be considered indebtedness for tax purposes but is not set forth on the balance sheet of such Person, including, but not limited to, (a) any synthetic lease, tax retention operating lease, off balance sheet loan or similar off-balance sheet financing product of such Person, (b) the aggregate amount of uncollected accounts receivables of such Person subject at such time to a sale of receivables (or similar transaction) and (c) obligations of any partnership or joint venture that is recourse to such Person.

"Parent" means DCP Midstream Partners, LP, a Delaware limited partnership.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA and any successor thereto.

"Permitted Acquisitions" means (a) the Initial Asset Acquisition and (b) any other Acquisition by any Credit Party, so long as (i) no Default or Event of Default is in existence or would be created thereby, (ii) the Person or assets being acquired by such Credit Party are in the midstream energy business, (iii) such Acquisition has been approved by the Board of Directors or similar governing body of the target of such Acquisition (if required or applicable) and (iv) immediately after giving effect to such acquisition, the Borrower is in compliance with Section 7.10 on a pro forma basis.

"Person" means any individual, partnership, joint venture, firm, corporation, association, trust, limited liability company or other enterprise (whether or not incorporated), or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means any employee pension benefit plan (as defined in Section 3(2) of ERISA) which is covered by ERISA and with respect to which the Parent or any ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" within the meaning of Section 3(5) of ERISA.

"Prime Rate" means the per annum rate of interest established from time to time by the Agent at its principal office in Charlotte, North Carolina as its Prime Rate. Any change in the interest rate resulting from a change in the Prime Rate shall become effective as of 12:01 a.m. of the Business Day on which each change in the Prime Rate is announced by the Agent. The Prime Rate is a reference rate used by the Agent in determining interest rates on certain loans and is not intended to be the lowest rate of interest charged on any extension of credit to any debtor.

"Properties" has the meaning set forth in Section 6.12.

"Qualified Acquisition" means a Permitted Acquisition, the aggregate purchase price for which, when combined with the aggregate purchase price for all other Permitted Acquisitions in any rolling 12-month period, is greater than or equal to \$25,000,000.

"Rating Agency Designation" means a written notice in the form of Exhibit 1.1 provided from time to time by the Parent to the Administrative Agent setting forth the two current Designated Rating Agencies.

"Register" has the meaning set forth in Section 11.3(c).

"Regulation A, D, T, U, or X" means Regulation A, D, T, U or X, respectively, of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Reportable Event" means a "reportable event" as defined in Section 4043 of ERISA with respect to which the notice requirements to the PBGC have not been waived.

"Required Lenders" means Lenders whose aggregate Credit Exposure constitutes more than 50% of the aggregate Credit Exposure of all Lenders at such time; provided, however, that if any Lender shall be a Defaulting Lender at such time then there shall be excluded from the determination of Required Lenders the aggregate principal amount of Credit Exposure of such Lender at such time.

"Responsible Officer" means the president, chief financial officer, treasurer or assistant treasurer of the applicable Credit Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to Capital Stock of a Credit Party or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Capital Stock or on account of any return of capital to a Credit Party's stockholders, partners or members (or the equivalent Person thereof), or any setting apart of funds or assets for any of the foregoing.

"S&P" means Standard & Poor's Ratings Group, a division of McGraw Hill, Inc., or any successor or assignee of the business of such division in the business of rating securities.

"Sale and Leaseback Transaction" means, with respect to a Credit Party or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby a Credit Party or such Subsidiary shall sell or transfer any assets used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such assets or other assets that it intends to use for substantially the same purpose or purposes as the assets being sold or transferred.

"Sanctioned Country" means a country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treas.gov/offices/enforcement/ofac/sanctions/index.html>, or as otherwise published from time to time.

"Sanctioned Person" means (a) a Person named on the list of "Specially Designated Nationals and Blocked Persons" maintained by OFAC available at <http://www.treas.gov/offices/enforcement/ofac/sdn/index.html>, or as otherwise published from time to time or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country or (iii) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

"Single Employer Plan" means any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan or a Multiple Employer Plan.

"Solvent" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's assets would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the assets of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person and (e) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed as the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Subsidiary," means, as to any Person, (a) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time, any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, (b) any partnership, association, joint venture, limited liability company or other entity in which such person directly or indirectly through Subsidiaries has more than 50% equity interest at any time and (c) any other Person that is controlled by such Person and who for GAAP purposes is required to be consolidated into such Person's consolidated financial statements. Unless otherwise provided, as used herein, "Subsidiary" shall refer to a Subsidiary of the Parent.

"Swap Contract" means, to the extent entered into on a fair market value basis at the time of entry, (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Termination Event" means (a) with respect to any Single Employer Plan, the occurrence of a Reportable Event or the substantial cessation of operations (within the meaning of Section 4062(e) of ERISA), (b) the withdrawal of the Parent or any ERISA Affiliate from a Multiple Employer Plan during a plan year in which it was a substantial employer (as such term is defined in Section 4001(a)(2) of ERISA), or the termination of a Multiple Employer Plan, (c) the distribution of a notice of intent to terminate or the actual termination of a Plan pursuant to Section 4041(a)(2) or 4041A of ERISA, (d) the institution of proceedings to terminate or the actual termination of a Plan by the PBGC under Section 4042 of ERISA, (e) any event or condition which might reasonably constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or (f) the complete or partial withdrawal of the Borrower or any ERISA Affiliate from a Multiemployer Plan.

"Term Loans" has the meaning specified in Section 2.01.

"Term Loan Committed Amount" means ONE HUNDRED MILLION DOLLARS (\$100,000,000.00).

"Term Loan Note" means the promissory notes of the Borrower in favor of each of the Lenders evidencing the Loans provided pursuant to Section 2.1, individually or collectively, as appropriate, as such notes may be amended or modified from time to time and substantially in the form of Exhibit 2.9.

"Treasury Management Agreement" means any agreement governing the provision of treasury or cash management services, including deposit accounts, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services provided by a Lender or an Affiliate of a Lender.

"Voting Stock" means all classes of the Capital Stock (or other voting interests) of such Person then outstanding and normally entitled to vote in the election of directors or other governing body of such Person.

1.2 Computation of Time Periods.

For purposes of computation of periods of time hereunder, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding." References in this Credit Agreement to "Articles", "Sections", "Schedules" or "Exhibits" shall be to Articles, Sections, Schedules or Exhibits of or to this Credit Agreement unless otherwise specifically provided.

1.3 Accounting Terms.

Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lenders hereunder shall be prepared, in accordance with GAAP applied on a consistent basis.

1.4 Time.

All references to time herein shall be references to Eastern Standard Time or Eastern Daylight time, as the case may be, unless specified otherwise.

SECTION 2.

LOANS

2.1 Term Loan.

Subject to the terms and conditions set forth herein, each Lender severally agrees to make term loans to the Borrower in Dollars, in a single advance on the Effective Date (each a "Term Loan" and collectively, the "Term Loans"); provided, however, that (a) the sum of the aggregate amount of Term Loans outstanding shall not exceed the Term Loan Committed Amount, (b) with respect to each individual Term Loan Lender, such Term Loan Lender's pro rata share of outstanding Term Loans shall not exceed such Term Loan Lender's Commitment Percentage of the Term Loan Committed Amount and (c) to the extent not fully funded as of the Effective Date, all Commitments hereunder shall terminate as of the day immediately following the Effective Date. Once repaid, Term Loans may not be reborrowed. The Term Loans may consist of Base Rate Loans or Eurodollar Loans, or a combination thereof, as the Borrower may request; provided, however, that the Term Loans made on the Effective Date or any of the three (3) Business Days following the Effective Date may only consist of Base Rate Loans unless the Borrower delivers a funding indemnity letter to the Agent at least three (3) Business Days (or such later date as may be acceptable to the Agent in its discretion) prior to the Effective Date, such funding indemnity letter to be in form and substance satisfactory to the Agent.

2.2 Intentionally Omitted.

2.3 Method of Borrowing for Term Loans.

By no later than 11:00 a.m. (a) on the Effective Date to the extent the Borrower requests that all of the Term Loans be initially funded as Base Rate Loans or (b) subject to the limitation in Section 2.1, three (3) Business Days prior to the Effective Date (or such later date as may be acceptable to the Agent in its discretion) if the Borrower is requesting a borrowing of Loans that will be Eurodollar Loans, the Borrower shall submit a written Notice of Borrowing in the form of Exhibit 2.3 to the Agent setting forth (i) the amount requested, (ii) whether such Loans shall accrue interest at the Adjusted Base Rate or the Adjusted Eurodollar Rate, (iii) with respect to Loans that will be Eurodollar Loans, the Interest Period applicable thereto and (iv) certification that the Borrower has complied in all respects with Section 5.1 and all other terms and conditions set forth herein.

2.4 Funding of Term Loans.

Upon receipt of a Notice of Borrowing, the Agent shall promptly inform the Lenders as to the terms thereof. Each such Lender shall make its Commitment Percentage of the requested Term Loans, as applicable, available to the Agent by 2:00 p.m. on the date specified in the Notice of Borrowing by deposit, in Dollars, of immediately available funds at the Agency Services Address. The amount of the requested Loans will then be made available to the Borrower by the Agent by crediting the account of the Borrower on the books of such office of the Agent, to the extent the amount of such Loans are made available to the Agent.

No Lender shall be responsible for the failure or delay by any other Lender in its obligation to make Loans under this Section 2.4; provided, however, that the failure of any Lender to fulfill its obligations hereunder shall not relieve any other Lender of its obligations hereunder. Unless the Agent shall have been notified by any Lender prior to the date of any such Loan that such Lender does not intend to make available to the Agent its portion of the Loans to be made on such date, the Agent may assume that such Lender has made such amount available to the Agent on the date of such Loans, and the Agent in reliance upon such assumption, may (in its sole discretion but without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Agent, the Agent shall be able to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Agent's demand therefor, the Agent will promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount within two Business Days to the Agent. The Agent shall also be entitled to recover from the Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Agent to the Borrower to the date such corresponding amount is recovered by the Agent at a per annum rate equal to (a) from the Borrower at the applicable rate for such Loan pursuant to the Notice of Borrowing and (b) from a Lender at the Federal Funds Rate.

2.5 Continuations and Conversions.

The Borrower shall have the option (subject to the limitations set forth below), on any Business Day, to continue existing Eurodollar Loans for a subsequent Interest Period, to convert Base Rate Loans into Eurodollar Loans or to convert Eurodollar Loans into Base Rate Loans; provided, however, that (a) each such continuation or conversion must be requested by the Borrower pursuant to a written Notice of Continuation/Conversion, in the form of Exhibit 2.5, in compliance with the terms set forth below, (b) if a Eurodollar Loan is continued or converted into a Base Rate Loan on any day other than the last day of the Interest Period applicable thereto, then the Borrower shall be subject to the provisions set forth in Section 4.3, (c) Eurodollar Loans may not be continued nor may Base Rate Loans be converted into Eurodollar Loans during the existence and continuation of a Default or Event of Default and (d) any request to extend a Eurodollar Loan that fails to comply with the terms hereof or any failure to request an extension of a Eurodollar Loan at the end of an Interest Period shall constitute a conversion to a Base Rate Loan on the last day of the applicable Interest Period. Each continuation or conversion must be requested by the Borrower no later than 11:00 a.m. (i) on the date for a requested conversion of a Eurodollar Loan to a Base Rate Loan or (ii) three Business Days prior to the date for a requested continuation of a Eurodollar Loan or conversion of a Base Rate Loan to a Eurodollar Loan, in each case pursuant to a written Notice of Continuation/Conversion submitted to the Agent which shall set forth (A) whether the Borrower wishes to continue or convert such Loans and (B) if the request is to continue a Eurodollar Loan or convert a Base Rate Loan to a Eurodollar Loan, the Interest Period applicable thereto.

2.6 Minimum Amounts.

Each request for a Term Loan or a conversion or continuation hereunder shall be subject to the following requirements: (a) each Eurodollar Loan shall be in a minimum amount of \$10,000,000 (and in integral multiples of \$1,000,000 in excess thereof), (b) each Base Rate Loan shall be in a minimum amount of the lesser of \$10,000,000 (and in integral multiples of \$1,000,000 in excess thereof) or the remaining amount available to be borrowed and (c) no more than five (5) Eurodollar Loans shall be outstanding hereunder at any one time. For the purposes of this Section, all Eurodollar Loans with the same Interest Periods that begin and end on the same date shall be considered as one Eurodollar Loan, but Eurodollar Loans with different Interest Periods, even if they begin on the same date, shall be considered separate Eurodollar Loans.

2.7 Intentionally Omitted.

2.8 Intentionally Omitted.

2.9 Notes.

The Term Loans made by a Lender, upon request of such Lender, shall be evidenced by a duly executed promissory note of the Borrower payable to such Lender in substantially the form of Exhibit 2.9 (the "Term Loan Notes").

SECTION 3.

PAYMENTS

3.1 Interest.

(a) Interest Rate.

(i) All Base Rate Loans shall accrue interest at the Adjusted Base Rate.

(ii) All Eurodollar Loans shall accrue interest at the Adjusted Eurodollar Rate applicable to such Eurodollar Loan.

(b) Default Rate of Interest. Upon the occurrence, and during the continuation, of an Event of Default, all past due principal of and, to the extent permitted by law, past due interest on, the Loans and any other past due amounts owing hereunder or under the other Credit Documents shall bear interest, payable on demand, at a per annum rate equal to one percent (1%) plus the rate which would otherwise be applicable (or if no rate is applicable, then the rate for Loans that are Base Rate Loans plus one percent (1%) per annum).

(c) Interest Payments. Interest on Loans shall be due and payable in arrears on each Interest Payment Date.

3.2 Voluntary/Mandatory Prepayments.

(a) Voluntary Prepayments. The Borrower shall have the right to prepay Loans in whole or in part from time to time without premium or penalty; provided, however, that Eurodollar Loans may only be prepaid on three Business Days' prior written notice to the Agent and any prepayment of Eurodollar Loans will be subject to Section 4.3. Any prepayments made under this Section 3.2(a) shall be applied first to Base Rate Loans and then to Eurodollar Loans in direct order of Interest Period maturities and shall be subject to Section 4.3.

(b) Mandatory Prepayments.

(i) Upon the sale or issuance by the Borrower or any of its Subsidiaries of any of its Capital Stock, the Borrower shall prepay an aggregate principal amount of Loans equal to 100% of all Net Cash Proceeds received therefrom immediately upon receipt thereof by the Borrower or such Subsidiary (such prepayments to be applied as set forth below).

(ii) Upon the incurrence or issuance by the Borrower or any of its Subsidiaries of any Indebtedness (other than Indebtedness expressly permitted to be incurred or issued pursuant to Section 8.6 (other than Section 8.6(g))), the Borrower shall prepay an aggregate principal amount of Loans equal to 100% of all Net Cash Proceeds received therefrom immediately upon receipt thereof by the Borrower or such Subsidiary (such prepayments to be applied as set forth below).

Each prepayment of Loans pursuant to the foregoing provisions of this Section 3.2(b) shall be applied in the order of priority set forth in Section 9.3.

3.3 Payment of Loans in full at Maturity.

On the Maturity Date, the entire outstanding principal balance of all Loans, together with accrued but unpaid interest and all other sums owing under this Credit Agreement, shall be due and payable in full, unless accelerated sooner pursuant to Section 9.2.

3.4 Administrative Fee.

Borrower shall pay to the Agent and administrative fee of \$2,500 as of the Effective Date. Such fee shall be fully earned as of the Effective Date and shall be non-refundable for any reason.

3.5 Place and Manner of Payments.

All payments of principal, interest, fees, expenses and other amounts to be made by the Borrower under this Credit Agreement shall be made without setoff, deduction or counterclaim and received not later than 2:00 p.m. on the date when due in Dollars and in immediately available funds by the Agent at the Agency Services Address. The Borrower shall, at the time it makes any payment under this Credit Agreement, specify to the Agent the Loans, fees or other amounts payable by the Borrower hereunder to which such payment is to be applied (and in the event that it fails to specify, or if such application would be inconsistent with the terms hereof, the Agent shall distribute such payment to the Lenders in such manner as it reasonably determines in its sole discretion). The Agent will distribute such payments to the applicable Lenders on the same Business Day if any such payment is received prior to 2:00 p.m.; otherwise the Agent will distribute each payment to the applicable Lenders prior to 12:00 noon on the next succeeding Business Day. Whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day (subject to accrual of interest and fees for the period of such extension), except that in the case of Eurodollar Loans, if the extension would cause the payment to be made in the next following calendar month, then such payment shall be made on the next preceding Business Day.

3.6 Pro Rata Treatment.

Except to the extent otherwise provided herein, all borrowing of Term Loans, each payment or prepayment of principal of any Term Loan, each payment of interest on the Term Loans and each conversion or continuation of any Term Loan, shall be allocated pro rata among the Lenders in accordance with their respective Commitment Percentages; provided, that, in the event any amount paid to any Lender pursuant to this Section 3.6 is rescinded or must otherwise be returned by the Agent, each Lender shall, upon the written request of the Agent, repay to the Agent the amount so paid to such Lender, with interest for the period commencing on the date such payment is returned by the Agent until the date the Agent receives such repayment at a rate per annum equal to, during the period to but excluding the date two Business Days after such request, the Federal Funds Rate, and thereafter, the Base Rate plus one percent (1%) per annum.

3.7 Computations of Interest and Fees.

(a) Except for Base Rate Loans that are based upon the Prime Rate, on which interest shall be computed on the basis of a 365 or 366 day year as the case may be, all computations of interest and fees hereunder shall be made on the basis of the actual number of days elapsed over a year of 360 days.

(b) It is the intent of the Lenders and the Credit Parties to conform to and contract in strict compliance with applicable usury law from time to time in effect. All agreements between the Lenders and the Credit Parties are hereby limited by the provisions of this paragraph which shall override and control all such agreements, whether now existing or hereafter arising and whether written or oral. In no way, nor in any event or contingency (including but not limited to prepayment or acceleration of the maturity of any obligation), shall the interest taken, reserved, contracted for, charged, or received under this Credit Agreement, under the Notes or otherwise, exceed the maximum nonusurious amount permissible under applicable law. If, from any possible construction of any of the Credit Documents or any other document, interest would otherwise be payable in excess of the maximum nonusurious amount, any such construction shall be subject to the provisions of this paragraph and interest owing pursuant to such documents shall be automatically reduced to the maximum nonusurious amount permitted under applicable law, without the necessity of execution of any amendment or new document. If any Lender shall ever receive anything of value which is characterized as interest on the Loans under applicable law and which would, apart from this provision, be in excess of the maximum lawful amount, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Loans and not to the payment of interest, or refunded to a Credit Party or the other payor thereof if and to the extent such amount which would have been excessive exceeds such unpaid principal amount of the Loans. The right to demand payment of the Loans or any other indebtedness evidenced by any of the Credit Documents does not include the right to receive any interest which has not otherwise accrued on the date of such demand, and the Lenders do not intend to charge or receive any unearned interest in the event of such demand. All interest paid or agreed to be paid to the Lenders with respect to the Loans shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term (including any renewal or extension) of the Loans so that the amount of interest on account of such indebtedness does not exceed the maximum nonusurious amount permitted by applicable law.

3.8 Sharing of Payments.

Each Lender agrees that, in the event that any Lender shall obtain payment in respect of any Loan or any other obligation owing to such Lender under this Credit Agreement through the exercise of a right of set-off, banker's lien, counterclaim or otherwise (including, but not limited to, pursuant to the Bankruptcy Code) in excess of its pro rata share as provided for in this Credit Agreement, such Lender shall promptly purchase from the other Lenders a participation in such Loans and other obligations, in such amounts and with such other adjustments from time to time, as shall be equitable in order that all Lenders share such payment in accordance with their respective ratable shares as provided for in this Credit Agreement. Each Lender further agrees that if a payment to a Lender (which is obtained by such Lender through the exercise of a right of set-off, banker's lien, counterclaim or otherwise) shall be rescinded or must otherwise be restored, each Lender which shall have shared the benefit of such payment shall, by repurchase of a participation theretofore sold, return its share of that benefit to each Lender whose payment shall have been rescinded or otherwise restored. The Borrower agrees that any Lender so purchasing such a participation may, to the fullest extent permitted by law, exercise all rights of payment, including set-off, banker's lien or counterclaim, with respect to such participation as fully as if such Lender were a holder of such Loan or other obligation in the amount of such participation. Except as otherwise expressly provided in this Credit Agreement, if any Lender shall fail to remit to the Agent or any other Lender an amount payable by such Lender to the Agent or such other Lender pursuant to this Credit Agreement on the date when such amount is due, such payments shall accrue interest thereon, for each day from the date such amount is due until the day such amount is paid to the Agent or such other Lender, at a rate per annum equal to the Federal Funds Rate. If under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this Section 3.8 applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders under this Section 3.8 to share in the benefits of any recovery on such secured claim.

3.9 Evidence of Debt.

(a) Each Lender shall maintain an account or accounts evidencing each Loan made by such Lender to the Borrower from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Credit Agreement. Each Lender will make reasonable efforts to maintain the accuracy of its account or accounts and to promptly update its account or accounts from time to time, as necessary.

(b) The Agent shall maintain the Register pursuant to Section 11.3(c), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount, type and Interest Period of each such Loan hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable to each Lender hereunder and (iii) the amount of any sum received by the Agent hereunder from or for the account of the Borrower and each Lender's share thereof. The Agent will make reasonable efforts to maintain the accuracy of the subaccounts referred to in the preceding sentence and to promptly update such subaccounts from time to time, as necessary.

(c) The entries made in the Register and subaccounts maintained pursuant to subsection (b) of this Section 3.9, and the entries made in the accounts maintained pursuant to subsection (a) of this Section 3.9, if consistent with the entries of the Agent, shall be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Agent to maintain any such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay the Loans made by such Lender in accordance with the terms hereof.

SECTION 4.

ADDITIONAL PROVISIONS

4.1 Eurodollar Loan Provisions.

(a) Unavailability. If, on or prior to the first day of any Interest Period, (i) the Agent shall have determined in good faith (which determination shall be conclusive and binding upon the Borrower) that (A) Dollar deposits are not generally available in the London interbank Eurodollar market in the applicable principal amounts and Interest Period of a requested Eurodollar Loan or (B) by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or (ii) the Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to the Lenders of making or maintaining Eurodollar Loans for such Interest Period (as conclusively certified by such Lenders), the Agent shall give notice thereof to the Borrower and the Lenders as soon as practicable thereafter. Upon delivery of such notice, (A) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (B) any Loans that were to have been converted to or continued as Eurodollar Loans shall be prepaid by the Borrower or converted to or continued as Base Rate Loans and (C) any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to Base Rate Loans. Until the Agent has withdrawn such notice, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Base Rate Loans to Eurodollar Loans.

(b) Change in Legality. Notwithstanding any other provision herein, if any change, after the date hereof, in any law, governmental rule, regulation, guideline or order (including the introduction of any new law or governmental rule, regulation, guideline or order) or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof shall make it unlawful for any Lender to make or maintain any Eurodollar Loan then, by written notice to the Borrower and to the Agent, such Lender may:

(i) declare that Eurodollar Loans and conversions to or continuations of Eurodollar Loans, will not thereafter be made by such Lender hereunder, whereupon any request by the Borrower for, or for conversion into or continuation of, Eurodollar Loans shall, as to such Lender only, be deemed a request for, or for conversion into or continuation of, Base Rate Loans, unless such declaration shall be subsequently withdrawn; and

(ii) require that all outstanding Eurodollar Loans made by it be converted to Base Rate Loans in which event all such Eurodollar Loans shall be converted to Base Rate Loans either (A) on the last day of the then current Interest Period applicable to such Eurodollar Loan if such Lender can lawfully continue to maintain and fund such Eurodollar Loan or (B) immediately if such Lender shall determine that it may not lawfully continue to maintain and fund such Eurodollar Loan to such day.

(c) Requirements of Law. If at any time a Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to the making, the commitment to make or the maintaining of any Eurodollar Loan because of (i) any change after the date hereof in any law, governmental rule, regulation, guideline or order (including the introduction of any new law or governmental rule, regulation, guideline or order) or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, including, without limitation, the imposition, modification or deemed applicability of any reserves, deposits or similar requirements (such as, for example, but not limited to, a change in official reserve requirements) or (ii) other circumstances affecting the London interbank Eurodollar market; then the Borrower shall pay to such Lender promptly upon written demand therefor, such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender may determine in its sole discretion) as may be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 4.1(c), it shall provide prompt notice thereof to the Borrower, through the Agent, certifying (A) that one of the events described in this Section 4.1(c) has occurred and describing in reasonable detail the nature of such event, (B) as to the increased cost or reduced amount resulting from such event and (C) as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof; provided, that no such amount shall be payable with respect to any period commencing more than 90 days prior to the date such Lender first notifies the Borrower of its intention to demand compensation therefor under this Section.

(d) Regulation D Compensation. In the event that a Lender is required to maintain reserves of the type contemplated by the definition of "Eurodollar Reserve Percentage", such Lender may require the Borrower to pay, contemporaneously with each payment of interest on the Eurodollar Loans, additional interest on the related Eurodollar Loan of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i)(A) the applicable London Interbank Offered Rate divided by (B) one minus the Eurodollar Reserve Percentage over (ii) the applicable London Interbank Offered Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Agent, in which case such additional interest on the Eurodollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after the giving of such notice and (y) shall notify the Borrower at least three Business Days prior to each date on which interest is payable on the Eurodollar Loans of the amount then due it under this Section. Each such notification shall be accompanied by such information as the Borrower may reasonably request.

Each determination and calculation made by a Lender under this Section 4.1 shall, absent manifest error, be binding and conclusive on the parties hereto. Any conversions of Eurodollar Loans made pursuant to this Section 4.1 shall subject the Borrower to the payments required by Section 4.3 to the extent applicable. This Section shall survive termination of this Credit Agreement and the other Credit Documents and payment of the Loans and all other amounts payable hereunder.

4.2 Capital Adequacy.

If any Lender has determined that the adoption or becoming effective, after the date hereof, of any applicable law, rule or regulation regarding capital adequacy, or any change therein (after the date hereof), or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender (or its parent corporation) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's (or parent corporation's) capital or assets as a consequence of its commitments or obligations hereunder to a level below that which such Lender (or its parent corporation) could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's (or parent corporation's) policies with respect to capital adequacy), then, upon notice from such Lender (which shall include the basis and calculations in reasonable detail supporting the compensation requested in such notice), and receipt by the Borrower of such written notice from such Lender (with a copy to the Agent) the Borrower shall be obligated to pay to such Lender such additional amount or amounts as will compensate such Lender on an after tax basis (after taking into account applicable deductions and credits in respect of the amount so indemnified) for such reduction; provided, that no such amount shall be payable with respect to any period commencing more than 90 days prior to the date such Lender first notifies the Borrower of its intention to demand compensation therefor under this Section. Each determination by any Lender of amounts owing under this Section 4.2 shall, absent manifest error, be conclusive and binding on the parties hereto. The covenants of this Section 4.2 shall survive termination of this Credit Agreement and the other Credit Documents and the payment of the Loans and all other amounts payable hereunder.

4.3 Compensation.

The Borrower promises to indemnify each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Credit Agreement, (b) default by the Borrower in making any prepayment of a Eurodollar Loan after the Borrower has given a notice thereof in accordance with the provisions of this Credit Agreement, (c) the making of a prepayment of Eurodollar Loans on a day which is not the last day of an Interest Period with respect thereto and (d) the payment, continuation or conversion of a Eurodollar Loan on a day which is not the last day of the Interest Period applicable thereto or the failure to repay a Eurodollar Loan when required by the terms of this Credit Agreement. Such indemnification may include an amount equal to (i) an amount of interest calculated at the Eurodollar Rate which would have accrued on the amount in question, for the period from the date of such prepayment or of such failure to borrow, convert, continue or repay to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Eurodollar Loans provided for herein minus (ii) the amount of interest (as reasonably determined by such Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank Eurocurrency market. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 4.3, it shall provide prompt notice thereof to the Borrower, through the Agent, as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. The covenants in this Section 4.3 shall survive the termination of this Credit Agreement and the payment of the Loans and all other amounts payable hereunder.

(a) Except as provided below in this Section 4.4, all payments made by the Borrower under this Credit Agreement and any Notes shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any court, or governmental body, agency or other official, excluding taxes measured by or imposed upon the net income of any Lender or its applicable lending office, or any branch or affiliate thereof, and all franchise taxes, branch taxes, taxes on doing business or taxes on the capital or net worth of any Lender or its applicable lending office, or any branch or affiliate thereof, in each case imposed in lieu of net income taxes: (i) by the jurisdiction under the laws of which such Lender, applicable lending office, branch or affiliate is organized or is located, or in which its principal executive office is located, or any nation within which such jurisdiction is located or any political subdivision thereof; or (ii) by reason of any connection between the jurisdiction imposing such tax and such Lender, applicable lending office, branch or affiliate other than a connection arising solely from such Lender having executed, delivered or performed its obligations, or received payment under or enforced, this Credit Agreement or any Notes. If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to an Agent or any Lender hereunder or under any Notes, (A) the amounts so payable to the Agent or such Lender shall be increased to the extent necessary to yield to the Agent or such Lender (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Credit Agreement and any Notes; provided, however, that the Borrower shall be entitled to deduct and withhold any Non- Excluded Taxes and shall not be required to increase any such amounts payable to any Lender that is not organized under the laws of the United States of America or a state thereof if such Lender fails to comply with the requirements of paragraph (b) of this Section 4.4 whenever any Non-Excluded Taxes are payable by the Borrower, and (B) as promptly as possible after requested, the Borrower shall send to the Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and any Lender for any incremental Non-Excluded Taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure. The agreements in this Section 4.4 shall survive the termination of this Credit Agreement and the payment of the Loans and all other amounts payable hereunder.

(b) Each Lender that is not incorporated under the laws of the United States of America or a state thereof shall:

- (i) (A) on or before the date of any payment by the Borrower under this Credit Agreement or the Notes to such Lender, deliver to the Borrower and the Agent (x) two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, or any successor applicable form, as the case may be, certifying that it is entitled to receive payments under this Credit Agreement and any Notes without deduction or withholding of any United States federal income taxes and (y) an Internal Revenue Service Form W-8 or W-9, or successor applicable form, as the case may be, certifying that it is entitled to an exemption from United States backup withholding tax;
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(B) deliver to the Borrower and the Agent two further copies of any such form or certification on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower; and

(C) obtain such extensions of time for filing and complete such forms or certifications as may reasonably be requested by the Borrower or the Agent; or

(ii) in the case of any such Lender that is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (A) represent to the Borrower (for the benefit of the Borrower and the Agent) that it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (B) agree to furnish to the Borrower, on or before the date of any payment by the Borrower, with a copy to the Agent, two accurate and complete original signed copies of Internal Revenue Service Form W-8, or successor applicable form, certifying to such Lender's legal entitlement at the date of such certificate to an exemption from U.S. withholding tax under the provisions of Section 881(c) of the Internal Revenue Code with respect to payments to be made under this Credit Agreement and any Notes (and to deliver to the Borrower and the Agent two further copies of such form on or before the date it expires or becomes obsolete and after the occurrence of any event requiring a change in the most recently provided form and, if necessary, obtain any extensions of time reasonably requested by the Borrower or the Agent for filing and completing such forms), and (C) agree, to the extent legally entitled to do so, upon reasonable request by the Borrower, to provide to the Borrower (for the benefit of the Borrower and the Agent) such other forms as may be reasonably required in order to establish the legal entitlement of such Lender to an exemption from withholding with respect to payments under this Credit Agreement and any Notes.

Notwithstanding the above, if any change in treaty, law or regulation has occurred after the date such Person becomes a Lender hereunder which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and the Agent, then such Lender shall be exempt from such requirements. Each Person that shall become a Lender or a participant of a Lender pursuant to Section 11.3 shall, upon the effectiveness of the related transfer, be required to provide all of the forms, certifications and statements required pursuant to this subsection (b); provided, that in the case of a participant of a Lender, the obligations of such participant of a Lender pursuant to this subsection (b) shall be determined as if the participant of a Lender were a Lender except that such participant of a Lender shall furnish all such required forms, certifications and statements to the Lender from which the related participation shall have been purchased.

4.5 Replacement of Lenders.

The Agent and each Lender shall use reasonable efforts to avoid or mitigate any increased cost or suspension of the availability of an interest rate under Sections 4.1 through 4.4 above to the greatest extent practicable (including transferring the Loans to another lending office or Affiliate of a Lender) unless, in the opinion of the Agent or such Lender, such efforts would be likely to have an adverse effect upon it. In the event a Lender makes a request to the Borrower for additional payments in accordance with Section 4.1, 4.2 or 4.4, or suspends Eurodollar Loans under Section 4.1, then, provided that no Default or Event of Default has occurred and is continuing at such time, the Borrower may, at its own expense (such expense to include any transfer fee payable to the Agent under Section 11.3(b) and any expense pursuant to Section 4) and in its sole discretion, require such Lender to transfer and assign in whole (but not in part), without recourse (in accordance with and subject to the terms and conditions of Section 11.3(b)), all of its interests, rights and obligations under this Credit Agreement to an Eligible Assignee which shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, that (a) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority and (b) the Borrower or such assignee shall have paid to the assigning Lender in immediately available funds the principal of and interest accrued to the date of such payment on the portion of the Loans hereunder held by such assigning Lender and all other amounts owed to such assigning Lender hereunder, including amounts owed pursuant to Sections 4.1 through 4.4.

SECTION 5.

CONDITIONS PRECEDENT

5.1 Closing/Funding Conditions.

The obligation of the Lenders to enter into this Credit Agreement and fund the Term Loans pursuant to Section 2.1 hereof is subject to satisfaction (or waiver) of the following conditions:

(a) Executed Credit Documents. Receipt by the Agent of duly executed copies of (i) this Credit Agreement, (ii) the Notes, and (iii) all other Credit Documents, each in form and substance acceptable to the Lenders.

(b) Organizational Documents. Receipt by the Agent of the following:

(i) Partnership Documents. With respect to each Credit Party that is a partnership, a copy of the partnership agreement of such Credit Party, together with all amendments thereto certified to be true and complete by the appropriate Governmental Authority of the State of organization of such Credit Party and certified by an Authorized Officer of such Credit Party to be true and correct as of the Effective Date.

(ii) Limited Liability Company Documents. With respect to each Credit Party that is a limited liability company, the following:

(A) Certificate of Formation. A copy of the certificate of formation of such Credit Party certified to be true and complete by the appropriate Governmental Authorities of the State of organization of such Credit Party and certified by an Authorized Officer of such Credit Party to be true and correct as of the Effective Date.

(B) LLC Agreement. A copy of the LLC Agreement of such Credit Party certified by an Authorized Officer of such Credit Party to be true and correct as of the Effective Date.

(iii) Corporate Documents. With respect to each Credit Party that is a corporation, the following:

(A) Charter Documents. Copies of the articles or certificates of incorporation or other charter documents of such Credit Party certified to be true and complete as of a recent date by the appropriate Governmental Authorities of the state of its incorporation and certified by an Authorized Officer of such Credit Party to be true and correct as of the Effective Date.

(B) Bylaws. A copy of the bylaws of such Credit Party certified an Authorized Officer of such Credit Party to be true and correct as of the Effective Date.

(iv) Resolutions. Copies of resolutions, as appropriate, approving and adopting the Credit Documents to which each Credit Party is a party, the transactions contemplated therein and authorizing execution and delivery thereof and certified by an Authorized Officer of the Borrower to be in full force and effect as of the Effective Date.

(v) Good Standing. Copies of certificates of good standing, existence or their equivalent with respect to each Credit Party certified as of a recent date by the appropriate Governmental Authorities of the State of organization of such Credit Party.

(vi) Incumbency. An incumbency certificate certified by an Authorized Officer of the applicable Credit Parties to be true and correct as of the Effective Date.

(c) Opinion of Counsel. Receipt by the Agent of an opinion from legal counsel to the Credit Parties, addressed to the Agent on behalf of the Lenders and dated as of the Effective Date, in form and substance satisfactory to the Agent.

(d) Intentionally Omitted.

(e) Intentionally Omitted.

(f) Financial Statements/Ownership Structure. Receipt by the Lenders of such financial information or other information regarding the Credit Parties and their assets, and the ownership of same, as the Lenders may reasonably request.

(g) Intentionally Omitted.

(h) Fees and Expenses. Payment by the Borrower of all fees and expenses (if any) owed by it to the Lenders, the Agent and/or the Lead Arranger (as applicable).

(i) Litigation. As of the Closing Date, there shall be no material actions, suits, investigations or legal, equitable, arbitration or administrative proceedings pending or threatened against a Credit Party which are likely to be decided adversely to such Credit Party and if so decided would have a Material Adverse Effect.

(j) Material Adverse Effect. As of the Closing Date, no event or condition shall have occurred since December 31, 2006 that would have or would be reasonably expected to have a Material Adverse Effect.

(k) Certificate. The Agent shall have received a certificate or certificates executed by an Approved Officer of the Parent, on behalf of the Credit Parties, as of the Closing Date stating that (i) each Credit Party is in compliance with all existing financial obligations, unless such non-compliance would not have a Material Adverse Effect, (ii) no action, suit, investigation or proceeding is pending or, to such officer's knowledge, threatened in any court or before any arbitrator or governmental instrumentality that purports to affect a Credit Party or any transaction contemplated by the Credit Documents, if such action, suit, investigation or proceeding is likely to be adversely determined and if adversely determined would have a Material Adverse Effect, (iii) the financial statements and information delivered to the Agent on or before the Closing Date were prepared in good faith and in accordance with GAAP, (iv) all consents and approvals of board of directors, equity holders, general partners, Governmental Authorities and third parties necessary in connection with the Credit Documents have been obtained, and (v) immediately after giving effect to this Credit Agreement, the other Credit Documents and all the transactions contemplated herein and therein to occur on such date, (A) no Default or Event of Default exists and (B) all representations and warranties contained herein and in the other Credit Documents are true and correct in all material respects on and as of the date made.

(l) Patriot Act. Receipt by the Agent on behalf of each Lender at least five (5) Business Days prior to the Closing Date of all documentation and other information requested by any Lender in order to comply with the requirements of regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations.

(m) Account Designation Letter. Receipt by the Agent of an executed counterpart of the Account Designation Letter.

(n) Request. The Borrower shall have timely delivered an appropriate Notice of Borrowing, duly executed and completed, by the time specified in Section 2.3.

(o) Other. Receipt by the Lenders of such other documents, instruments, agreements or information as reasonably requested by any Lender.

SECTION 6.

REPRESENTATIONS AND WARRANTIES

Each Credit Party hereby represents and warrants to each Lender that:

6.1 Organization and Good Standing.

Each Credit Party (a) is a limited partnership, limited liability company or a corporation duly formed, validly existing and in good standing under the laws of the state of its formation, (b) is duly qualified and in good standing and authorized to do business in every jurisdiction where the failure to so qualify would have a Material Adverse Effect and (c) has the requisite power and authority to own its properties and to carry on its business as now conducted and as proposed to be conducted.

6.2 Due Authorization.

Each Credit Party (a) has the requisite power and authority to execute, deliver and perform this Credit Agreement and the other Credit Documents and to incur the obligations herein and therein provided for and (b) has been authorized by all necessary corporate, partnership or limited liability company action to execute, deliver and perform this Credit Agreement and the other Credit Documents.

6.3 No Conflicts.

Neither the execution and delivery of the Credit Documents, nor the consummation of the transactions contemplated herein and therein, nor performance of and compliance with the terms and provisions hereof and thereof by any Credit Party will (a) violate or conflict with any provision of its organizational documents or bylaws, (b) materially violate, contravene or conflict with any law (including without limitation, the Public Utility Holding Company Act of 1935, as amended), regulation (including without limitation, Regulation U or Regulation X), order, writ, judgment, injunction, decree or permit applicable to it, (c) materially violate, contravene or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which it is a party or by which it may be bound or (d) result in or require the creation of any Lien upon or with respect to its properties.

6.4 Consents.

No consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution, delivery or performance of this Credit Agreement or any of the other Credit Documents that has not been obtained.

6.5 Enforceable Obligations.

This Credit Agreement and the other Credit Documents have been duly executed and delivered and constitute legal, valid and binding obligations of each Credit Party which is a party thereto enforceable against such Credit Party in accordance with their respective terms, except as may be limited by bankruptcy or insolvency laws or similar laws affecting creditors' rights generally or by general equitable principles.

6.6 Financial Condition/Material Adverse Effect.

The financial statements delivered to the Lenders pursuant to Section 7.1(a) and (b): (i) have been prepared in accordance with GAAP (subject to the provisions of Section 1.3) and (ii) present fairly the financial condition, results of operations and cash flows of the Parent and its Subsidiaries as of such date and for such periods (subject, in the case of interim statements, to normal year-end adjustments and the absence of footnotes). Since the Effective Date, there has been no event or circumstance that, either individually or collectively, has had or would reasonably be expected to have a Material Adverse Effect.

6.7 Taxes.

Each Credit Party and each of its Subsidiaries has filed, or caused to be filed, all material tax returns (federal, state, local and foreign) required to be filed and paid all amounts of taxes shown thereon to be due (including interest and penalties) and has paid all other taxes, fees, assessments and other governmental charges (including mortgage recording taxes, documentary stamp taxes and intangibles taxes) owing by it, except (a) for such taxes which are not yet delinquent or that are being contested in good faith and by proper proceedings, and against which adequate reserves are being maintained in accordance with GAAP or (b) where such nonfiling or nonpayment would not have a Material Adverse Effect.

6.8 Compliance with Law.

Each Credit Party and each of its Subsidiaries is in compliance with all laws, rules, regulations, orders, decrees and requirements of Governmental Authorities applicable to it or to its properties (including, without limitation, ERISA, the Code and Environmental Laws), except where the necessity of compliance therewith is being contested in good faith by appropriate proceedings or such failure to comply would not have or would not be reasonably expected to have a Material Adverse Effect.

6.9 Use of Proceeds; Margin Stock.

The proceeds of the Loans hereunder will be used solely for the purposes specified in Section 7.7. None of such proceeds will be used for the purpose of (a) purchasing or carrying any "margin stock" as defined in Regulation U or Regulation X, (b) for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry "margin stock", (c) for any other purpose which might constitute this transaction a "purpose credit" within the meaning of Regulation U or Regulation X or (d) for the acquisition of another Person unless the board of directors (or other comparable governing body) or stockholders, as appropriate, of such Person has approved such acquisition.

6.10 Government Regulation.

Each Credit Party and each of its Subsidiaries is exempt from the registration provisions of the Public Utility Holding Company Act of 1935, as amended. No Credit Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or controlled by such a company.

6.11 Solvency.

Each Credit Party is and, after the consummation of the transactions contemplated by this Credit Agreement, will be Solvent.

6.12 Environmental Matters.

Except as would not result or be reasonably expected to result in a Material Adverse Effect: (a) each of the properties of the Credit Parties (the "Properties") and all operations at the Properties are in compliance with all applicable Environmental Laws, (b) there is no violation of any Environmental Law with respect to the Properties or the businesses operated by the Credit Parties (the "Businesses"), and (c) there are no conditions relating to the Businesses or Properties that would reasonably be expected to give rise to a liability under any applicable Environmental Laws.

6.13 Subsidiaries.

Set forth on Schedule 6.13 is a complete and accurate list of all Credit Parties and their Subsidiaries, and the ownership of same, as such Schedule 6.13 may be updated from time to time.

6.14 Litigation.

There are no actions, suits or legal, equitable, arbitration or administrative proceedings, pending or, to the knowledge of a Credit Party, threatened against such Credit Party which (a) are likely to be decided adversely against such Credit Party and (b) if so decided would have or would reasonably be expected to have a Material Adverse Effect.

6.15 **Intentionally Omitted.**

6.16 **Material Contracts.**

Each Credit Party and each of its Subsidiaries is in compliance with all contracts necessary for the ongoing operation and business of such Credit Party or Subsidiary in the ordinary course except where the failure to comply would not have or would not reasonably be expected to have a Material Adverse Effect.

6.17 **Anti-Terrorism Laws.**

Neither any Credit Party nor any of its Subsidiaries is an "enemy" or an "ally of the enemy" within the meaning of Section 2 of the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 et seq.), as amended. Neither any Credit Party nor any of its Subsidiaries is in violation of (a) the Trading with the Enemy Act, as amended, (b) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or (c) the Patriot Act (as defined in Section 11.17(b)). None of the Credit Parties (i) is a blocked person described in section 1 of the Anti-Terrorism Order or (ii) to the best of its knowledge, engages in any dealings or transactions, or is otherwise associated, with any such blocked person.

6.18 **Compliance with OFAC Rules and Regulations.**

None of the Credit Parties or their Subsidiaries or their respective Affiliates (a) is a Sanctioned Person, (b) has more than 15% of its assets in Sanctioned Countries, or (c) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. No part of the proceeds of any Extension of Credit hereunder will be used directly or indirectly to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country.

6.19 **Compliance with FCPA.**

Each of the Credit Parties and their Subsidiaries is in compliance with the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq.*, and any foreign counterpart thereto. None of the Credit Parties and their Subsidiaries has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to a foreign official, foreign political party or party official or any candidate for foreign political office, and (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to such Credit Party or its Subsidiary or to any other Person, in violation of the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq.*

SECTION 7.

AFFIRMATIVE COVENANTS

Each Credit Party hereby covenants and agrees that so long as this Credit Agreement is in effect and until the Loans, together with interest, fees and other obligations hereunder, have been paid in full:

To the extent applicable, the Borrower will furnish, or cause to be furnished, to the Agent for further distribution to each Lender:

(a) Annual Financial Statements. As soon as available, and in any event within 95 days after the close of each fiscal year of the Parent, a consolidated balance sheet of the Parent as of the end of such fiscal year, together with a related consolidated income statement and related statements of cash flows, capitalization and retained earnings for such fiscal year, setting forth in comparative form figures for the preceding fiscal year, all such financial information described above to be audited by independent certified public accountants of recognized national standing and whose opinion, which shall be furnished to the Agent, shall be to the effect that such financial statements have been prepared in accordance with GAAP (except for changes with which such accountants concur); provided, that the Parent's Form 10-K Annual Report as filed with the Securities and Exchange Commission, without exhibits, will satisfy the requirements of this Section 7.1(a).

(b) Quarterly Financial Statements. As soon as available, and in any event within 50 days after the close of each fiscal quarter of the Parent (other than the fourth fiscal quarter) a consolidated balance sheet of the Parent as of the end of such fiscal quarter, together with a related consolidated income statement and related statement of cash flows for such fiscal quarter in each case setting forth in comparative form figures for the corresponding period of the preceding fiscal year, and accompanied by a certificate of an Approved Officer of the Parent to the effect that such quarterly financial statements fairly present in all material respects the financial condition of the Parent and its Subsidiaries and have been prepared in accordance with GAAP, subject to changes resulting from audit and normal year-end audit adjustments to same; provided, that the Parent's Form 10-Q Quarterly Report as filed with the Securities and Exchange Commission, without exhibits, will satisfy the requirements of this Section 7.1(b).

(c) Operating Budget and Cash Flow Projections. As soon as available, and in any event no later than the last day of February of each fiscal year of the Parent, operating budget and cash flow projections of the Parent and its Subsidiaries prepared on a monthly or quarterly basis and otherwise in such form as the Agent may reasonably request; provided, however, that such operating budget and cash flow projections shall not be required if as of the last day of December of the previous fiscal year the Parent has an Investment Grade Rating.

(d) Officer's Certificate. At the time of delivery of the financial statements provided for in Sections 7.1(a) and 7.1(b) above, a certificate of an Approved Officer of the Parent, substantially in the Form of Exhibit 7.1(d), (i) demonstrating compliance with the financial covenants contained in Section 7.10 by calculation thereof as of the end of each such fiscal period, beginning with the fiscal quarter ending June 30, 2007, (ii) stating that no Default or Event of Default exists, or if any Default or Event of Default does exist, specifying the nature and extent thereof and what action the Parent or the Borrower proposes to take with respect thereto, (iii) setting forth the amount of Off Balance Sheet Indebtedness of the Parent and its Subsidiaries as of the end of each such fiscal period, (iv) updating Schedule 6.13 with respect to Subsidiaries, if appropriate, (v) providing information to evidence compliance with Sections 7.12, 8.2(m), 8.4(i), 8.6(g) and 8.7(g) and (vi) providing such other information to evidence compliance with this Credit Agreement as reasonably requested by the Agent.

(e) Reports. Promptly upon transmission or receipt thereof, copies of any material filings and registrations with, and reports to or from, the Securities and Exchange Commission, or any successor agency.

(f) Notices. Within five Business Days after any officer of a Credit Party with responsibility relating thereto obtaining knowledge thereof, such Credit Party will give written notice to the Agent immediately of (i) the occurrence of a Default or Event of Default, specifying the nature and existence thereof and what action such Credit Party proposes to take with respect thereto, and (ii) the occurrence of any of the following with respect to a Credit Party: (A) the pendency or commencement of any litigation, arbitral or governmental proceeding against such Credit Party the claim of which is likely to be decided adversely to such Credit Party and, if adversely determined, would have or would be reasonably expected to have a Material Adverse Effect or (B) the institution of any proceedings against such Credit Party with respect to, or the receipt of notice by such Person of potential liability or responsibility for violation or alleged violation of, any federal, state or local law, rule or regulation (including, without limitation, any Environmental Law) that is likely to be decided adversely to such Credit Party and, if adversely decided, would have a Material Adverse Effect.

(g) ERISA. Upon a Credit Party or any ERISA Affiliate obtaining knowledge thereof, such Credit Party will give written notice to the Agent promptly (and in any event within five Business Days) of: (i) any event or condition, including, but not limited to, any Reportable Event, that constitutes, or would be reasonably expected to lead to, a Termination Event if such Termination Event would have a Material Adverse Effect; (ii) with respect to any Multiemployer Plan, the receipt of notice as prescribed in ERISA or otherwise of any withdrawal liability assessed against a Credit Party or any ERISA Affiliate, or of a determination that any Multiemployer Plan is in reorganization or insolvent (both within the meaning of Title IV of ERISA); (iii) the failure to make full payment on or before the due date (including extensions) thereof of all amounts which a Credit Party or any of its Subsidiaries or ERISA Affiliates is required to contribute to each Plan pursuant to its terms and as required to meet the minimum funding standard set forth in ERISA and the Code with respect thereto; or (iv) any change in the funding status of any Plan that would have or would be reasonably expected to have a Material Adverse Effect; together, with a description of any such event or condition or a copy of any such notice and a statement by an officer of a Credit Party briefly setting forth the details regarding such event, condition, or notice, and the action, if any, which has been or is being taken or is proposed to be taken with respect thereto. Promptly upon request, a Credit Party shall furnish the Agent and each of the Lenders with such additional information concerning any Plan as may be reasonably requested, including, but not limited to, copies of each annual report/return (Form 5500 series), as well as all schedules and attachments thereto required to be filed with the Department of Labor and/or the Internal Revenue Service pursuant to ERISA and the Code, respectively, for each "plan year" (within the meaning of Section 3(39) of ERISA).

(h) Debt Rating Changes. Upon any change in its Debt Rating, the Parent shall promptly deliver such information to the Agent.

(i) Other Information. With reasonable promptness upon any such request, such other information regarding the business, properties or financial condition of the Credit Parties and their Subsidiaries as the Agent or any Lender may reasonably request.

Information required to be delivered pursuant to Sections 7.1(a), 7.1(b) and 7.1(e) shall be deemed to have been delivered on the earlier of (A) the date on which such information is posted by the Agent on behalf of the Credit Parties on IntraLinks, Syndtrak or other electronic medium chosen by the Administrative Agent or (B) the date on which a Credit Party provides notice to the Agent for further delivery to each Lender by the Borrower that such information has been posted on the Securities and Exchange Commission website on the Internet at www.sec.gov/edgar/searchedgar/webusers.htm or at another website identified in such notice and accessible by the Lenders without charge; provided, that (i) any such notice may be included in a certificate delivered pursuant to Section 7.1(d) and (ii) the Credit Parties shall deliver paper copies of the information referred to in Sections 7.1(a), 7.1(b) and 7.1(e), to any Lender that requests such delivery.

7.2 Preservation of Existence and Franchises.

Each Credit Party will, and will cause each Subsidiary to, do all things necessary to preserve and keep in full force and effect its existence and rights, franchises and authority; provided, however, that, subject to Section 8.3, a Credit Party shall not be required to preserve any such existence, right or franchise if it in good faith determines that preservation thereof is no longer necessary or desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Lenders.

7.3 Books and Records.

Each Credit Party will keep, and will cause each of its Subsidiaries to keep, complete and accurate books and records of its transactions in accordance with good accounting practices on the basis of GAAP (including the establishment and maintenance of appropriate reserves).

7.4 Compliance with Law.

Each Credit Party will comply, and will cause each of its Subsidiaries to comply, with all laws (including, without limitation, all Environmental Laws and ERISA laws), rules, regulations and orders, and all applicable restrictions imposed by all Governmental Authorities, applicable to it and its property, unless (a) the failure to comply would not have or would not reasonably be expected to have a Material Adverse Effect or (b) the necessity of compliance therewith is being contested in good faith by appropriate proceedings.

7.5 Payment of Taxes and Other Indebtedness.

Each Credit Party will, and will cause each of its Subsidiaries to, pay, settle or discharge (a) all taxes, assessments and governmental charges or levies imposed upon it, or upon its income or profits, or upon any of its properties, before they shall become delinquent, (b) all lawful claims (including claims for labor, materials and supplies) which, if unpaid, might give rise to a Lien upon any of its properties, and (c) all of its other Indebtedness as it shall become due; provided, however, that a Credit Party shall not be required to pay any such tax, assessment, charge, levy, claim or Indebtedness which (i) is being contested in good faith by appropriate proceedings and as to which adequate reserves therefor have been established in accordance with GAAP or (ii) the nonpayment of which would not have a Material Adverse Effect.

7.6 Maintenance of Property; Insurance.

(a) Each Credit Party will keep, and will cause each of its Subsidiaries to keep, all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

(b) Each Credit Party will, and will cause each of its Subsidiaries to, maintain (either in the name of such Credit Party or in such Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all their respective properties in at least such amounts and against at least such risks (and with such risk retention) as are usually insured against by companies of established repute engaged in the same or a similar business; provided, that self-insurance by a Credit Party or any such Subsidiary shall not be deemed a violation of this covenant to the extent that companies engaged in similar businesses and owning similar properties in the same general areas in which such Credit Party or such Subsidiary operates self-insure.

7.7 Use of Proceeds.

The proceeds of the Term Loans may be used solely to assist with the acquisition of assets from Anadarko Petroleum, Inc. totaling no more than \$181 million in the aggregate.

7.8 Audits/Inspections.

Upon reasonable notice and during normal business hours, each Credit Party will, and will cause its Subsidiaries to, permit representatives appointed by the Agent (or upon the occurrence and during the continuance of an Event of Default, any Lender), including, without limitation, independent accountants, agents, attorneys, and appraisers to visit and inspect the Credit Parties' and their Subsidiaries' property, including their books and records, their accounts receivable and inventory, the Credit Parties' and their Subsidiaries' facilities and their other business assets, and to make photocopies or photographs thereof and to write down and record any information such representatives obtain and shall permit the Agent (or upon the occurrence and during the continuance of an Event of Default, any Lender) or its representatives to investigate and verify the accuracy of information provided to the Lenders and to discuss all such matters with the officers, employees and representatives of each Credit Party and its Subsidiaries.

7.9 Maintenance of Ownership.

Each Credit Party will maintain ownership of all Capital Stock of each Subsidiary that is a Credit Party, directly or indirectly, free and clear of all Liens except as permitted by Section 8.3 and Section 8.4.

7.10 Financial Covenants.

(a) Consolidated Leverage Ratio. The Consolidated Leverage Ratio, as of the end of each fiscal quarter of the Parent (other than as set forth below) shall be less than or equal to 4.75 to 1.0; provided that (i) for the fiscal quarter ending June 30, 2007, the Consolidated Leverage Ratio shall be less than or equal 5.75 to 1.0 and (ii) subject to clause (i), subsequent to the consummation of a Qualified Acquisition, the Consolidated Leverage Ratio, as of the end of the three consecutive fiscal quarters following such Qualified Acquisition shall be less than or equal to 5.25 to 1.0.

(b) Consolidated Interest Coverage Ratio. The Consolidated Interest Coverage Ratio, as at the end of each fiscal quarter of the Parent (beginning with the fiscal quarter ending June 30, 2007), shall (i) prior to the Investment Grade Rating Date, be greater than or equal to 3.0 to 1.0 and (ii) subsequent to the Investment Grade Rating Date, be greater than or equal to 2.5 to 1.0.

For purposes of calculating compliance with the financial covenants set forth in this Section 7.10, with respect to all Permitted Acquisitions subsequent to the Effective Date or made within twelve months prior thereto, Consolidated EBITDA and Consolidated Interest Expense with respect to such newly acquired assets shall be calculated on a proforma basis as if such acquisition had occurred at the beginning of the applicable twelve month period of determination.

7.11 Material Contracts.

Each Credit Party will comply, and will cause its Subsidiaries to comply, with all contracts necessary for the ongoing operation and business of such Credit Party or Subsidiary in the ordinary course, except where the failure to comply would not have or would not reasonably be expected to have a Material Adverse Effect.

7.12 Additional Guarantors.

If (a) as of the end of any fiscal quarter of the Parent or (b) at the time any Qualified Acquisition is consummated, the Subsidiaries of the Parent that are not Credit Parties hereunder (the "Non-Guarantor Subsidiaries") constitute more than either (collectively, the "Threshold Requirements"):

- (i) twenty percent (20%), in the aggregate, of Consolidated Net Tangible Assets, or
- (ii) twenty percent (20%), in the aggregate, of Consolidated Net Income,

the Borrower shall promptly notify the Agent and shall, within ten Business Days thereof (A) cause one or more of such Subsidiaries to become a "Guarantor" pursuant to a Joinder Agreement in the form of Exhibit 7.12 and to execute and deliver such other documents as requested by the Agent and (B) deliver to the Agent documents of the types referred to Section 5.1(b) as well as opinions of counsel to such Subsidiary (which shall cover, among other things, legality, validity, binding effect and enforceability), all in form, content and scope satisfactory to the Agent, such that immediately after the joinder of such Subsidiary or Subsidiaries as Guarantors hereunder, the remaining Non-Guarantor Subsidiaries shall not exceed, in the aggregate, either of the Threshold Requirements.

SECTION 8.

NEGATIVE COVENANTS

Each Credit Party hereby covenants and agrees that so long as this Credit Agreement is in effect and until the Loans, together with interest, fees and other obligations hereunder, have been paid in full:

8.1 Nature of Business.

No Credit Party will, nor will it permit any of its Subsidiaries to (whether now owned or acquired or formed subsequent to the Closing Date), materially alter the character of their business on a consolidated basis from the midstream energy business.

8.2 Liens.

No Credit Party will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it or any of its Subsidiaries, except for the following:

- (a) Liens in favor of the Lenders securing Indebtedness under this Credit Agreement.
 - (b) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses of this Section 8.2; provided, that such Indebtedness is not increased and is not secured by any additional assets.
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(c) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP.

(d) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and interest owners of oil and gas production and other Liens imposed by law, created in the ordinary course of business and for amounts not past due for more than 60 days or which are being contested in good faith by appropriate proceedings which are sufficient to prevent imminent foreclosure of such Liens, are promptly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP.

(e) Liens incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations or arising as a result of progress payments under government contracts.

(f) easements (including, without limitation, reciprocal easement agreements and utility agreements), rights-of-way, covenants, consents, reservations, encroachments, variations and other restrictions, charges or encumbrances (whether or not recorded) affecting the use of real property.

(g) Liens with respect to judgments and attachments which do not result in an Event of Default.

(h) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases (permitted under the terms of this Agreement), public or statutory obligations, surety, stay, appeal, indemnity, performance or other obligations arising in the ordinary course of business.

(i) rights of first refusal entered into in the ordinary course of business.

(j) Liens consisting of any (i) rights reserved to or vested in any municipality or governmental, statutory or public authority to control or regulate any property of a Credit Party or any Subsidiary or to use such property in any manner which does not materially impair the use of such property for the purpose for which it is held by a Credit Party or any such Subsidiary, (ii) obligations or duties to any municipality or public authority with respect to any franchise, grant, license, lease or permit and the rights reserved or vested in any Governmental Authority or public utility to terminate any such franchise, grant, license, lease or permit or to condemn or expropriate any property, or (iii) zoning laws, ordinances or municipal regulations.

(k) Liens on deposits required by any Person with whom a Credit Party or any Subsidiary enters into forward contracts, futures contracts, swap agreements or other commodities contracts in the ordinary course of business.

(l) other Liens, including Liens imposed by Environmental Laws, arising in the ordinary course of its business which (i) do not secure Indebtedness (other than Liens on cash and cash equivalents that secure letters of credit), (ii) do not secure any obligation in an amount exceeding \$10,000,000 at any time and (iii) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business.

(m) (i) prior to the Investment Grade Rating Date only, Liens securing, or in respect of, purchase money obligations for fixed or capital assets and obligations under Capital Leases; provided, that (A) any such Lien attaches to such property concurrently with such acquisition; (B) such Lien attaches solely to the property so acquired in such transaction; (C) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of such acquisition and (D) the aggregate Indebtedness being secured by such Liens does not exceed at any one time 3% of Consolidated Tangible Net Assets or (ii) subsequent to the Investment Grade Debt Rating only, other Liens securing Indebtedness or obligations in an amount not to exceed, in the aggregate, at any one time 10% of Consolidated Tangible Net Assets.

(n) after the Investment Grade Rating Date, any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower, the Parent or any Subsidiary and not created in contemplation of such event.

(o) after the Investment Grade Rating Date, any Lien existing on any asset prior to the acquisition thereof by the Borrower, the Parent or any Subsidiary and not created in contemplation of such acquisition.

8.3 Consolidation and Merger.

A Credit Party will not, and will not permit any of its Subsidiaries to, (a) enter into any transaction of merger or (b) consolidate, liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution); provided, that: (i) a Person (including a Subsidiary of the Borrower) may be merged or consolidated with or into the Borrower or the Parent so long as (A) the Borrower or the Parent, as the case may be, shall be the continuing or surviving entity, (B) no Default or Event of Default shall exist or be caused thereby, (C) if the Parent has a Debt Rating at the time of such merger or consolidation, the Parent is not downgraded by a Designated Rating Agency as a result of such transaction to a rating below an Investment Grade Rating (or equivalent rating if the Parent has selected a Designated Rating Agency other than S&P or Moody's), as applicable and (D) the Borrower remains liable for its obligations under this Credit Agreement and all the rights and remedies hereunder remain in full force and effect, and (ii) a Subsidiary of the Parent may merge with or into another Subsidiary of the Parent; provided that if one of such Subsidiaries is a Guarantor, the surviving entity must be a Guarantor.

8.4 Dispositions.

A Credit Party will not make, nor permit its Subsidiaries to make any Disposition except:

(a) Dispositions of inventory in the ordinary course of business;

(b) Dispositions of machinery and equipment no longer used or useful in the conduct of business of a Credit Party and its Subsidiaries that are Disposed of in the ordinary course of business;

(c) Dispositions of assets to a Credit Party;

(d) Dispositions of Investments permitted under Section 8.7;

(e) Dispositions of accounts receivable in connection with the collection or compromise thereof;

(f) Dispositions of licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of a Credit Party and its Subsidiaries;

(g) Dispositions of Cash Equivalents for fair market value;

(h) Dispositions in which: (i) the assets being disposed are used simultaneously in exchange for replacement assets or (ii) the net proceeds thereof are reinvested within 180 days from such Disposition in assets to be used in the ordinary course of the business of the Parent and its Subsidiaries.

(i) other Dispositions not exceeding in the aggregate for all Credit Parties and their Subsidiaries (i) 10% of Consolidated Net Tangible Assets in any fiscal year and (ii) 25% of Consolidated Net Tangible Assets during the term of this Credit Agreement.

8.5 Transactions with Affiliates.

A Credit Party will not, and will not permit any Subsidiary to, directly or indirectly, pay any funds to or for the account of, make any investment in, lease, sell, transfer or otherwise dispose of any assets, tangible or intangible, to, or participate in, or effect, any transaction with, any officer, director, employee or Affiliate (other than another Credit Party) unless any and all such transactions between a Credit Party and its Subsidiaries on the one hand and any officer, director, employee or Affiliate (other than another Credit Party) on the other hand, shall be on an arms-length basis and on terms no less favorable to such Credit Party or such Subsidiary than could have been obtained from a third party who was not an officer, director, employee or Affiliate (other than another Credit Party); provided, that the foregoing provisions of this Section shall not (a) prohibit a Credit Party and each Subsidiary from declaring or paying any lawful dividend or distribution otherwise permitted hereunder, (b) prohibit a Credit Party or a Subsidiary from providing credit support for its Subsidiaries as it deems appropriate in the ordinary course of business, (c) prohibit a Credit Party or a Subsidiary from engaging in a transaction or transactions that are not on an arms-length basis or are not on terms as favorable as could have been obtained from a third party, provided that such transaction or transactions occurs within a related series of transactions, which, in the aggregate, are on an arms-length basis and are on terms as favorable as could have been obtained from a third party, (d) prohibit a Credit Party or a Subsidiary from engaging in non-material transactions with any Credit Party that are not on an arms-length basis or are not on terms as favorable as could have been obtained from a third party but are in the ordinary course of such Credit Party's or such Subsidiary's business, so long as, in each case, after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, (e) [intentionally omitted], (f) prohibit a Credit Party from engaging in a transaction with an Affiliate if such transaction has been approved by the Conflicts Committee, or (g) prohibit a Credit Party from entering into any of the agreements listed on Schedule 8.5.

8.6 Indebtedness.

No Credit Party will, nor will it permit its Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Credit Documents;

(b) Investments permitted under Section 8.7 that would constitute Indebtedness;

(c) obligations (contingent or otherwise) of a Credit Party or any Subsidiary existing or arising under (i) any Credit Facility Swap Contract or (ii) any other Swap Contract; provided that with respect to clauses (i) and (ii) above (A) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view" and (B) such Credit Facility Swap Contract or Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(d) current liabilities of the Credit Parties or their respective Subsidiaries incurred in the ordinary course of business but not incurred through (i) the borrowing of money or (ii) the obtaining of credit except for credit on an open account basis customarily extended and in fact extended in connection with normal purchases of goods and services;

(e) Indebtedness in respect of taxes, assessments, governmental charges or levies and claims for labor, materials and supplies to the extent that payment therefor shall not at the time be required to be made in accordance with the provisions of this Credit Agreement;

(f) Indebtedness in respect of judgments or awards only to the extent, for the period and for an amount not resulting in a Default or Event of Default;

(g) (i) Indebtedness (secured or unsecured) in an aggregate amount not to exceed \$400,000,000 under the 2005 Credit Agreement; and (ii) other unsecured Indebtedness in an aggregate amount not to exceed, at any one time outstanding, the greater of (A) \$50,000,000 and (B) 10% of Consolidated Net Tangible Assets; and

(h) secured Indebtedness to the extent permitted by Section 8.2(m).

8.7 Investments.

No Credit Party will, nor will it permit its Subsidiaries to, make any Investments, except:

(a) Investments held by a Credit Party or a Subsidiary in the form of cash or Cash Equivalents;

(b) Investments in any Subsidiary.

(c) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(d) Investments in Permitted Acquisitions and capital expenditures in the ordinary course.

(e) Investments in Credit Facility Swap Contracts and other Swap Contracts permitted by Section 8.6;

(f) Loans and advances to the general partner of the Borrower or the Parent to enable such general partner of the to pay general and administrative costs and expenses pursuant to the partnership agreement of the Borrower or Parent, as applicable; and

- (g) other Investments in an aggregate amount not to exceed, at any one time outstanding, \$25,000,000.

8.8 Restricted Payments.

No Credit Party will, nor will it permit its Subsidiaries to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

- (a) a Credit Party or Subsidiary may make Restricted Payments to a Credit Party;
- (b) a Credit Party or Subsidiary may declare and make dividend payments or other distributions payable solely in the Capital Stock of such Person;
- (c) [intentionally omitted];
- (d) as long as no Default or Event of Default exists and is continuing, the Credit Parties may make quarterly cash distributions in an amount not to exceed Available Cash for such period; and
- (e) the Parent or Borrower may repurchase their respective limited partnership units in an aggregate amount not exceeding \$5,000,000 in any fiscal year.

SECTION 9.

EVENTS OF DEFAULT

9.1 Events of Default.

An Event of Default shall exist upon the occurrence of any of the following specified events (each an "Event of Default"):

- (a) Payment. A Credit Party shall: (i) default in the payment when due of any principal amount of any of the Loans; or (ii) default, and such default shall continue for five or more Business Days, in the payment when due of any interest on the Loans or of any fees or other amounts owing hereunder, under any of the other Credit Documents or in connection herewith.
 - (b) Representations. Any representation, warranty or statement made or deemed to be made by a Credit Party herein, in any of the other Credit Documents, or in any statement or certificate delivered or required to be delivered pursuant hereto or thereto shall prove to have been untrue in any material respect on the date as of which it was deemed to have been made.
 - (c) Covenants. A Credit Party shall:
 - (i) default in the due performance or observance of any term, covenant or agreement contained in Section 7.1(f), 7.8, 7.10, 7.11, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7 or 8.8;
 - (ii) [intentionally omitted]; or
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(iii) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in subsections (a), (b), (c)(i) or (c)(ii) of this Section 9.1) contained in this Credit Agreement or any other Credit Document and such default shall continue unremedied for a period of at least 30 days after the earlier of (A) a Responsible Officer of a Credit Party becoming aware of such default or (B) notice of such default is given by the Agent or a Lender to the Borrower.

(d) Credit Documents. Any Credit Document shall fail to be in full force and effect or a Credit Party shall so assert or any Credit Document shall fail to give the Agent and/or the Lenders the rights, powers and privileges purported to be created thereby; or

(e) Bankruptcy, etc. The occurrence of any of the following with respect to a Credit Party or a Subsidiary (i) a court or governmental agency having jurisdiction in the premises shall enter a decree or order for relief in respect of such Credit Party or Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of such Credit Party or Subsidiary or for any substantial part of its property or ordering the winding up or liquidation of its affairs; or (ii) an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect is commenced against such Credit Party or Subsidiary and such petition remains unstayed and in effect for a period of 90 consecutive days; or (iii) such Credit Party or Subsidiary shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of such Person or any substantial part of its property or make any general assignment for the benefit of creditors; or (iv) such Credit Party or Subsidiary shall admit in writing its inability to pay its debts generally as they become due or any action shall be taken by such Person in furtherance of any of the aforesaid purposes.

(f) Defaults under Other Agreements. With respect to any Indebtedness, including any Off Balance Sheet Indebtedness, in excess of the greater of (i) \$10,000,000 or (ii) the lesser of (x) three percent (3%) of Consolidated Net Tangible Assets and (y) \$100,000,000 (other than Indebtedness outstanding under this Credit Agreement) of a Credit Party or any Subsidiary such Credit Party or such Subsidiary shall (A) default in any payment (beyond the applicable grace period with respect thereto, if any) with respect to any such Indebtedness or fail to timely pay such Indebtedness when due, or (B) default (after giving effect to any applicable grace period) in the observance or performance of any covenant or agreement relating to such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event or condition shall occur or condition exist, the effect of which default or other event or condition in this clause (B) is to cause any such Indebtedness to become due prior to its stated maturity.

(g) Judgments. One or more judgments, orders, or decrees shall be entered against a Credit Party or a Subsidiary involving a liability, in the aggregate, in excess of the greater of (i) \$10,000,000 or (ii) the lesser of (x) three percent (3%) of Consolidated Net Tangible Assets and (y) \$50,000,000 (to the extent not paid or covered by insurance provided by a carrier who has acknowledged coverage) and such judgments, orders or decrees shall continue unsatisfied, undischarged and unstayed for a period ending on the first to occur of (i) the last day on which such judgment, order or decree becomes final and unappealable and, where applicable, with the status of a judicial lien or (ii) 45 days.

(h) ERISA. The occurrence of:

(i) any of the following events or conditions which could result in a liability of a Credit Party or an ERISA Affiliate, in the aggregate, in excess of the greater of (i) \$10,000,000 or (ii) the lesser of (x) three percent (3%) of Consolidated Net Tangible Assets and (y) \$25,000,000: (A) any "accumulated funding deficiency," as such term is defined in Section 302 of ERISA and Section 412 of the Code, whether or not waived, shall exist with respect to any Plan, or any lien shall arise on the assets of the Borrower or any ERISA Affiliate in favor of the PBGC or a Plan; or (B) any prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary responsibility shall occur which would be reasonably expected to subject the Borrower or any ERISA Affiliate to any liability under Sections 406, 409, 502(i), or 502(l) of ERISA or Section 4975 of the Code, or under any agreement or other instrument pursuant to which the Borrower or any ERISA Affiliate has agreed or is required to indemnify any person against any such liability; or

(ii) any of the following events or conditions which could result in a liability of a Credit Party or an ERISA Affiliate, in the aggregate, in excess of the greater of (i) \$10,000,000 or (ii) the lesser of (x) three percent (3%) of Consolidated Net Tangible Assets and (y) \$50,000,000: (A) a Termination Event shall occur with respect to a Single Employer Plan which is, in the reasonable opinion of the Agent, likely to result in the termination of such Plan for purposes of Title IV of ERISA; or (B) a Termination Event shall occur with respect to a Multiemployer Plan or Multiple Employer Plan which is, in the reasonable opinion of the Agent, likely to result in (x) the termination of such Plan for purposes of Title IV of ERISA, or (y) the Borrower or any ERISA Affiliate incurring any liability in connection with a withdrawal from, reorganization of (within the meaning of Section 4241 of ERISA), or insolvency (within the meaning of Section 4245 of ERISA) of such Plan.

(i) Change of Control. The occurrence of any Change of Control.

9.2 Acceleration; Remedies.

Upon the occurrence of an Event of Default, and at any time thereafter unless and until such Event of Default has been waived by the Required Lenders (or the Lenders as may be required hereunder), the Agent may, with the consent of the Required Lenders, and shall, upon the request and direction of the Required Lenders, by written notice to the Borrower take any of the following actions without prejudice to the rights of the Agent or any Lender to enforce its claims against the Borrower, except as otherwise specifically provided for herein:

(i) Acceleration of Loans. Declare the unpaid principal of and any accrued interest in respect of all Loans and any and all other indebtedness or obligations of any and every kind owing by the Credit Parties to any of the Lenders hereunder to be due whereupon the same shall be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

(ii) Enforcement of Rights. Enforce any and all rights and interests created and existing under the Credit Documents, including, without limitation, all rights of set-off.

Notwithstanding the foregoing, if an Event of Default specified in Section 9.1(e) shall occur, then all Loans, all accrued interest in respect thereof, all accrued and unpaid fees and other indebtedness or obligations owing to the Lenders and the Agent hereunder shall immediately become due and payable without the giving of any notice or other action by the Agent or the Lenders.

Notwithstanding the fact that enforcement powers reside primarily with the Agent, each Lender has, to the extent permitted by law, a separate right of payment and shall be considered a separate "creditor" holding a separate "claim" within the meaning of Section 101(5) of the Bankruptcy Code or any other insolvency statute.

9.3 Allocation of Payments After Event of Default.

Notwithstanding any other provision of this Credit Agreement, after the occurrence of an Event of Default, all amounts collected or received by the Agent or any Lender on account of amounts outstanding under any of the Credit Documents shall be paid over or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including without limitation reasonable attorneys' fees) of the Agent and the Lenders in connection with enforcing the rights of the Lenders under the Credit Documents, pro rata as set forth below;

SECOND, to payment of any fees owed to the Agent, or any Lender, pro rata as set forth below;

THIRD, to the payment of all accrued interest payable to the Lenders hereunder, pro rata as set forth below;

FOURTH, to the payment of the outstanding principal amount of the Loans, pro rata, as set forth below;

FIFTH, to all other obligations which shall have become due and payable under the Credit Documents and not repaid pursuant to clauses "FIRST" through "FOURTH" above; and

SIXTH, to the payment of the surplus, if any, to whomever may be lawfully entitled to receive such surplus;

In carrying out the foregoing, (a) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; and (b) each of the Lenders shall receive an amount equal to its pro rata share (based on the proportion that the then outstanding Loans held by such Lender bears to the aggregate then outstanding Loans), of amounts available to be applied.

SECTION 10.

AGENCY PROVISIONS

10.1 Appointment.

Each Lender hereby designates and appoints Wachovia Bank, National Association, as agent of such Lender to act as specified herein and the other Credit Documents, and each such Lender hereby authorizes the Agent, as the agent for such Lender, to take such action on its behalf under the provisions of this Credit Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated by the terms hereof and of the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere herein and in the other Credit Documents, the Agent shall not have any duties or responsibilities, except those expressly set forth herein and therein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Credit Agreement or any of the other Credit Documents, or shall otherwise exist against the Agent. The provisions of this Section are solely for the benefit of the Agent and the Lenders and no Credit Party shall have any rights as a third party beneficiary of the provisions hereof. In performing its functions and duties under this Credit Agreement and the other Credit Documents, the Agent shall act solely as agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation or relationship of agency or trust with or for any Credit Party. All institutions (if any) acting as a Co-Syndication Agent or Co-Documentation Agent hereunder shall have no obligations in such capacity under the Credit Documents.

10.2 Delegation of Duties.

The Agent may execute any of its duties hereunder or under the other Credit Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible to the Lenders for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

10.3 Exculpatory Provisions.

Neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection herewith or in connection with any of the other Credit Documents (except for its or such Person's own gross negligence or willful misconduct), or responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Credit Party contained herein or in any of the other Credit Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection herewith or in connection with the other Credit Documents, or enforceability or sufficiency thereof of any of the other Credit Documents, or for any failure of any Credit Party to perform its obligations hereunder or thereunder. The Agent shall not be responsible to any Lender for the effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of this Credit Agreement, or any of the other Credit Documents or for any representations, warranties, recitals or statements made herein or therein or made by any Credit Party in any written or oral statement or in any financial or other statements, instruments, reports, certificates or any other documents in connection herewith or therewith furnished or made by the Agent to the Lenders or by or on behalf of any Credit Party to the Agent or any Lender or be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or therein or as to the use of the proceeds of the Loans or of the existence or possible existence of any Default or Event of Default or to inspect the properties, books or records of any Credit Party. The Agent is not a trustee for the Lenders and owes no fiduciary duty to the Lenders.

10.4 Reliance on Communications.

The Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Credit Parties, independent accountants and other experts selected by the Agent with reasonable care). The Agent may deem and treat the Lenders as the owner of its interests hereunder for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Agent in accordance with Section 11.3(b). The Agent shall be fully justified in failing or refusing to take any action under this Credit Agreement or under any of the other Credit Documents unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or under any of the other Credit Documents in accordance with a request of the Required Lenders (or to the extent specifically provided in Section 11.6, all the Lenders) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders (including their successors and assigns).

10.5 Notice of Default.

The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder (other than an Event of Default specified in Section 9.1(a)) unless the Agent has received notice from a Lender or the Borrower referring to the Credit Document, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to the Lenders. The Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders.

10.6 Non-Reliance on Agent and Other Lenders.

Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Agent or any Affiliate thereof hereinafter taken, including any review of the affairs of the Credit Parties, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender represents to the Agent that it has, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Credit Parties and made its own decision to make its Extensions of Credit hereunder and enter into this Credit Agreement. Each Lender also represents that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Credit Agreement, and to make such investigation as it deems necessary to inform itself as to the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Credit Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, assets, property, financial or other conditions, prospects or creditworthiness of the Credit Parties which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

10.7 Indemnification.

Each Lender agrees to indemnify the Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to its Commitment Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment in full of the Credit Parties Obligations) be imposed on, incurred by or asserted against the Agent in its capacity as such in any way relating to or arising out of this Credit Agreement or the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent under or in connection with any of the foregoing; provided, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Agent. If any indemnity furnished to the Agent for any purpose shall, in the opinion of the Agent, be insufficient or become impaired, the Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished. The agreements in this Section 10.7 shall survive the payment of the Obligations and all other amounts payable hereunder and under the other Credit Documents and the termination of the Commitments.

10.8 Agent in Its Individual Capacity.

The Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with a Credit Party as though the Agent were not Agent hereunder. With respect to the Loans made and all Obligations owing to it, the Agent shall have the same rights and powers under this Credit Agreement as any Lender and may exercise the same as though it were not the Agent, and the terms "Lender" and "Lenders" shall include the Agent in its individual capacity.

10.9 Successor Agent.

The Agent may, at any time, resign upon 30 days written notice to the Lenders and the Borrower. Upon any such resignation, the Borrower with the consent of the Required Lenders (such consent of the Required Lenders not to be unreasonably withheld or delayed) shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed and shall have accepted such appointment within 30 days after the notice of resignation, then the retiring Agent shall select a successor Agent provided such successor is a Lender hereunder or qualifies as an Eligible Assignee (or if no Eligible Assignee shall have been so appointed by the retiring Agent and shall have accepted such appointment, then the Lenders shall perform all obligations of the retiring Agent hereunder until such time, if any, as a successor Agent shall have been appointed and shall have accepted such appointment as provided for above). Upon the acceptance of any appointment as Agent hereunder by a successor, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations as Agent, as appropriate, under this Credit Agreement and the other Credit Documents and the provisions of this Section 10.9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Credit Agreement.

SECTION 11.

MISCELLANEOUS

11.1 Notices.

(a) Except as otherwise expressly provided herein, all notices and other communications shall have been duly given and shall be effective (i) when delivered, (ii) when transmitted via telecopy (or other facsimile device), (iii) the Business Day following the day on which the same has been delivered prepaid (or pursuant to an invoice arrangement) to a reputable national overnight air courier service, or (iv) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case to the respective parties at the address or telecopy numbers set forth on Schedule 11.1, or at such other address as such party may specify by written notice to the other parties hereto.

(b) Notwithstanding anything herein to the contrary, notices and other communications to the Agent, the Lenders and the Credit Parties, may be delivered or furnished by electronic communication (including email, Internet or intranet website) pursuant to procedures approved by the Agent; provided that the certificate required to be delivered by Section 7.1(d) must be delivered in original form.

11.2 Right of Set-Off.

In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence of an Event of Default and the commencement of remedies described in Section 9.2, each Lender is authorized at any time and from time to time, without presentment, demand, protest or other notice of any kind (all of which rights being hereby expressly waived), to set-off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by such Lender (including, without limitation branches, agencies or Affiliates of such Lender wherever located) to or for the credit or the account of the Borrower against obligations and liabilities of the Borrower to the Lenders hereunder, under the Notes, the other Credit Documents or otherwise, irrespective of whether the Agent or the Lenders shall have made any demand hereunder and although such obligations, liabilities or claims, or any of them, may be contingent or unmatured, and any such set-off shall be deemed to have been made immediately upon the occurrence of an Event of Default even though such charge is made or entered on the books of such Lender subsequent thereto.

11.3 Benefit of Agreement.

(a) Generally. This Credit Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided, that the Borrower may not assign and transfer any of its interests without the prior written consent of the Lenders; and provided, further, that the rights of each Lender to transfer, assign or grant participations in its rights and/or obligations hereunder shall be limited as set forth below in this Section 11.3.

(b) Assignments. Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Credit Agreement (including, without limitation, all or a portion of its Loans and its Notes); provided, however, that:

- (i) each such assignment shall be to an Eligible Assignee;
- (ii) [intentionally omitted].
- (iii) except in the case of an assignment to another Lender or an assignment of all of a Lender's rights and obligations under this Credit Agreement, any such partial assignment shall be in an amount at least equal to \$10,000,000 (or, if less, the remaining amount of Loans being assigned by such Lender) and an integral multiple of \$1,000,000 in excess thereof; and
- (iv) the parties to such assignment shall execute and deliver to the Agent for its acceptance an Assignment Agreement in substantially the form of Exhibit 11.3(b), together with a processing fee from the assignor of \$3,500.

Upon execution, delivery, and acceptance of such Assignment Agreement, the assignee thereunder shall be a party hereto and, to the extent of such assignment, have the obligations, rights, and benefits of a Lender hereunder and the assigning Lender shall, to the extent of such assignment, relinquish its rights (except those rights hereunder which by their terms expressly survive) and be released from its obligations under this Credit Agreement. Upon the consummation of any assignment pursuant to this Section 11.3(b), the assignor, the Agent and the Borrower shall make appropriate arrangements so that, if required, new Notes are issued to the assignor and the assignee. If the assignee is not incorporated under the laws of the United States of America or a state thereof, it shall deliver to the Borrower and the Agent certification as to exemption from deduction or withholding of taxes in accordance with Section 4.4.

By executing and delivering an assignment agreement in accordance with this Section 11.3(b), the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (A) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim created by such assigning Lender and the assignee warrants that it is an Eligible Assignee; (B) except as set forth in clause (A) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Credit Agreement, any of the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Credit Agreement, any of the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto or the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Credit Agreement, any of the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto; (C) such assigning Lender and such assignee represents and warrants that it is legally authorized to enter into such assignment agreement; (D) such assignee confirms that it has received a copy of this Credit Agreement, the other Credit Documents and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such assignment agreement; (E) such assignee will independently and without reliance upon the Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Credit Agreement and the other Credit Documents; (F) such assignee appoints and authorizes the Agent to take such action on its behalf and to exercise such powers under this Credit Agreement or any other Credit Document as are delegated to the Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto; and (G) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Credit Agreement and the other Credit Documents are required to be performed by it as a Lender.

(c) Register. The Agent shall maintain a copy of each Assignment Agreement delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Credit Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Acceptance. Upon its receipt of an Assignment Agreement executed by the parties thereto, together with any Note subject to such assignment and payment of the processing fee, the Agent shall, if such Assignment Agreement has been completed and is in substantially the form of Exhibit 11.3(b) hereto, (i) accept such Assignment Agreement, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the parties thereto.

(e) Participations. Each Lender may sell participations to one or more Persons in all or a portion of its rights, obligations or rights and obligations under this Credit Agreement (including all or a portion of its Notes and its Loans); provided, however, that (i) such Lender's obligations under this Credit Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participant shall be entitled to the benefit of the yield protection provisions contained in Sections 4.1 through 4.4, inclusive, but shall not be entitled to receive any amount greater than such Lender would have been able to receive, and (iv) the Borrower shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Credit Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to its Loans and its Notes and to approve any amendment, modification, or waiver of any provision of this Credit Agreement (other than amendments, modifications, or waivers decreasing the amount of principal of or the rate at which interest is payable on such Loans or Notes, extending any scheduled principal payment date or date fixed for the payment of interest on such Loans or Notes, or extending its Commitment).

(f) Nonrestricted Assignments. Notwithstanding any other provision set forth in this Credit Agreement, any Lender may at any time assign and pledge all or any portion of its Loans and its Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Bank. No such assignment shall release the assigning Lender from its obligations hereunder.

(g) Information. Subject to Section 11.17, any Lender may furnish any information concerning the Borrower in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants).

11.4 No Waiver; Remedies Cumulative.

No failure or delay on the part of the Agent or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower and the Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies provided herein are cumulative and not exclusive of any rights or remedies which the Agent or any Lender would otherwise have. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Agent or the Lenders to any other or further action in any circumstances without notice or demand.

11.5 Payment of Expenses, etc.

The Borrower agrees to: (i) pay all reasonable out-of-pocket costs and expenses of the Agent in connection with (A) the negotiation, preparation, execution and delivery, syndication and administration of this Credit Agreement and the other Credit Documents and the documents and instruments referred to therein (including, without limitation, the reasonable fees and expenses of counsel to the Agent) and (B) any amendment, waiver or consent relating hereto and thereto including, but not limited to, any such amendments, waivers or consents resulting from or related to any work-out, renegotiation or restructure relating to the performance by the Borrower under this Credit Agreement, (ii) pay all reasonable out-of-pocket costs and expenses of the Agent and each Lender in connection with (A) enforcement of the Credit Documents and the documents and instruments referred to therein (including, without limitation, in connection with any such enforcement, the reasonable fees and disbursements of counsel for the Agent and each of the Lenders (including the allocated cost of internal counsel)) and (B) any bankruptcy or insolvency proceeding of the Borrower and (iii) indemnify the Agent and each Lender, their respective Affiliates and the respective officers, directors, employees, representatives and agents of the foregoing from and hold each of them harmless against any and all losses, liabilities, claims, damages or expenses incurred by any of them as a result of, or arising out of, or in any way related to, or by reason of, any investigation, litigation or other proceeding (whether or not the Agent or any Lender is a party thereto) related to the entering into and/or performance of any Credit Document or the use of proceeds of any Loans (including other extensions of credit) hereunder or the consummation of any other transactions contemplated in any Credit Document, including, without limitation, the reasonable fees and disbursements of counsel and settlement costs incurred in connection with any such investigation, litigation or other proceeding (but excluding any such losses, liabilities, claims, damages or expenses to the extent incurred by reason of gross negligence or willful misconduct on the part of the Person to be indemnified).

11.6 Amendments, Waivers and Consents.

Neither this Credit Agreement, nor any other Credit Document nor any of the terms hereof or thereof may be amended, changed, waived, discharged or terminated unless such amendment, change, waiver, discharge or termination is in writing and signed by the Required Lenders and the Borrower (and if the rights or duties of the Issuing Bank are affected thereby, by it); provided, that no such amendment, change, waiver, discharge or termination shall without the consent of each Lender affected thereby:

(a) extend the Maturity Date, or postpone or extend the time for any payment or prepayment of principal;

(b) reduce the rate or extend the time of payment of interest thereon or fees or other amounts payable hereunder;

(c) reduce or waive the principal amount of any Loan;

(d) increase or extend the Commitment of a Lender (it being understood and agreed that a waiver of any Default or Event of Default or a waiver of any mandatory reduction in the Commitments shall not constitute a change in the terms of any Commitment of any Lender);

(e) consent to the assignment or transfer by the Borrower of any of its rights and obligations under (or in respect of) the Credit Documents or release the Borrower from its obligations under the Credit Documents;

(f) amend, modify or waive any provision of this Section 11.6 or Section 3.6, 3.8, 5.1, 9.1(a), 11.2, 11.3 or 11.5;

(g) reduce any percentage specified in, or otherwise modify, the definition of Required Lenders;

(h) [intentionally omitted]; or

(i) release the Parent from its obligations under the Credit Documents or release all or substantially all of the other Guarantors from their obligations.

No provision of Section 10 may be amended or modified without the consent of the Agent.

Notwithstanding the fact that the consent of all the Lenders is required in certain circumstances as set forth above, (x) each Lender is entitled to vote as such Lender sees fit on any reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersede the unanimous consent provisions set forth herein and (y) the Required Lenders may consent to allow the Borrower to use cash collateral in the context of a bankruptcy or insolvency proceeding.

11.7 Counterparts/Telecopy.

This Credit Agreement may be executed in any number of counterparts, each of which where so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of executed counterparts by telecopy shall be as effective as an original and shall constitute a representation that an original will be delivered.

11.8 Headings.

The headings of the sections and subsections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Credit Agreement.

11.9 Defaulting Lender.

Each Lender understands and agrees that if such Lender is a Defaulting Lender then it shall not be entitled to vote on any matter requiring the consent of the Required Lenders or to object to any matter requiring the consent of all the Lenders; provided, however, that (a) a Lender's Commitment may not be increased without its consent whether or not it is a Defaulting Lender and (b) all other benefits and obligations under the Credit Documents shall apply to such Defaulting Lender.

11.10 Survival of Indemnification and Representations and Warranties.

All indemnities set forth herein and all representations and warranties made herein shall survive the execution and delivery of this Credit Agreement, the making of the Loans and the repayment of the Loans and other obligations and the termination of the Commitments hereunder.

11.11 Governing Law; Venue.

(a) THIS CREDIT AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. Any legal action or proceeding with respect to this Credit Agreement or any other Credit Document may be brought in the courts of the State of New York, or of the United States for the Southern District of New York, and, by execution and delivery of this Credit Agreement, the Borrower hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such courts. The Borrower further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at the address for notices pursuant to Section 11.1, such service to become effective 30 days after such mailing. Nothing herein shall affect the right of a Lender to serve process in any other manner permitted by law or to commence legal proceedings or to otherwise proceed against the Borrower in any other jurisdiction.

(b) The Borrower hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Credit Agreement or any other Credit Document brought in the courts referred to in subsection (a) hereof and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

11.12 Waiver of Jury Trial; Waiver of Consequential Damages.

EACH OF THE PARTIES TO THIS CREDIT AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT, ANY OF THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY. The Borrower agrees not to assert any claim against the Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to any of the transactions contemplated hereby or by the other Credit Documents.

11.13 Severability.

If any provision of any of the Credit Documents is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

11.14 Further Assurances.

The Borrower agrees, upon the request of the Agent, to promptly take such actions, as reasonably requested, as are necessary to carry out the intent of this Credit Agreement and the other Credit Documents.

11.15 Entirety.

This Credit Agreement together with the other Credit Documents represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, if any, including any commitment letters or correspondence relating to the Credit Documents or the transactions contemplated herein and therein.

11.16 Binding Effect; Continuing Agreement.

(a) This Credit Agreement shall become effective at such time when all of the conditions set forth in Section 5.1 have been satisfied or waived by the Lenders and it shall have been executed by the Borrower, the Agent and the Lenders, and thereafter this Credit Agreement shall be binding upon and inure to the benefit of the Borrower, the Agent and each Lender and their respective successors and permitted assigns.

(b) This Credit Agreement shall be a continuing agreement and shall remain in full force and effect until all Loans, interest, fees and other Obligations have been paid in full and all Commitments have been terminated. Upon such termination, the Borrower shall have no further obligations (other than those provisions that expressly survive the termination thereof) under the Credit Documents; provided, that should any payment, in whole or in part, of the Obligations be rescinded or otherwise required to be restored or returned by the Agent or any Lender, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, then the Credit Documents shall automatically be reinstated and all amounts required to be restored or returned and all costs and expenses incurred by the Agent or any Lender in connection therewith shall be deemed included as part of the Obligations.

(a) The Agent and each Lender will keep any information delivered or made available by the Borrower pursuant to this Credit Agreement confidential from anyone other than persons employed or retained by the Agent or such Lender and its Affiliates who are engaged in evaluating, approving, structuring or administering this Credit Agreement; provided, that the Agent and the Lenders shall be entitled to disclose such information (a) to any other Lender or to the Agent, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority, (d) which had been publicly disclosed other than as a result of a disclosure by the Agent or any Lender prohibited by this Agreement, (e) in connection with any litigation to which the Agent, any Lender or its subsidiaries or parent may be a party, (f) to the extent necessary in connection with the exercise of any remedy under this Agreement, (g) to such Lender's or Agent's legal counsel and independent auditors and (h) subject to provisions substantially similar to this Section 11.17, to any actual or proposed participant or assignee.

(b) Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

SECTION 12.

GUARANTY

12.1 The Guaranty.

Each of the Guarantors hereby jointly and severally guarantees to each Lender, each Affiliate of a Lender that enters into a Credit Facility Swap Contract or a Treasury Management Agreement with a Credit Party, and the Administrative Agent as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Credit Documents, Credit Facility Swap Contracts or Treasury Management Agreements, the obligations of each Guarantor under this Agreement and the other Credit Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Bankruptcy Code or any comparable provisions of any applicable state law.

12.2 Obligations Unconditional.

The obligations of the Guarantors under Section 12.1 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Credit Documents, Credit Facility Swap Contracts or Treasury Management Agreements, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 12.2 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against either the Borrower or any other Guarantor for amounts paid under this Section 12 until such time as the Obligations have been paid in full and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Credit Documents, any Credit Facility Swap Contract or Treasury Management Agreement between Credit Party and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Credit Documents, such Credit Facility Swap Contracts or such Treasury Management Agreements shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Credit Documents, any Credit Facility Swap Contract or Treasury Management Agreement between any Credit Party and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Credit Documents, such Credit Facility Swap Contracts or such Treasury Management Agreements shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any Lender or Lenders as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Credit Documents, any Credit Facility Swap Contract or any Treasury Management Agreement between any Credit Party and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Credit Documents, such Credit Facility Swap Contracts or such Treasury Management Agreements, or against any other Person under any other guarantee of, or security for, any of the Obligations.

12.3 Reinstatement.

The obligations of the Guarantors under this Section 12 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, the reasonable fees, charges and disbursements of counsel) incurred by the Administrative Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

12.4 Certain Additional Waivers.

Each Guarantor further agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 12.2 and through the exercise of rights of contribution pursuant to Section 12.6.

12.5 Remedies.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 9.2 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 9.2) for purposes of Section 12.1 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 12.1.

12.6 Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Credit Documents and no Guarantor shall exercise such rights of contribution until all Obligations have been paid in full and the Commitments have terminated.

12.7 Guarantee of Payment; Continuing Guarantee.

The guarantee in this Section 12 is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

Each of the parties hereto has caused a counterpart of this Credit Agreement to be duly executed and delivered as of the date first above written.

BORROWER:

DCP MIDSTREAM OPERATING, LP

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

GUARANTORS

DCP MIDSTREAM PARTNERS, LP

By: DCP Midstream GP, LP *its General Partner*

By: DCP Midstream GP, LLC *its General Partner*

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP MIDSTREAM OPERATING, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP ASSETS HOLDING GP, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP ASSETS HOLDING, LP

By: DCP Assets Holding GP, LLC *its General Partner*

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP BLACK LAKE HOLDINGS, LP

By: DCP Assets Holding GP, LLC *its General Partner*

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

ASSOCIATED LOUISIANA INTRASTATE PIPE LINE, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP INTRASTATE PIPELINE, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

PELICO PIPELINE, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP LINDSAY, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

GAS SUPPLY RESOURCES LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

WILBREEZE PIPELINE, LP

By: DCP Assets Holding GP, LLC *its General Partner*

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP MIDSTREAM PARTNERS FINANCE CORP.

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

GSRI TRANSPORTATION LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

LENDERS:

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent and as a
Lender

By: /s/ Lawrence P. Sullivan

Name: Lawrence P. Sullivan
Title: Managing Director

Lehman Brothers Commercial Bank, as a Lender

By: /s/ George Janes

Name: George Janes
Title: Chief Credit Officer

THIRD AMENDMENT

TO

OMNIBUS AGREEMENT

This Third Amendment to Omnibus Agreement (this "Amendment") is dated as of May 9, 2007 and entered into by and among DCP Midstream, LLC, a Delaware limited liability Company, formerly known as Duke Energy Field Services, LLC ("DCP Midstream"), DCP Midstream GP, LLC, a Delaware limited liability company ("DCP GP"), DCP Midstream GP, LP, a Delaware limited partnership (the "General Partner"), DCP Midstream Partners, LP, a Delaware limited partnership (the "MLP"), and DCP Midstream Operating, LP (the "OLP"). The above-named entities are sometimes referred to in this Amendment each as a "Party" and collectively as the "Parties".

RECITALS

- A. The Parties entered into that certain Omnibus Agreement dated as of December 7, 2005, as amended by that certain First Amendment to Omnibus Agreement dated April 1, 2006, as further amended by that certain Second Amendment to Omnibus Agreement dated November 1, 2006 (together referred to as the "Omnibus Agreement") (capitalized terms used but not defined herein shall have the meaning given thereto in the Omnibus Agreement).
- B. The Parties desire to amend Section 3.3 of the Omnibus Agreement to adjust the fixed general and administrative expenses to take into account the Anadarko assets acquired by the MLP in the transaction set forth in that certain Purchase and Sale Agreement among Anadarko Gathering Company, Anadarko Energy Services Company and the MLP dated as of March 7, 2007 (the "Anadarko Purchase and Sale Agreement").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledge, the Parties hereby agree as follows:

1. **Omnibus Agreement Amendment.** The Omnibus Agreement is hereby amended by replacing Section 3.3(a) in its entirety with the following:

"The amount for which DEFS shall be entitled to reimbursement from the Partnership Group pursuant to Section 3.1(b) for general and administrative expenses associated with the original assets that were part of the MLP's initial public offering shall be a fixed fee equal to \$4.8 million through calendar year 2006 (the "IPO G&A Expenses Limit"). After calendar year 2006, the IPO G&A Expenses Limit shall be increased annually by the percentage increase in the Consumer Price Index - All Urban Consumers, U.S. City Average, Not Seasonally Adjusted for the applicable year (the "CPI Adjustment"). The amount for which DEFS shall be entitled to reimbursement from the Partnership Group pursuant to Section 3.1(b) for general and administrative expenses associated with the contribution of the GSR assets to the MLP in the Contribution Agreement shall be a fixed fee equal to \$2.0 million for calendar years 2006 and 2007 (the "GSR G&A Expenses Limit"), but shall be prorated for calendar year 2006 based on the number of days remaining in calendar year 2006 following the Closing Date (as that term is defined in the Contribution Agreement). The amount for which DEFS shall be entitled to reimbursement from the Partnership Group pursuant to Section 3.1(b) for general and administrative expenses associated with the acquisition of the Anadarko assets to the MLP in the Anadarko Purchase and Sale Agreement shall be a fixed fee equal to \$200,000 for calendar year 2007 (the "Anadarko G&A Expenses Limit"), but shall be prorated for calendar year 2007 based on the number of days remaining in calendar year 2007 following the Closing Date (as that term is defined in the Anadarko Purchase and Sale Agreement). After calendar year 2007, the GSR G&A Expenses Limit and the Anadarko G&A Expenses Limit shall be increased by the CPI Adjustment. In the event that the Partnership Group makes any additional acquisitions of assets or businesses or the business of the Partnership Group otherwise expands following the date of this Agreement, then the IPO G&A Expenses Limit, the GSR G&A Expenses Limit and/or the Anadarko G&A Expenses Limit shall be appropriately increased in order to account for adjustments in the nature and extent of the general and administrative services by DEFS to the Partnership Group, with any such increase subject to the approval of both the Special Committee of DCP GP's Board of Directors and DEFS. For time periods after calendar year 2008, DEFS and the General Partner will determine the amount of general and administrative expenses that will be properly allocated to the Partnership in accordance with the terms of the Partnership Agreement.

2. **Acknowledgement.** Except as amended hereby, the Omnibus Agreement shall remain in full force and effect as previously executed, and the Parties hereby ratify the Omnibus Agreement as amended hereby.
3. **Counterparts.** This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties hereto and delivered (including by facsimile) to the other Parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EACH OF THE UNDERSIGNED, intending to be legally bound, has caused this Amendment to be duly executed and delivered to be effective as of May 9, 2007, regardless of the actual date of execution of this Amendment.

DCP MIDSTREAM, LLC

By: /s/ Brent L. Backes

Name: Brent L. Backes
Title: Group Vice President, General Counsel and Corporate Secretary

DCP MIDSTREAM GP, LLC

By: /s/ Michael S. Richards

Name: Michael S. Richards
Title: Group Vice President, General Counsel and Corporate Secretary

DCP MIDSTREAM GP, LP

By: DCP MIDSTREAM GP, LLC, its general partner

By: /s/ Michael S. Richards

Name: Michael S. Richards
Title: Vice President, General Counsel and Secretary

DCP MIDSTREAM PARTNERS, LP

By: DCP MIDSTREAM GP, LP, its general partner

By: DCP MIDSTREAM GP, LLC, its general partner

By: /s/ Michael S. Richards

Name: Michael S. Richards
Title: Vice President, General Counsel and Secretary

DCP MIDSTREAM OPERATING, LP

By: /s/ Michael S. Richards

Name: Michael S. Richards
Title: Vice President, General Counsel and Secretary

FIRST AMENDMENT TO CREDIT AGREEMENT

This FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into and effective as of May 9, 2007 among DCP Midstream Operating, LP, a Delaware limited partnership (the "Borrower"), DCP Midstream Partners, LP, a Delaware limited partnership (the "Parent" and together with all Subsidiaries of the Parent, the "Guarantors"), the Lenders party hereto and WACHOVIA BANK, NATIONAL ASSOCIATION as Administrative Agent (the "Administrative Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Guarantors, the Lenders and the Administrative Agent are party to that certain Credit Agreement dated as of December 7, 2005 (as amended and modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement as described below; and

WHEREAS, the Required Lenders are willing to agree to such amendments, subject to the terms set forth herein as more fully set forth below.

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

AGREEMENT

1. Amendments to Credit Agreement.

(a) Section 7.10(a) of the Credit Agreement is amended in its entirety to read as follows:

(a) Consolidated Leverage Ratio. *The Consolidated Leverage Ratio, as of the end of each fiscal quarter of the Parent (other than as set forth below), beginning with the fiscal quarter ending March 31, 2006, shall be less than or equal to 4.75 to 1.0; provided that (i) for the fiscal quarter ending June 30, 2007, the Consolidated Leverage Ratio shall be less than or equal 5.75 to 1.0 and (ii) subject to clause (i), subsequent to the consummation of a Qualified Acquisition, the Consolidated Leverage Ratio, as of the end of the three consecutive fiscal quarters following such Qualified Acquisition shall be less than or equal to 5.25 to 1.0.*

(b) Section 8.6(g) of the Credit Agreement is amended and restated in its entirety to read as follows:

(g) (i) *unsecured Indebtedness in the form of a bridge term loan in an amount not to exceed \$100,000,000 and which shall be due and payable in full no later than November 4, 2007 and (ii) other unsecured Indebtedness in an aggregate amount not to exceed, at any one time outstanding, the greater of (A) \$50,000,000 and (B) 10% of Consolidated Net Tangible Assets.*

2. Effectiveness; Conditions Precedent. This Amendment shall be and become effective upon receipt by the Administrative Agent of copies of this Amendment duly executed by the Borrower, the Guarantors and the Required Lenders and the payment of all fees and expenses then due and payable.

3. Ratification of Credit Agreement. The term "Credit Agreement" as used in each of the Credit Documents shall hereafter mean the Credit Agreement as amended and modified by this Amendment. Except as herein specifically agreed, the Credit Agreement, as amended by this Amendment, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. Each of the Credit Parties acknowledge and consent to the modifications set forth herein and agree that this Amendment does not impair, reduce or limit any of its obligations under the Credit Documents (including, without limitation, the indemnity obligations and guaranty obligations set forth therein) and that, after the date hereof, this Amendment shall constitute a Credit Document.

4. Authority/Enforceability. Each of the Credit Parties represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(b) This Amendment has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Person of this Amendment.

(d) The execution and delivery of this Amendment does not (i) violate, contravene or conflict with any provision of its, or its Subsidiaries' organizational documents or (ii) materially violate, contravene or conflict with any Requirement of Law or any other law, regulation, order, writ, judgment, injunction, decree or permit applicable to it or any of its Subsidiaries.

5. Representations and Warranties of the Loan Parties. The Credit Parties represent and warrant to the Administrative Agent and the Lenders that (a) the representations and warranties of the Credit Parties set forth in Section 6 of the Credit Agreement are true and correct in all material respects as of the date hereof, (b) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default and (c) the Collateral Documents continue to create a valid perfected security interest in the Cash Collateral prior to all Liens other than Permitted Liens.

6. Release. In consideration of the Administrative Agent and the Required Lenders entering into this Amendment on behalf of the Lenders, the Credit Parties hereby release the Administrative Agent, the Issuing Lender, each of the Lenders, and the Administrative Agent's, the Issuing Lender's and each of the Lenders' respective officers, employees, representatives, agents, counsel and directors from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arises from any action or failure to act solely in connection with the Credit Documents on or prior to the date hereof.

7. Counterparts/Telecopy. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of executed counterparts of this Amendment by telecopy shall be effective as an original and shall constitute a representation that an original shall be delivered promptly upon request.

8. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered and this Amendment shall be effective as of the date first above written.

BORROWER:

DCP MIDSTREAM OPERATING, LP

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

GUARANTORS

DCP MIDSTREAM PARTNERS, LP

By: DCP Midstream GP, LP *its General Partner*

By: DCP Midstream GP, LLC *its General Partner*

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP MIDSTREAM OPERATING, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP ASSETS HOLDING GP, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP ASSETS HOLDING, LP

By: DCP Assets Holding GP, LLC *its General Partner*

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP BLACK LAKE HOLDINGS, LP

By: DCP Assets Holding GP, LLC *its General Partner*

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

ASSOCIATED LOUISIANA INTRASTATE PIPE LINE, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP INTRASTATE PIPELINE, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

PELICO PIPELINE, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP LINDSAY, LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

GAS SUPPLY RESOURCES LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

WILBREEZE PIPELINE, LP

By: DCP Assets Holding GP, LLC *its General Partner*

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

DCP MIDSTREAM PARTNERS FINANCE CORP.

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

GSRI TRANSPORTATION LLC

By: /s/ Thomas E. Long

Thomas E. Long
Vice President and Chief Financial Officer

LENDERS:

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent and as a
Lender

By: /s/ Lawrence P. Sullivan

Name: Lawrence P. Sullivan
Title: Managing Director

SUNTRUST BANK, as a Lender

By: /s/ Carmen J. Malizia

Name: Carmen J. Malizia
Title: Vice President

CITIBANK N.A., as a Lender

By: /s/ Todd Mogil

Name: Todd Mogil

Title: Attorney-in-Fact

UBS LOAN FINANCE LLC, as a Lender

By: /s/ Mary E. Evans

Name: Mary E. Evans
Title: Associate Director

By: /s/ Irja R. Otsa

Name: Irja R. Otsa
Title: Associate Director

KEY BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Kevin D. Smith

Name: Kevin D. Smith

Title: Senior Vice President

LEHMAN BROTHERS BANK, FSB, as a Lender

By: /s/ Janine M. Shegan

Name: Janine M. Shegan
Title: Authorized Signatory

THE ROYAL BANK OF SCOTLAND PLC, as a Lender

By: /s/ Brian J. Smith

Name: Brian J. Smith
Title: Vice President

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ Tara Narasiman

Name: Tara Narasiman
Title: Associate

**BANK OF TOKYO-MITSUBISHI TRUST UFJ COMPANY, formerly
known as Bank of Tokyo-Mitsubishi Trust Company, as a Lender**

By: /s/ Maria Ferradas

Name: Maria Ferradas
Title: Vice President

WELLS FARGO BANK, N.A., as a Lender

By: /s/ Oleg Kogan

Name: Oleg Kogan

Title: Assistant Vice President

May 9, 2007

MEDIA AND INVESTOR RELATIONS

CONTACT:

Karen Taylor

Phone:

303/633-2913

24-Hour:

303/809-9160

DCP MIDSTREAM PARTNERS COMPLETES ACQUISITION OF OKLAHOMA NATURAL GAS GATHERING SYSTEM

DENVER - DCP Midstream Partners, LP (NYSE: DPM) has completed its previously announced acquisition of certain natural gas gathering and compression assets in Oklahoma from Anadarko Petroleum Corporation (NYSE: APC) for \$180.3 million in cash, subject to customary purchase price adjustments.

The midstream assets have historically gathered approximately 25 MMcf per day of production in Grady, Garvin and McClain counties in Oklahoma and deliver the unprocessed gas to a third party for processing to extract the natural gas liquids. The gathering system consists of approximately 225 miles of pipeline and 9,500 horsepower of compression. The assets will be operated by the owner of the Partnership's general partner, DCP Midstream, LLC (formerly Duke Energy Field Services, LLC).

"In closing this transaction, we continue to successfully execute upon two of our primary growth objectives, delivering value to our unitholders and increasing the combined midstream footprint of the Partnership and DCP Midstream," said Mark Borer, president and CEO. "These assets are located near existing assets owned by our parent and therefore provide future opportunities to participate in growth projects together."

The Partnership will finance the transaction with a combination of debt and equity.

The contracts related to these assets are percentage of proceeds arrangements, where the Partnership's revenues correlate directly with the price of the natural gas and natural gas liquids sold after processing. The Partnership intends to execute fixed price swaps for the period from June 2007 through Dec. 31, 2013 to hedge a significant portion of the Partnership's commodity exposure relative to these assets.

DCP Midstream Partners, LP (NYSE: DPM) is a midstream master limited partnership that gathers, processes, transports and markets natural gas and natural gas liquids and is a leading wholesale distributor of propane. DCP Midstream Partners, LP is managed by its general partner, DCP Midstream GP, LLC, which is wholly owned by DCP Midstream, LLC, a joint venture between Spectra Energy and ConocoPhillips. For more information, visit the DCP Midstream Partners, LP Web site at <http://www.dcppartners.com>.

This press release may contain or incorporate by reference forward-looking statements as defined under the federal securities laws regarding DCP Midstream Partners, LP, including projections, estimates, forecasts, plans and objectives. Although management believes that expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. In addition, these statements are subject to certain risks, uncertainties and other assumptions that are difficult to predict and may be beyond our control. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership's actual results may vary materially from what management anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on the Partnership's results of operations and financial condition are:

- the level and success of natural gas drilling around our assets and our ability to connect supplies to our gathering and processing systems in light of competition;*
- our ability to grow through acquisitions, asset contributions from our parents, or organic growth projects, and the successful integration and future performance of such assets;*
- our ability to access the debt and equity markets;*
- fluctuations in oil, natural gas, propane and other NGL prices;*

-more-

- our ability to purchase propane from our principal suppliers for our wholesale propane logistics business; and
- the credit worthiness of counterparties to our transactions.

Investors are encouraged to closely consider the disclosures and risk factors contained in the Partnership's annual and quarterly reports filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Information contained in this press release is unaudited, and is subject to change.