

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549**

**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): August 5, 2013**

**DCP MIDSTREAM PARTNERS, LP**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-32678**  
(Commission  
File No.)

**03-0567133**  
(IRS Employer  
Identification No.)

**370 17th Street, Suite 2500  
Denver, Colorado 80202**  
(Address of principal executive offices) (Zip Code)

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

**Not Applicable**  
(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.**

### *LaSalle Plant*

On August 5, 2013, DCP Midstream Partners, LP (the “Partnership”) entered into a purchase and sale agreement (the “LaSalle Purchase Agreement”) with DCP Midstream, LP (“Midstream LP”), a wholly owned subsidiary of DCP Midstream, LLC, pursuant to which the Partnership acquired from Midstream LP all of the membership interests in DCP LaSalle Plant LLC for consideration of \$209 million, subject to certain customary purchase price adjustments (the “LaSalle Transaction”). The LaSalle Transaction was financed at closing using borrowings under the Partnership's revolving credit facility.

DCP LaSalle Plant, LLC owns the LaSalle Plant, a 110 MMcf/d cryogenic natural gas processing plant currently under construction in the DJ Basin in Weld County, Colorado with plans to complete an expansion to 160 MMcf/d (the “LaSalle Plant”). Commercial operations at the LaSalle Plant are expected to commence in the second half of 2013 and the expansion is expected to be completed in the first half of 2014. In connection with the LaSalle Transaction, the Partnership also entered into a 15 year fee-based processing agreement with an affiliate of DCP Midstream, LLC pursuant to which such affiliate agreed to pay (i) a fixed demand charge of 75% of the capacity (including upon expansion), and (ii) a throughput fee on all volumes processed for such affiliate at the LaSalle Plant. The Partnership estimates that it will incur an additional \$33 million to complete the construction and expansion of the LaSalle Plant.

### *Front Range Pipeline*

Also on August 5, 2013, the Partnership entered into a purchase and sale agreement (the “Front Range Purchase Agreement” and, together with the LaSalle Purchase Agreement, the “Purchase Agreements”) with Midstream LP pursuant to which the Partnership acquired from Midstream LP all of the membership interests in DCP Midstream Front Range LLC (“Front Range”) for consideration of \$86 million, subject to certain customary purchase price adjustments (the “Front Range Transaction” and, together with the LaSalle Transaction, the “Transactions”). The Front Range Transaction was financed at closing using borrowings under the Partnership's revolving credit facility.

Front Range owns a one-third equity interest in Front Range Pipeline LLC, a joint venture with affiliates of Enterprise Products Partners L.P. (“Enterprise”) and Anadarko Petroleum Corporation. The joint venture was formed to construct a new raw NGL mix pipeline that will originate in the DJ Basin and extend approximately 435 miles to Skellytown, Texas (the “Front Range Pipeline”). With connections to the Mid-America Pipeline, and to the Texas Express Pipeline, in which the Partnership owns a 10% interest, the Front Range Pipeline will provide takeaway capacity and market access to the Gulf Coast for the expanding production of NGLs in the DJ Basin. The Front Range Pipeline will connect to the Partnership's LaSalle Plant as well as third party plants in the DJ Basin. The initial capacity of the Front Range Pipeline is expected to be 150,000 Bbls/d, which could be expanded to 230,000 Bbls/d with the installation of additional pump stations. Enterprise is in the process of seeking to obtain a land use permit for the pipeline in Adams County, Colorado. Enterprise is the operator of the pipeline and has informed us that, pending the outcome of the Adams County land use permit issue, it expects the Front Range Pipeline to be mechanically complete in the fourth quarter of 2013. The Partnership estimates that its share of the costs to complete construction will be an additional \$86 million. The Front Range Pipeline currently has transportation agreements in place with affiliates of DCP Midstream, LLC and Anadarko Petroleum Corporation for 79,000 Bbls/d. The transportation agreements provide for ship or pay arrangements for the first 10 years for a minimum volume specified in the agreement with the last 5 years under plant dedication arrangements. The Federal Energy Regulatory Commission (“FERC”) will regulate the rates charged for interstate transportation service on the Front Range Pipeline as well as the associated terms and conditions of service.

DCP Midstream, LLC indirectly owns 100% of DCP Midstream, LP and also directly owns 100% of DCP Midstream GP, LLC (“GP LLC”), which is the general partner of DCP Midstream GP, LP, which is the general partner of the Partnership. Accordingly, the conflicts committee (the “Conflicts Committee”) of the Board of Directors of GP LLC (the “Board”) approved the Transactions. The Conflicts Committee, composed of independent members of the Board, retained independent legal and financial advisors to assist it in evaluating the Transactions.

Copies the Purchase Agreements are attached hereto as Exhibit 2.1 and Exhibit 2.2 and are incorporated herein by reference. The foregoing descriptions of the terms of the Purchase Agreements and the respective Transactions are not complete and are qualified in their entirety by reference to the full and complete terms of the respective Purchase Agreements.

### *Amendment to Services Agreement*

On August 5, 2013, in connection with the completion of the Transactions described above, the Partnership entered into the First Amendment to Services Agreement dated February 14, 2013 by and between the Partnership and Midstream LP (the “Amendment”). The Amendment increases the annual limit on the amount of expenses that the Partnership reimburses to Midstream LP by \$400,000 (prorated for the remainder of the calendar year) to \$29 million for incremental general and

administrative services that Midstream LP will provide to the Partnership during calendar year 2013, thereafter subject to an annual adjustment based on the Consumer Price Index. The Amendment was approved by the Conflicts Committee.

A copy of the Amendment is attached hereto as Exhibit 10.1 and is incorporated herein by reference. The foregoing description of the Amendment is not complete and is qualified in its entirety by reference to the full and complete terms of the Amendment.

## Item 2.02 Results of Operations and Financial Condition.

On August 6, 2013, the Partnership issued a press release announcing its financial results for the second quarter ended June 30, 2013. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K, and is incorporated herein by reference. The press release contains financial measures that are not presented in accordance with accounting principles generally accepted in the United States of America, or GAAP, for the applicable periods presented, including adjusted EBITDA, distributable cash flow and adjusted segment EBITDA for each of the Partnership's three business segments. The most directly comparable GAAP financial measures to adjusted EBITDA and distributable cash flow are net income attributable to partners, which is presented in the furnished press release and prominently below for the applicable periods presented, and net cash provided by operating activities, which is presented in the furnished press release and prominently below for the applicable periods presented. The most directly comparable segment GAAP financial measure to adjusted segment EBITDA for each business segment is the applicable segment net income attributable to partners, which GAAP financial measures are set forth in the furnished press release and prominently below for the applicable periods presented:

### DCP MIDSTREAM PARTNERS, LP GAAP FINANCIAL MEASURES (Unaudited)

	Three Months Ended June 30,*			Six Months Ended June 30,*		
	2013	2012	As Reported in 2012	2013	2012	As Reported in 2012
	(Millions)					
Net income attributable to partners	\$ 102	\$ 85	\$ 79	\$ 154	\$ 119	\$ 102
Net cash provided by operating activities	\$ 123	\$ 3	\$ 11	\$ 270	\$ 47	\$ 72

### DCP MIDSTREAM PARTNERS, LP SEGMENT GAAP FINANCIAL MEASURES (Unaudited)

	Three Months Ended June 30,*			Six Months Ended June 30,*		
	2013	2012	As Reported in 2012	2013	2012	As Reported in 2012
	(Millions)					
<b>Natural Gas Services segment:</b>						
Segment net income attributable to partners	\$ 111	\$ 106	\$ 94	\$ 150	\$ 146	\$ 116
<b>NGL Logistics segment:</b>						
Segment net income attributable to partners	\$ 20	\$ 10	\$ 10	\$ 42	\$ 20	\$ 20
<b>Wholesale Propane Logistics segment:</b>						
Segment net income (loss) attributable to partners	\$ 1	\$ (3)	\$ (3)	\$ 21	\$ 14	\$ 14

- \* The transfers of net assets between entities under common control were accounted for as if the transactions had occurred at the beginning of the period, and prior years were retrospectively adjusted to furnish comparative information similar to the pooling method. In addition, results are presented as originally reported in 2012 for comparative purposes.

## Item 7.01 Regulation FD Disclosure.

On August 6, 2013, the Partnership issued a press release announcing the Transactions along with the Partnership's financial results for the second quarter ended June 30, 2013. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K, and is incorporated herein by reference. In accordance with General Instruction B.2 of Form 8-K, the press release furnished as Exhibit 99.1 to this Current Report on Form 8-K shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information or exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except as shall be expressly set forth by specific reference in any such filing.

## Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
2.1	† Purchase and Sale Agreement (LaSalle Plant) by and between DCP Midstream Partners, LP and DCP Midstream, LP dated August 5, 2013.
2.2	† Purchase and Sale Agreement (Front Range Pipeline) by and among DCP Midstream Partners, LP and DCP Midstream, LP dated August 5, 2013.
10.1	First Amendment to Services Agreement by and between DCP Midstream Partners, LP and DCP Midstream, LP dated August 5, 2013.
99.1	Press Release dated August 6, 2013.

† Pursuant to Item 601(b)(2) of Regulation S-K, the Partnership agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission (the "Commission") upon request.

## Cautionary Statements regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements as defined under the federal securities laws, including statements regarding the projected in-service dates of the LaSalle Plant and the Front Range Pipeline as well as other aspects of the Transactions and the related assets. 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 the Partnership's control such as those described in the Partnership's most recent Annual Report on Form 10-K, as modified by the Current Report on Form 8-K filed on June 14, 2013, subsequent Quarterly Reports on Form 10-Q, and other filings with the Commission. There can be no assurance that the anticipated benefits of either of the Transactions will be realized. If one or more of these risks or uncertainties materialize, or if underlying assumptions regarding either of the Transactions prove incorrect, the Partnership's actual results may vary materially from what management anticipated, estimated, projected, or expected.

Investors are encouraged to closely consider the disclosures and risk factors contained in the Partnership's periodic reports filed from time to time with the Commission. The statements made in this Current Report on Form 8-K speak only as of the date hereof. 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.

**SIGNATURE**

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.

Dated: August 6, 2013

**DCP MIDSTREAM PARTNERS, LP**

By:**DCP MIDSTREAM GP, LP**

its General Partner

By:**DCP MIDSTREAM GP, LLC**

its General Partner

By:/s/ Rose M. Robeson

Name:Rose M. Robeson

Title:Senior Vice President and Chief Financial Officer

## EXHIBIT INDEX

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**PURCHASE AND SALE AGREEMENT**

**BY AND BETWEEN  
DCP MIDSTREAM, LP, AS SELLER**

**AND**

**DCP MIDSTREAM PARTNERS, LP, AS BUYER**

**DATED AUGUST 5, 2013**

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## **PURCHASE AND SALE AGREEMENT**

This Purchase and Sale Agreement (“*Purchase Agreement*”) is made and entered into effective as of this 5th day of August, 2013 (the “*Effective Date*”), by and between DCP Midstream, LP, a Delaware limited partnership (“*Seller*”), having its principal operating office at 370 17<sup>th</sup> Street, Suite 2500, Denver, CO 80202, and DCP Midstream Partners, LP, a limited partnership organized under the State of Delaware, having its office at 370 17th Street, Suite 2500, Denver, CO 80202 (referred to herein as “*Buyer*”). Seller and Buyer are referred to herein individually as a “*Party*” and collectively as the “*Parties*.”

### **RECITALS**

WHEREAS, Seller owns 100% of the limited liability company interests (being all of its interests) (the “*LaSalle Interests*”) in DCP LaSalle Plant LLC, a Delaware limited liability company (“*LaSalle*”), which is the owner of certain real property and a natural gas plant processing plant located in Weld County, Colorado where the construction of a new natural gas processing plant is in progress (the “*LaSalle Plant*”);

WHEREAS, Seller desires to sell and assign to Buyer, and Buyer desires to purchase and accept from Seller, the LaSalle Interests, upon the terms and conditions of this Purchase Agreement; and

WHEREAS, in connection with its acquisition of the LaSalle Interests, Buyer desires to assume the Assumed Obligations (as defined below) upon the terms and conditions of this Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants, conditions and agreements set forth herein, the Parties hereby agree as follows:

### **ARTICLE 1** **DEFINITIONS**

#### **1.1 Definitions.**

1.1 (a) As used herein the following terms have the meanings defined below:

“1933 Act” has the meaning set forth in Section 5.6.

“AAA” has the meaning set forth in Section 14.3.

“AAA Rules” has the meaning set forth in Section 14.3.

“*Affiliate*” means, when used with respect to a Party, any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified Party. For purposes of this definition, “control” shall mean ownership of more than fifty percent (50%) of either the outstanding voting stock

of the controlled entity, as to corporations, or other ownership interests which carry with them the right to direct the policies and management of the subject entity, as to non-corporate entities.

*“Arbitrable Dispute”* means, subject to Article 14, any and all disputes, claims, counterclaims, demands, causes of action, controversies and other matters in question arising out of or relating to this Purchase Agreement or alleged breach hereof, or relating to matters that are the subject of this Purchase Agreement, the transactions contemplated by this Purchase Agreement or alleged breach hereof, including any disputes regarding a Party’s indemnification obligations pursuant to Article 11, or the relationship between the Parties under this Purchase Agreement, regardless of whether (i) extra-contractual in nature, (ii) sounding in contract, tort or otherwise, (iii) provided for by law or otherwise, or (iv) the matter would result in damages or any other relief, whether at law, in equity or otherwise.

*“Assumed Obligations”* means any and all obligations and liabilities with respect to or arising out of the ownership of the LaSalle Interests other than the Excluded Liabilities.

*“Benefit Plan”* shall mean any of the following: (a) any employee welfare benefit plan or employee pension benefit plan as defined in sections 3(1) and 3(2) of ERISA, and (b) any other material employee benefit agreement or arrangement, including a deferred compensation plan, incentive plan, bonus plan or arrangement, stock option plan, stock purchase plan, stock award plan, golden parachute agreement, severance plan, dependent care plan, cafeteria plan, employee assistance program, scholarship program, employment contract, retention incentive agreement, non-competition agreement, consulting agreement, vacation policy, and other similar plan, agreement and arrangement.

*“Books and Records”* means originals or copies in Seller’s possession of engineering, property, property tax, contract and land books and records in their present form, that (i) relate primarily or are used or held for use primarily in connection with the ownership, operation, use or maintenance of the Property, and (ii) do not constitute Excluded Assets or relate to Excluded Liabilities.

*“Business Day”* means any day except Saturday, Sunday or federal or state holidays on which banks are authorized to be closed.

*“Buyer”* has the meaning set forth in the Preamble.

*“Buyer Group”* has the meaning set forth in Section 11.1(a).

*“Claimant”* has the meaning set forth in Section 14.3(a).

*“Closing”* has the meaning set forth in Section 10.1.

*“Closing Date”* has the meaning set forth in Section 10.2.

*“Code”* shall mean the U.S. Internal Revenue Code of 1986, as amended.

“*Commercially Reasonable Efforts*” means efforts which are reasonably within the contemplation of the Parties on the Effective Date, which are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, the transactions contemplated by this Purchase Agreement and which do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities which are reasonable in nature and amount in the context of the transactions contemplated by this Purchase Agreement.

“*Contract*” means any agreement, tariff, contract, franchise, license or lease, including all amendments, modifications and supplements thereto.

“*Differences or Conflicts*” has the meaning set forth in Section 11.3(b).

“*Dollar*” and “\$” means the lawful currency of the United States of America.

“*Effective Date*” has the meaning set forth in the Preamble.

“*Environmental Law*” means all federal, state, local, tribal and foreign statutes, regulations, ordinances and similar provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, conservation of resources or natural resource damages, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, emission, labeling, testing, processing, discharge, release, remediation, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, radionuclides, lead, mercury, noise or radiation, as such of the foregoing are enacted or in effect, prior to, on, or after the Closing Date.

“*Excluded Assets*” means those assets listed on the Excluded Assets Schedule attached hereto, and any other asset owned by Seller or its Affiliates which do not relate to the LaSalle Interests or the Property.

“*Excluded Liabilities*” means Losses with respect to

- (i) except for sales, transfer, use or similar Taxes that are due or should hereafter become due and payable (including penalty and interest thereon) in connection with the transfer of the LaSalle Interests pursuant to this Agreement, 100% of the amount of Taxes with respect to LaSalle and the Property to the extent related to periods prior to and including the Closing Date;
- (ii) the Excluded Assets and Taxes related thereto; and
- (iii) those matters, if any, described on the Excluded Liabilities Schedule attached hereto.

“*Final Settlement Statement*” shall have the meaning given such term in Section 3.3.

“*Fundamental Representation*” means (i) in the case of Seller, the representations and warranties contained in Sections 4.1, 4.3, 4.5(a), and 4.6 and (ii) in the case of Buyer, the representations and warranties contained in Sections 5.1, 5.2 and 5.4(a).

“*Governmental Authority*” means any federal, state, local, foreign, tribal or other governmental or administrative authority (including any agency or political subdivision thereof), court or tribunal having jurisdiction.

“*Hazardous Materials*” means: (i) any wastes, chemicals, materials or substances defined or included in the definition of “hazardous substances,” “hazardous materials,” “toxic substances,” “solid wastes,” “pollutants,” “contaminants,” or words of similar import, under any Environmental Law, (ii) any hydrocarbon or petroleum or component thereof, (including, without limitation, crude oil, natural gas, natural gas liquids, or condensate that is not reasonably and commercially recoverable, (iii) oil and gas exploration or production wastes including produced water, (iv) radioactive materials (other than naturally occurring radioactive materials), friable asbestos, mercury, lead based paints and polychlorinated biphenyls, (v) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority, or (vi) any regulated constituents or substances in concentrations or levels that exceed numeric or risk-based standards established pursuant to Environmental Laws.

“*Indemnified Party*” has the meaning set forth in Section 11.3(a).

“*Indemnifying Party*” has the meaning set forth in Section 11.3(a).

“*Independent Accountants*” shall mean Deloitte & Touche.

“*Interest Rate*” shall mean three (3) months LIBOR plus one-half percent (0.5%) basis points.

“*Knowledge*” means the present actual knowledge, without investigation, of the individuals listed on Schedule 1.1(a).

“*LaSalle*” has the meaning set forth in the Recitals.

“*LaSalle Interests*” has the meaning set forth in the Recitals.

“*LaSalle Plant*” has the meaning set forth in the Recitals.

“*Lien*” shall mean any lien, mortgage, pledge, claim, charge, security interest or other encumbrance, option or defect on title.

“*Losses*” means (i) claims, demands, complaints, actions, litigation, hearings, lawsuits, proceedings, investigations, charges, damages, fines, penalties, deficiencies, judgments, injunctions, orders, decrees, rulings, losses, liabilities, amounts paid in settlement, obligations and liens, and (ii) with respect to contesting and defending any Third Party Action (as defined below) (but for the avoidance of doubt, not with respect to any claim asserted by

one Party against another Party), costs and reasonable expenses (including reasonable attorneys' fees and expenses, interest, court costs and other costs of suit, litigation or other proceedings of any kind or of any claim, default or assessment).

*“Material Adverse Effect”* means any state of facts, change, development, event, effect, condition or occurrence that is materially adverse to the current business, assets, properties, liabilities, results of operations or condition (financial or otherwise) of LaSalle, the Property or the LaSalle Interests, taken as a whole, of \$4,300,000 or more; *provided, however*, that no state of facts, change, development, event, effect, condition or occurrence attributable to or resulting from any of the following shall be deemed by itself or by themselves, either alone or in combination, to constitute or contribute to a Material Adverse Effect: (i) general economic conditions or changes therein, (ii) fluctuations in the financial, credit, banking or securities markets (including any disruption thereof, any decline in the price of any security or any market index or changes in interest rates), (iii) conditions affecting any or all of the international, national, regional or local oil or petroleum products production, processing, transportation, distribution, refining, terminaling or retail industries or systems, (iv) changes in the international, national, regional or local markets for commodities or supplies, including energy and fuel, used in the business of Seller including its interests in LaSalle and the Property, (v) any changes in tax, securities or other laws, rules, regulations, orders, or other binding directives issued by any Governmental Authority, (vi) any action, omission, change, effect, circumstance or condition set forth in this Purchase Agreement or any ancillary agreements or attributable to the execution, performance or announcement of this Purchase Agreement or any ancillary agreements or the transactions contemplated hereby or thereby, (vii) national or international, political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (viii) earthquakes, hurricanes or similar catastrophes, or weather or any weather related event, or any other acts of God, (ix) the public disclosure of this Purchase Agreement, the transactions or the identity or involvement by Buyer or any of its Affiliates, (x) changes in Seller's credit rating, or the failure of LaSalle to meet projections or forecasts, whether internal or maintained by analysts, (xi) an amendment, expiration or breach of an Assigned Contract (other than a Material Contract), or (xii) any action or omission required or permitted to be taken or omitted to be taken by Seller pursuant to this Purchase Agreement or which is otherwise taken or omitted to be taken with the prior consent of Buyer.

*“Material Contract”* means any contract listed on the Material Contracts Schedule, attached hereto.

*“MT”* means prevailing local time in Denver, Colorado.

*“Ordinary Course of Business”* means the ordinary course of business consistent with the relevant Person's practices during the year prior to the Effective Date (including as such practices may have been changed, modified, supplemented or eliminated during such period); *provided* that, for purposes of this Purchase Agreement, “Ordinary

Course of Business” includes all reasonably necessary actions taken in connection with, in contemplation of or in preparation for the sale of the LaSalle Interests, the Closing and any other transaction contemplated by this Purchase Agreement.

“Party” and “Parties” have the meanings set forth in the Preamble.

“Permitted Lien” means (i) Liens for current real or personal property taxes that are not yet due and payable or that may hereafter be paid without material penalty, (ii) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations, (iii) minor survey exceptions, reciprocal easement agreements and other customary encumbrances on titles to real property that (1) were not incurred in connection with any indebtedness, (2) do not render title to the property encumbered thereby unmarketable, and (3) do not, individually or in the aggregate, materially adversely affect the value or use of such property for its current and anticipated purposes, and (iv) Liens that are immaterial in character, amount and extent and which do not materially detract from the value or materially interfere with the present or proposed use of the properties they affect.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, undivided joint interest operation or Governmental Authority.

“Personal Property” means (i) the 160 MMcf/d natural gas processing plant being constructed in Weld County, Colorado, as further described in Schedule 1.1(b) hereto and (ii) all other property listed on Schedule 1.1(b) hereto.

“Pre-Closing Capital Contributions” shall mean all accounts payable and pre-Closing capital contributions made by Seller prior to Closing.

“Preliminary Settlement Statement” shall have the meaning given such term in Section 3.2.

“Property” consists of the Personal Property, the Real Property Interests and any improvements made to the Real Property Interests.

“Purchase Agreement” means this Purchase and Sale Agreement, including the Exhibits and Schedules attached hereto, as amended, modified and supplemented from time to time.

“Purchase Price” has the meaning set forth in Section 2.2.

“Real Property Interests” means the parcels of land described in Schedule 4.11.

“Respondent” has the meaning set forth in Section 14.3(a).



“*Rights of Way*” means the easements and rights of way grants listed in on Schedule 4.11 which will be partially assigned to Buyer.

“*Seller*” has the meanings set forth in the Preamble.

“*Seller Information*” means all information concerning Seller, other than to the extent such information relates to the LaSalle Interests, the Property and the Assumed Obligations and other than any such information that (i) is available to the public, or hereafter becomes available to the public, other than as a result of a breach of Section 7.1(a), (ii) that is available to Buyer from sources not under obligations of confidentiality to Seller, (iii) was in Buyer's possession prior to receiving it from Seller, or (iv) was independently developed by Buyer without relying on other Seller Information.

“*Seller Group*” has the meaning set forth in Section 11.1(b).

“*Settlement Notice*” shall have the meaning given such term in Section 3.4.

“*Taxes*” means all taxes, charges, fees, imposts, duties, levies, withholdings or other assessments imposed by any Governmental Authority, including environmental taxes, excise taxes, customs, duties, utility, property, income, sales, use, value added, transfer and fuel taxes, and any interest, fines, penalties or additions to tax attributable to or imposed on or with respect to any such assessment, including all applicable income, sales, use, excise, business, occupation or other tax, if any, relating in any way to this Purchase Agreement or any other service, supply or operating agreement.

“*Third Party*” means any Person other than Seller or Buyer, or their respective Affiliates.

“*Third Party Action*” has the meaning set forth in Section 11.3(a).

“*Transaction Documents*” means each of the executed documents referred to herein as Exhibit A, Exhibit B-1, Exhibit B-2, Exhibit C and Exhibit D.

1.1 (b) Other Definitional Provisions.

(i) The words “*hereof*”, “*herein*”, and “*hereunder*” and words of similar import, when used in this Purchase Agreement, refer to this Purchase Agreement as a whole and not to any particular provision of this Purchase Agreement.

(ii) The terms defined in the singular have a comparable meaning when used in the plural, and vice versa.

(iii) Whenever the Parties have agreed that any approval or consent shall not be “*unreasonably withheld*,” such phrase also includes the Parties' agreement that the approval or consent shall not be unreasonably delayed or conditioned.

(iv) Reference to “*day*” or “*days*” in this Purchase Agreement refers to calendar days unless otherwise stated.

(v) Whenever the words “include,” “includes” or “including” are used in this Purchase Agreement, they are deemed to be followed by the words “without limitation.”

(vi) All references to Sections, Exhibits and Schedules mean those numbered sections or paragraphs in this Purchase Agreement and those Exhibits and Schedules attached hereto and made a part of this Purchase Agreement, respectively.

## **ARTICLE 2**

### **PURCHASE AND SALE OF THE LASALLE INTERESTS**

2.1 Purchase and Sale of the LaSalle Interests. Subject to the terms and conditions of this Purchase Agreement, on the Closing Date, (a) Seller shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase, acquire, accept, assume and receive from Seller, all of Seller's right, title and interest in and to the LaSalle Interests, (b) Seller shall make the other conveyances, assignments, and transfers contemplated by Section 2.4(a), and (c) Buyer shall assume the Assumed Obligations. For the avoidance of doubt, this Purchase Agreement does not, and is not intended to, provide for a conveyance of any Excluded Assets.

2.2 Purchase Price. The total purchase price to be paid by Buyer to Seller in consideration for the LaSalle Interests shall be \$209,000,000 (the “*Purchase Price*”). At the Closing, Buyer shall pay to Seller, in immediately available funds by wire transfer to an account designated by Seller, the Purchase Price.

2.3 [Reserved]

2.4 Closing Obligations.

2.4 (a) Instruments of Transfer. Prior to Closing, Seller delivered to LaSalle: (i) the Special Warranty Deed, which shall be in the form of Exhibit A, covering the Real Property Interests owned in fee, (ii) the Bill of Sale and Assignment Agreement, which shall be in the form of Exhibit B-1, covering the Personal Property, and (iii) the Partial Assignment, which shall be in the form of Exhibit B-2, covering the Rights of Way shared with Seller.

2.4 (b) At the Closing, Seller will execute and deliver to Buyer:

(i) and Buyer will execute an assignment and conveyance agreement, the form of which is attached hereto as Exhibit C, whereby Seller shall convey and transfer to Buyer all of Seller's right, title and interests in and to the LaSalle Interests, subject to the terms contained herein and therein;

(ii) and Buyer will execute an assignment and assumption agreement, the form of which is attached hereto as Exhibit D, which sets forth the terms and conditions under which Seller shall assign and Buyer shall accept and assume the Assumed Obligations and the Material Contracts;

(iii) and LaSalle will execute a Processing Agreement, the form of which is attached hereto as Exhibit

E.

### **ARTICLE 3**

#### **ADJUSTMENTS AND SETTLEMENT**

##### **3.1 Adjustments.**

(a) The value of the Pre-Closing Capital Contributions shall be subject to cash adjustments pursuant to this Article 3.

(b) The Parties shall use all Commercially Reasonable Efforts to agree upon the adjustments set forth in this Article 3, and to resolve any differences with respect thereto. Except as provided herein, no adjustments shall be made after delivery of the Final Settlement Statement.

3.2 Preliminary Settlement Statement. Not later than three (3) Business Days before the Closing Date, and after consultation with Buyer, Seller shall deliver to Buyer a written statement (the "Preliminary Settlement Statement") setting forth the Pre-Closing Capital Contributions and each component therein included in the Purchase Price, as determined in good faith by Seller that are described in the definition thereof, with Seller's calculation of such items in reasonable detail, based on information then available to Seller. The Preliminary Settlement Statement shall also set forth wire transfer instructions for the Closing payments

3.3 Final Settlement Statement. Not later than 180 days after consultation with Buyer, Seller shall deliver to Buyer a revised settlement statement showing in reasonable detail its calculation of the items described in the definition of Pre-Closing Capital Contributions along with other adjustments or payments contemplated in this Agreement (said revised statement and the calculation thereof shall be referred to as the "Final Settlement Statement").

3.4 Dispute Procedures. The Final Settlement Statement shall become final and binding on the Parties on the 45th day following the date the Final Settlement Statement is received by Buyer, unless prior to such date Buyer delivers written notice to Seller of its disagreement with the Final Settlement Statement (a "Settlement Notice"). Any Settlement Notice shall set forth Buyer's proposed changes to the Final Settlement Statement, including an explanation in reasonable detail of the basis on which Buyer proposes such changes. If Buyer has timely delivered a Settlement Notice, Buyer and Seller shall use good faith efforts to reach written agreement on the disputed items. If the disputed items have not been resolved by Buyer and Seller by the 30th day following Seller's receipt of a Settlement Notice, any remaining disputed items shall be submitted to the Independent Accountants for resolution within ten (10) Business Days after the end of the foregoing 30-day period. The fees and expenses of the Independent Accountants shall be borne fifty percent (50%) by Seller and fifty percent (50%) by Buyer. The Independent Accountants' determination of the disputed

items shall be final and binding upon the Parties, and the Parties hereby waive any and all rights to dispute such resolution in any manner, including in court, before an arbiter or appeal.

3.5 Payments. If the final calculated amount as set forth in the Final Settlement Statement exceeds the estimated calculated amount as set forth in the Preliminary Settlement Statement, then Buyer shall pay to Seller the aggregate amount of such excess, with interest at the Interest Rate (calculated from the Closing Date). If the final calculated amount as set forth in the Final Settlement Statement is less than the estimated calculated amount as set forth in the Preliminary Settlement Statement, then Seller shall pay to Buyer the aggregate amount of such excess, with interest at the Interest Rate (calculated from the Closing Date). Any payment shall be made within three (3) Business Days of the date the Final Settlement Statement becomes final pursuant to Section 3.4.

3.6 Access to Records. The Parties shall grant to each other full access to the records and relevant personnel to allow each of them to make evaluations under this Article 3.

#### **ARTICLE 4**

#### **REPRESENTATIONS AND WARRANTIES OF SELLER**

Subject to the exceptions, disclaimers and other matters set forth in this Purchase Agreement, and except as expressly set forth in any schedule relating specifically to a particular representation and warranty, Seller hereby represents and warrants to Buyer as follows:

4.1 Valid Organization. Seller and LaSalle each are limited liability companies duly organized, validly existing and in good standing under the laws of the State of Delaware, and are duly qualified or licensed to do business as a foreign entity in all states where it is necessary and required to be so qualified or licensed in order to perform the obligations and effect the transactions contemplated by the Transaction Documents to which it is a party, except where the failure to be so qualified or licensed would not reasonably be expected to cause a Material Adverse Effect.

4.2 Capitalization as to LaSalle; Subsidiaries.

4.2 (a) Schedule 4.2 contains a complete and accurate listing of the equity capitalization of LaSalle and Seller's ownership in LaSalle.

4.2 (b) LaSalle is not a party to any written or oral agreement for, and LaSalle has not granted or issued, or agreed to grant or issue, to any Person any option or right for, the purchase, subscription, allotment or issue of any unissued interests, units or other securities of LaSalle. LaSalle has no subsidiaries nor owns equity interests in any other Person.

4.3 Authorization. Seller has full limited partnership power and authority to enter into the Transaction Documents to which Seller is a party and carry out the transactions contemplated thereby. LaSalle has full limited liability company power and authority to enter

into the Transaction Documents to which LaSalle is a party and carry out the transactions contemplated thereby. The Transaction Documents constitute, or upon execution and delivery will constitute, as applicable, valid and binding agreements of Seller and LaSalle, as applicable, enforceable against Seller and LaSalle, as applicable, in accordance with their terms, except (a) as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights, and (b) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding for the same may be brought.

4.4 Consents. Except as set forth on Schedule 4.4, no consent, approval of or by, or filing with or notice to any other Person, including any Governmental Authority, is required with respect to Seller or LaSalle in connection with the execution, delivery or enforceability of the Transaction Documents or the consummation of the transactions provided for hereby, except where the failure to obtain such consent or approval, make such filing or give such notice would not reasonably be expected, individually or in the aggregate, to cause a Material Adverse Effect.

4.5 No Violation. Neither the execution and delivery of the Transaction Documents nor the performance by Seller of its obligations under this Purchase Agreement nor the consummation of the transactions contemplated by this Purchase Agreement will, assuming receipt of the consents set forth on Schedule 4.4, (a) violate any provision of the respective governing documents of Seller or LaSalle, (b) violate, constitute a breach of or result in the creation or imposition of any lien or encumbrance upon the LaSalle Interests or the Property under any agreement or commitment to which Seller or LaSalle is a party or by which Seller or LaSalle is bound or otherwise, or (c) to the Knowledge of Seller, violate any statute or law or any judgment, decree, order, regulation or rule of any Governmental Authority to which Seller or LaSalle is subject, except where such violation of any provision in clauses (b) and (c) would not reasonably be expected, individually or in the aggregate, to cause a Material Adverse Effect.

4.6 Title to the LaSalle Interests; Encumbrance. The LaSalle Interests constitute all of the limited liability company interests in LaSalle. Seller has good and valid title to the LaSalle Interests free and clear of all liens, security interests and encumbrances created by Seller, and such LaSalle Interests are duly authorized, validly issued, fully paid, and nonassessable. Without limiting the generality of the foregoing, the LaSalle Interests are not subject to any voting trust, shareholder agreement, or similar agreement and were not issued in violation of any pre-emptive rights.

4.7 Environmental Matters. Except as set forth in Schedule 4.7:

4.7 (a) to Seller's Knowledge, Seller, its Affiliates and LaSalle, and to Seller's Knowledge any predecessors in interest to the Real Property Interests, have not caused or allowed the generation, use, treatment, manufacture, storage, or disposal of Hazardous

Materials at, on or from the Real Property Interests, except in accordance with all applicable Environmental Laws;

4.7 (b) to Seller's Knowledge, there has been no release by Seller, and to Seller's Knowledge by any predecessor in interest to the Real Property Interests, of any Hazardous Materials at, on, from or underlying any of the Real Property Interests other than such releases that (i) are not required to be reported to a Governmental Authority, (ii) have been reported to the appropriate Governmental Authority, or (iii) were in compliance with applicable Environmental Laws;

4.7 (c) Seller, its Affiliates and LaSalle have not received written inquiry or notice of any actual or threatened Claim related to or arising under any Environmental Law relating to the Real Property Interests;

4.7 (d) Neither Seller or LaSalle is currently operating or required to be operating any of the Real Property Interests under any compliance order, a decree or agreement, any consent decree or order, or corrective action decree or order issued by or entered into with any Governmental Authority under any Environmental Law; and

4.7 (e) Seller, and to Seller's Knowledge all predecessors in interest to the Real Property Interests, have owned, used and operated the Real Property Interests in compliance with Environmental Laws, except for any non-compliance which has been remediated and brought into compliance with Environmental Laws.

4.8 Litigation; Compliance with Laws. There is no legal, equitable, bankruptcy, administrative or other action or proceeding pending or, to the Knowledge of Seller, threatened against Seller with respect to the LaSalle Interests owned by it, or against LaSalle, the property or the assets of LaSalle, before any arbitrator or Governmental Authority. To the Knowledge of Seller, LaSalle and the assets owned by LaSalle have been owned and operated in compliance with applicable laws, except for any non-compliance which has been timely brought into compliance therewith.

4.9 Material Contracts. The Material Contracts constitute all contracts entered into by LaSalle or by Seller with respect to the Property and the LaSalle Interests. Seller has not received as of the Effective Date notice of breach or default under of any Material Contract which breach or default has not been cured or remedied.

4.10 No Broker. Seller has not retained or employed any broker, finder, or similar agent, or otherwise taken any action in connection with the negotiations relating to this Purchase Agreement and the transactions contemplated hereby in a manner so as to give rise to any claims against Buyer for any brokerage commission, finder's fee or other similar payment.

4.11 Real Property and Rights of Way. Schedule 4.11 contains a list of all Real Property Interests. LaSalle has title to each parcel of real property comprising the Real Property Interests free and clear of all Liens or preferential or similar rights to purchase except (i) Permitted Liens, (ii) zoning and building restrictions, easements, covenants, rights of way and other similar restrictions of record, or (iii) any condition that may be shown by a current,

accurate survey or that would be apparent as part of a physical inspection of the Real Property Interests or of any land register or other public register pertaining thereto made prior to the Closing. Schedule 4.11 also contains a list of Rights of Way which will be partially assigned from Seller to Buyer which will allow Buyer to utilize Seller's Rights of Way for an NGL pipeline.

4.12 Personal Property. LaSalle has title to the Personal Property free and clear of all Liens except Permitted Liens.

4.13 Taxes. Seller and LaSalle have filed in a timely manner all required federal, state and local income, sales, use, property and franchise tax returns, and have paid (except for amounts being diligently contested in good faith) all required tax or similar assessments arising from or related to the Property, except where any failure to file or pay any tax would not reasonably be expected, individually or in the aggregate, to cause a Material Adverse Effect.

4.14 No Foreign Person. Seller is not a "foreign person" as defined in Section 1445 of the Code and in any regulations promulgated thereunder.

4.15 Intellectual Property.

4.15(a) Neither Seller nor LaSalle has received any written notice of infringement, misappropriation or conflict with respect to intellectual property from any Person with respect to the ownership, use or operation of the Property; and

4.15(b) To Seller's Knowledge the ownership, use and operation of the Property have not infringed, misappropriated or otherwise conflicted with any patents, patent applications, patent rights, trademarks, trademark applications, service marks, service mark applications, copyrights, trade names, unregistered copyrights or trade secrets of any other Person.

4.16 Employee Matters. At no time prior to the Effective Date will LaSalle have had any employees.

4.17 Benefit Plan Liabilities. At no time prior to the Effective Date will LaSalle have maintained any Benefit Plans and LaSalle shall have no liability with respect to any Benefit Plans.

4.18 Bank Accounts. Except as set forth on Schedule 4.18, LaSalle has no accounts or safe-deposit boxes with banks, trust companies, savings and loan associations, or other financial institutions.

4.19 Undisclosed Liabilities. To Seller's Knowledge, there are no liabilities or obligations of LaSalle (whether known or unknown and whether accrued, absolute, contingent or otherwise) and there are no facts or circumstances that would reasonably be expected to result in any such liabilities or obligations, other than (i) liabilities or obligations disclosed in Schedule 4.19, and (ii) current liabilities incurred in the Ordinary Course of Business.

4.20 No Other Representations or Warranties; Schedules. Seller makes no other express or implied representation or warranty with respect to LaSalle or any of its respective Affiliates, the Property, or the transactions contemplated by this Purchase Agreement, and disclaims any other representations or warranties. The disclosure of any matter or item in any schedule to this Purchase Agreement shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed.

## **ARTICLE 5**

### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants to Seller as follows:

5.1 Valid Organization. Buyer is a limited partnership, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified or licensed to do business in all states where it is necessary and required to be so qualified or licensed in order to perform the obligations and effect the transactions contemplated by this Purchase Agreement, except where the failure to be so qualified or licensed would not reasonably be expected to cause a Material Adverse Effect.

5.2 Authorization. Buyer has all requisite power and authority to enter into this Purchase Agreement, to carry out the transactions contemplated hereby and to acquire and own the LaSalle Interests. This Purchase Agreement is a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except (a) as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights, and (b) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding for the same may be brought.

5.3 Consents. Except as set forth on Schedule 5.3, no consent, approval of or by, or filing with or notice to any other Person, including any Governmental Authority, is required with respect to Buyer in connection with the execution, delivery or enforceability of this Purchase Agreement or the consummation of the transactions provided for hereby, except where the failure to obtain such consent or approval, make such filing or give such notice would not reasonably be expected, individually or in the aggregate, to cause a Material Adverse Effect.

5.4 No Violation. Neither the execution and delivery of this Purchase Agreement nor the performance by Buyer of its obligations under this Purchase Agreement, nor the consummation of the transactions contemplated by this Purchase Agreement will, assuming receipt of the consents set forth in Schedule 5.3: (a) violate any provision of the constituent organizational documents of Buyer, or (b) to the knowledge of Buyer, violate any statute or law or any judgment, decree, order, permit, regulation or rule of any court or Governmental Authority to which Buyer is subject or any contract to which Buyer is a party or by which it is bound.

5.5 Litigation. There is no legal, equitable, bankruptcy, administrative or other action or proceeding pending or, to the knowledge of Buyer, threatened against Buyer before



any arbitrator or Governmental Authority, which questions or challenges the validity of this Purchase Agreement or any action taken or to be taken by Buyer pursuant to this Purchase Agreement or in connection with the transactions contemplated by this Purchase Agreement, and Buyer does not know of any such action, proceeding or investigation which is probable of assertion.

5.6 Acquisition as Investment.

Buyer is acquiring the LaSalle Interests for its own account as an investment without the present intent to sell, transfer or otherwise distribute the same to any other Person, other than to an Affiliate. Buyer has made, independently and without reliance on Seller (except to the extent that Buyer has relied on the representations and warranties of Seller expressly set forth in this Purchase Agreement), its own analysis of LaSalle for the purpose of acquiring the LaSalle Interests and Buyer has had reasonable and sufficient access to documents, other information and materials as it considers appropriate to make its evaluations. Buyer acknowledges that the LaSalle Interests are not registered under the Securities Act of 1933, as amended (the “1933 Act”) and that none of the LaSalle Interests may be transferred, except as permitted under the 1933 Act and applicable state securities laws pursuant to registration or an applicable exemption under the 1933 Act. Buyer is an “accredited investor” as defined under Rule 501 promulgated under the 1933 Act.

5.7 No Broker

. Buyer has not retained or employed any broker, finder, or similar agent, or otherwise taken any action in connection with the negotiations relating to this Purchase Agreement and the transactions contemplated hereby in a manner so as to give rise to any claims against Seller for any brokerage commission, finder's fee or other similar payment.

5.8 No Knowledge of Misrepresentations or Omissions

. Buyer has no Knowledge that any representation or warranty of Seller contained in this Purchase Agreement or any agreement contemplated hereby is not true and correct in all material respects, and Buyer has no Knowledge of any material errors in, or material omissions from, the Exhibits and Schedules to this Purchase Agreement or the schedules, exhibits or attachments to any agreement contemplated hereby.

**ARTICLE 6**  
**CERTAIN DISCLAIMERS**

6.1 “AS IS, WHERE IS”. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS PURCHASE AGREEMENT, IT IS THE EXPLICIT INTENT OF EACH OF THE PARTIES THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE (WHETHER EXPRESS OR IMPLIED), AT LAW OR IN EQUITY, WITH RESPECT TO THE PROPERTY OR THE ASSUMED OBLIGATIONS, AND SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, CONDITION OR FITNESS FOR A PARTICULAR PURPOSE OR ORDINARY PURPOSE OR ANY

REPRESENTATION OR WARRANTY AS TO VALUE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL CONVEY TO LASALLE THE PROPERTY IN ITS PRESENT CONDITION AND STATE OF REPAIR, WITH ALL FAULTS, LIMITATIONS AND DEFECTS (HIDDEN AND APPARENT) AND WITHOUT ANY GUARANTEES OR WARRANTIES (WHETHER EXPRESS OR IMPLIED), AS TO ITS TITLE, QUALITY, MERCHANTABILITY OR FITNESS FOR BUYER'S INTENDED USE OR PURPOSE OR A PARTICULAR USE OR PURPOSE OR ANY USE OR PURPOSE WHATSOEVER, IN ALL CASES EXCEPT AS EXPRESSLY PROVIDED HEREIN, OR IN THE DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED AT THE CLOSING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY. BUYER AGREES TO ACCEPT THE PROPERTY "AS-IS", "WHERE-IS", IN ITS PRESENT CONDITION AND STATE OF REPAIR, WITH ALL FAULTS, LIMITATIONS AND DEFECTS (HIDDEN AND APPARENT) AND WITHOUT ANY GUARANTEES OR WARRANTIES (WHETHER EXPRESS OR IMPLIED), AS TO ITS TITLE, QUALITY, MERCHANTABILITY OR FITNESS FOR BUYER'S INTENDED USE OR PURPOSE OR A PARTICULAR USE OR PURPOSE OR ANY USE OR PURPOSE WHATSOEVER, IN ALL CASES, EXCEPT AS EXPRESSLY PROVIDED HEREIN, OR IN THE DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED AT THE CLOSING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY. ALL REPRESENTATIONS AND WARRANTIES (WHETHER EXPRESS OR IMPLIED), AT LAW OR IN EQUITY, OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN, ARE EXCLUDED. SELLER DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY OTHER REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (WHETHER ORALLY OR IN WRITING) TO BUYER OR THE OTHER MEMBERS OF BUYER GROUP, INCLUDING WITH RESPECT TO SELLER, LASALLE, THE LASALLE INTERESTS, THE PROPERTY, OR THE ASSUMED OBLIGATIONS. IN ENTERING INTO THIS PURCHASE AGREEMENT, BUYER HAS HAD THE OPPORTUNITY TO CONDUCT SUCH INVESTIGATION AS IT CONSIDERED APPROPRIATE.

6.2 Title to Real Property Interests. Except as set forth in Section 4.11, Buyer acknowledges that Seller does not make any warranty or representation, either express or implied, (a) as to title to, or any encumbrances of or on, any Real Property Interests, or (b) as to the completeness or contiguity of any Real Property Interests. Seller shall provide or cause to be provided for inspection, at Buyer's request, any instruments and conveyances in Seller's possession or control which evidence Seller's right, title and interests in and to the LaSalle Interests.

6.3 Certain Disclaimers. Except as otherwise expressly set forth in this Purchase Agreement and the instruments, documents and agreements referred to herein or executed in connection with the transactions contemplated hereby:

6.3 (a) Buyer expressly acknowledges that neither Seller nor any other Person has made any representation or warranty, express or implied, at law or in equity, as to the accuracy or completeness of any information regarding Seller, the LaSalle Interests, the Assumed Liabilities, except as expressly set forth in this Purchase Agreement or in the documents and agreements executed and delivered at the Closing in connection with the

transactions contemplated hereby, and Buyer further agrees that neither Seller nor any other Person shall have or be subject to any liability to Buyer or to any other Person resulting from the distribution to Buyer and the other members of Buyer Group, or its or their use of, and Buyer agrees that it shall be deemed to have not relied for any purpose on, any such information, document or material made available to Buyer, including management presentations or any other form in expectation of the transactions contemplated by this Purchase Agreement, and Buyer acknowledges it is not relying on any such information;

6.3 (b) Buyer expressly acknowledges (i) the disclaimers of Seller, including those set forth in Sections 6.1 and 6.3(a) above, and (ii) that there are uncertainties inherent in any estimates, projections and other forecasts and plans provided by Seller to Buyer Group, including management presentations or any other form in expectation of the transactions contemplated by this Purchase Agreement, and Buyer acknowledges it is not relying on any such information, that Buyer is aware of and familiar with such uncertainties and that Buyer takes full responsibility for making its own evaluation of the adequacy and accuracy of any such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts) in connection with the transactions contemplated by this Purchase Agreement. Accordingly, Seller makes no representations or warranties with respect to such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts). Buyer acknowledges that it has had sufficient opportunity to make whatever investigation it has deemed necessary and advisable for purposes of determining whether or not to enter into this Purchase Agreement.

## **ARTICLE 7**

### **OBLIGATIONS OF THE PARTIES**

7.1 Covenants of Buyer. Buyer hereby covenants and agrees with Seller that:

7.1 (a) Confidentiality.

(i) Buyer acknowledges that all information provided to any of it and its Affiliates (including for the avoidance of doubt their respective directors, officers, employees, counsel, auditors, accountants, agents, advisors and other representatives) by Seller (including for the avoidance of doubt, their respective directors, officers, employees, counsel, auditors, accountants, agents, advisors and other representatives) is confidential.

(ii) Buyer agrees that, from and after the Effective Date, Buyer shall, and shall cause its Affiliates (including for the avoidance of doubt their respective directors, officers, employees, counsel, auditors, accountants, agents, advisors and other representatives) to keep the Seller Information confidential, except to the extent that disclosure of any such Seller Information is requested or required by law (by oral questions, interrogatories, requests for information or other documents in legal proceedings, subpoena, civil investigative demand or any other similar legal process) or legal or administrative process or authorized by Seller or reasonably occurs in connection with disputes over the

terms of this Purchase Agreement. The provisions of this Section 7.1(a) shall not apply to any information, documents or materials which are in the public domain or shall come into the public domain, other than by reason of a breach by Buyer of its obligations hereunder. Furthermore, notwithstanding the foregoing, Buyer shall be permitted to disclose the Seller Information to any of its Affiliates, investors, employees, officers, representatives (such as counsel, auditors or consultants) and board members, *provided* that such Affiliates and other Persons comply with the terms of this Section 7.1(a).

7.1 (b) Records. For a period of seven (7) years following the Closing Date, Buyer shall use Commercially Reasonable Efforts to provide to Seller (and their counsel, auditors, accountants, agents, advisors or other representatives) reasonable access to and permission to make copies of any books, records or accounts relating to the LaSalle Interests through and including the Closing Date in Buyer's possession and control (and if not in Buyer's possession or control, then Buyer shall provide reasonable assistance to LaSalle in favor of providing the same) at Seller's expense. Seller shall consult with Buyer so that such visits do not unreasonably interfere with Buyer's post-Closing normal operations. Buyer shall not destroy or dispose of any such books, records and accounts for a period of at least seven (7) years after the Closing Date without first giving reasonable prior notice thereof and offering to surrender to Seller such books, records and accounts which Buyer may intend to destroy or dispose of.

7.2 Mutual Covenants. Seller hereby covenants and agrees with Buyer and Buyer hereby covenants and agrees with Seller that:

7.2 (a) Further Assurances. Each Party shall execute and deliver such instruments and take such other actions as the other Parties may reasonably request in order to carry out the intent of this Purchase Agreement.

7.2 (b) Consents. Each Party shall use its Commercially Reasonable Efforts to cause the transactions contemplated by this Purchase Agreement to be consummated and, without limiting the generality of the foregoing, to make all filings with and give all notices to, Governmental Authorities and other Third Parties which may be necessary or reasonably required in connection with the consummation of the transactions contemplated by this Purchase Agreement; *provided, however*, notwithstanding any other provisions of this Purchase Agreement, it shall be Buyer's sole responsibility and Buyer shall use its reasonable efforts to obtain all consents, authorizations, and approvals of or by, and to make all filings with or notices to, (i) Third Parties which may be necessary or reasonably required in order for Buyer to obtain rights to any Material Contract, and (ii) Governmental Authorities to consummate the transactions contemplated by this Purchase Agreement; *provided* in each case that Seller agrees to reasonably cooperate with Buyer in Buyer's efforts to obtain such consents.

7.2 (c) Litigation Assistance. After the Closing Date and until the seventh (7th) anniversary thereof, each Party shall use Commercially Reasonable Efforts to provide such assistance as the other Parties may from time to time reasonably request in connection with the preparation of tax returns required to be filed, any audit or other examination by any taxing authority, any judicial or administrative proceeding relating to liability for Taxes, or

any claim for refund in respect of such Taxes or in connection with any Third Party litigation and proceedings or liabilities related to the LaSalle Interests, the Property, the Assumed Obligations or the Excluded Liabilities; *provided* that nothing herein shall require the assisting Party to create, recreate, generate or obtain, in connection with rendering such assistance, any records, analyses or other documents not then in the possession or control of such assisting Party. The requesting Party shall reimburse the assisting Party for the out-of-pocket costs incurred by the assisting Party.

## **ARTICLE 8**

### **CONDITIONS TO BUYER'S OBLIGATIONS**

The obligations of Buyer under this Purchase Agreement to close the purchase and sale of the LaSalle Interests shall be subject to the satisfaction or waiver by Buyer of each of the following conditions:

8.1 Representations and Warranties True. The representations and warranties of Seller contained in this Purchase Agreement shall be in all material respects true and accurate as of the Closing Date, except for (a) representations and warranties that speak as of a specific date or time (which need only be materially true and correct as of such date or time), and (b) changes permitted or contemplated by this Purchase Agreement.

8.2 Performance. Seller shall have performed and complied in all material respects with all covenants, agreements, obligations and conditions required by this Purchase Agreement to be performed or complied with by Seller on or prior to the Closing Date.

8.3 Consents. All consents and approvals set forth on Schedule 8.3 that are necessary for Buyer to own the LaSalle Interests shall have been obtained.

8.4 Litigation. No action or proceeding shall have been brought by any Governmental Authority or other Person (and not subsequently dismissed, or settled or otherwise terminated) against Seller or Buyer seeking to restrain, prohibit or otherwise restrain or make illegal the consummation of the sale of the LaSalle Interests by Seller to Buyer as contemplated hereby.

8.5 Closing Deliverables. Seller shall have delivered to Buyer the executed documents to be delivered by it as provided in Section 2.4(b) in the forms attached hereto as Exhibits C, D, and E.

8.6 Material Adverse Effect. No event shall have occurred which would result in a Material Adverse Effect.

**ARTICLE 9**  
**CONDITION TO SELLER'S OBLIGATIONS**

The obligations of Seller under this Purchase Agreement to close the purchase and sale of the LaSalle Interests shall be subject to the satisfaction or waiver by Seller of each of the following conditions:

9.1 Representations and Warranties True. The representations and warranties of Buyer contained in this Purchase Agreement shall be in all material respects true and accurate as of the Closing Date, except for (a) representations and warranties that speak as of a specific date or time (which need only be materially true and correct as of such date or time), and (b) changes permitted or contemplated by this Purchase Agreement.

9.2 Performance. Buyer shall have performed and complied in all material respects with all covenants, agreements, obligations and conditions required by this Purchase Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

9.3 Consents. All consents and approvals set forth on Schedule 9.3 that are necessary for Buyer to own the LaSalle Interests shall have been obtained.

9.4 Litigation. No action or proceeding shall have been brought by any Governmental Authority or other Person (and not subsequently dismissed, or settled or otherwise terminated) against Seller or Buyer seeking to restrain, prohibit or otherwise restrain or make illegal the consummation of the sale of the LaSalle Interests by Seller to Buyer as contemplated hereby.

9.5 Purchase Price and Undertakings. Buyer shall have delivered by wire transfer to the Seller (or its designee) the Purchase Price pursuant to Section 2.2.

9.6 Closing Deliverables. Buyer shall have delivered to Seller the executed documents provided in Section 2.4(b) in the forms attached hereto as Exhibits C, D, and E.

**ARTICLE 10**  
**CLOSING**

10.1 Closing. The consummation of the purchase and sale of the LaSalle Interests contemplated by this Purchase Agreement (the “*Closing*”) shall be held on the Closing Date at the offices of Seller, or such other place as the Parties may agree in writing.

10.2 Closing Date. The “*Closing Date*” shall be 12:01 a.m. MT on the day that Closing occurs. The Closing shall occur on the Effective Date, subject to the satisfaction or waiver of the Closing conditions set forth in Article 8 and Article 9.

**ARTICLE 11**  
**INDEMNIFICATION**

11.1 Indemnification.

11.1 (a) Indemnification Obligation of Seller. Subject to the provisions of this Article 11 (including Section 11.2), from and after the Closing Date, Seller agrees to indemnify and hold harmless Buyer and its Affiliates and its and their officers, directors, employees, partners, members, agents, representatives and contractors (collectively, “*Buyer Group*”) from and against any and all Losses incurred by Buyer Group which result from, relate to or arise out of the following:

- (i) any inaccuracy in any representation or warranty of Seller contained in Article 4 of this Purchase Agreement;
- (ii) any material breach by Seller of any covenant or other obligation of Seller contained in this Purchase Agreement;
- (iii) the Excluded Assets; or
- (iv) the Excluded Liabilities.

11.1 (b) Indemnification Obligation of Buyer. Subject to the provisions of this Article 11 (including Section 11.2), from and after the Closing Date, Buyer agrees to indemnify and hold harmless Seller and its officers, directors, employees, partners, members, agents, representatives and contractors (collectively, “*Seller Group*”) from and against any and all Losses (other than the Excluded Liabilities which are retained by Seller) incurred by Seller Group which result from, relate to or arise out of the following:

- (i) any material inaccuracy of any representation or warranty of Buyer contained in Article 5 of this Purchase Agreement;
- (ii) any material breach by Buyer of any covenant or other obligation of Buyer contained in this Purchase Agreement; or
- (iii) the Assumed Obligations.

11.2 Limitations on Liability.

11.2 (a) Deductible and Cap. Seller shall not have any indemnification obligations for Buyer Group's Losses under Section 11.1(a)(i) unless the aggregate total of such Losses exceeds one percent (1%) of the Purchase Price, and then only to the extent such Losses exceed one percent (1%) of the Purchase Price; *provided* that in calculating Buyer Group's aggregate total Losses, individual Losses with respect to a single incident or matter in amounts less than One Hundred Thousand Dollars (\$100,000) shall be disregarded.

Furthermore, in no event shall Seller's aggregate liability for indemnification under Section 11.1(a)(i) exceed ten percent (10%) of the Purchase Price. The limitations on indemnification set forth in this Section 11.2(a) shall not apply to Losses related to any breach of Seller's Fundamental Representations; *provided* that in no event shall Seller's aggregate liability for indemnification with respect to all claims hereunder including for Losses related to any breach of by Seller of its Fundamental Representations exceed an amount equal to one hundred percent (100%) of the Purchase Price.

11.2 (b) Timeliness. Neither Party shall have an obligation to indemnify the other Party with respect to a matter if such other Party fails to deliver written notification of a claim for indemnification under Section 11.3(a) for such matter before the expiration of the applicable survival period set forth in Section 11.4.

11.2 (c) No Knowledge. Buyer shall not be entitled to indemnification under this Article 11 if it had knowledge prior to or on the Effective Date of the breach of any representation, warranty, covenant, agreement or obligation with respect to which Buyer is seeking indemnification under this Article 11. A Party shall promptly notify the other Party of any breach of any representation, warranty, covenant or agreement of the other Party made hereunder of which such Party has knowledge prior to or on the Effective Date.

### 11.3 Other Provisions Relating to Indemnification.

11.3 (a) Notices, etc. Each Person entitled to indemnification pursuant to this Purchase Agreement (the "*Indemnified Party*") shall, upon obtaining knowledge of facts indicating that it may have a basis for a claim for indemnification hereunder, including receipt by it of notice of any demand, assertion, claim or proceeding by any Third Party (any such Third Party proceeding being referred to as a "*Third Party Action*") with respect to any matter as to which it may be entitled to indemnity hereunder, give prompt notice thereof in writing to the Person obligated hereunder to provide such indemnification (the "*Indemnifying Party*"), together with a statement including as much detail as is reasonably available under the circumstances, identifying the basis of and facts underlying such claim and a good faith estimate of the Indemnified Party's Losses.

11.3 (b) Right to Contest and Defend. The Indemnifying Party shall be given the opportunity, at its cost and expense, to contest and defend by all appropriate legal proceedings any Third Party Action with respect to which it is called upon to indemnify the Indemnified Party under the provisions of this Purchase Agreement; *provided, however*, that notice of the intention to contest and defend shall be delivered by the Indemnifying Party to the Indemnified Party within thirty (30) days following receipt of the notice provided for in Section 11.3(a) above. Any Third Party Action which the Indemnifying Party elects to contest and defend may be conducted in the name and on behalf of the Indemnifying Party or the Indemnified Party as may be appropriate. Such Third Party Action shall be conducted by counsel employed by the Indemnifying Party, but the Indemnified Party shall have the right to participate in such Third Party Action and to be represented by counsel of its own choosing at its cost and expense; *provided* that, if the defendant(s) in any Third Party Action include both the Indemnifying Party and the Indemnified Party, and the Indemnified Party shall have reasonably concluded that (i) there may be legal defenses available to it that are inconsistent with those defenses available to the Indemnifying Party, or (ii) if there is a conflict of interest



that would prevent counsel for the Indemnifying Party from also representing the Indemnified Party (clauses (i) and (ii) collectively, “*Differences or Conflicts*”), then the Indemnified Party shall have the right to engage separate counsel at the cost and expense of the Indemnifying Party. If the Indemnified Party joins in any such Third Party Action, the Indemnifying Party shall have full authority, absent any Differences or Conflicts, to determine all action to be taken with respect thereto. At any time after the commencement of defense of any Third Party Action, the Indemnifying Party may request the Indemnified Party to agree in writing to the abandonment of such contest or to the payment, compromise or settlement by the Indemnifying Party of the asserted Third Party Action, which consent, absent any Differences or Conflicts, shall not be unreasonably withheld; *provided, however*, that such consent of the Indemnified Party shall not be required in the event the payment, compromise or settlement by the Indemnifying Party of the asserted Third Person Action (i) involves only the payment of money, and not the imposition of injunctive or other equitable relief, (ii) unconditionally releases the Indemnified Party from all liability arising out of such Third Person Action, and (iii) does not include a statement as to or an admission of fault on the part of the Indemnified Party.

11.3 (c)            Cooperation. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any Third Party Action which the Indemnifying Party elects to contest or, if appropriate, in making any counterclaim against the Person asserting the Third Party Action, or any cross-complaint against any Person; *provided* that the Indemnifying Party shall reimburse the Indemnified Party for any reasonable expenses incurred by it in so cooperating at the request of the Indemnifying Party.

11.3 (d)            Right to Participate. The Indemnified Party agrees to afford the Indemnifying Party and its counsel the opportunity, at the Indemnifying Party's expense, to be present at, and to participate in, conferences with all Persons asserting any Third Party Action against the Indemnified Party and conferences with representatives of or counsel for such Persons.

11.3 (e)            Duty to Mitigate. The Parties shall have a duty to mitigate any Losses to which a right of indemnity applies hereunder.

11.3 (f)            Exclusive Remedy. From and after the Closing Date, the indemnification provisions contained in this Article 11 shall constitute the sole remedy of the Parties for all claims arising from or relating to this Purchase Agreement or any of the instruments or transactions contemplated hereby (other than any remedies that are expressly set forth in any ancillary agreement referred to herein).

11.3 (g)            Severability of Indemnification Provisions. If any indemnity obligation set forth in this Article 11 or the application of any part thereof is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction under applicable law, then, but only in such event, such indemnity obligation or part thereof shall be modified, read, construed and enforced to the maximum extent permitted by law, and any remaining obligations or part thereof of such indemnity obligation that is valid and enforceable shall remain in full force and effect and be binding on the Parties.

11.4 Survival of Provisions and Indemnification Obligations.

11.4 (a) The representations and warranties of the Parties set forth in Article 4 and Article 5 of this Purchase Agreement shall survive the Closing for one (1) year from the Closing; *provided, however*, that the Fundamental Representations of the Parties shall survive the Closing indefinitely.

11.4 (b) The covenants and the indemnification obligations (other than with respect to the representations and warranties of the Parties, which shall be governed by Section 11.4(a) above) of the Parties set forth in this Purchase Agreement shall survive the Closing as follows:

(i) in the case of covenants of the Parties (other than the covenants set forth in Section 7.1(a)), until the first (1<sup>st</sup>) anniversary of the Closing Date, or otherwise in accordance with their terms;

(ii) in the case of the covenants of the Parties set forth in Section 7.1(a), until the third (3<sup>rd</sup>) anniversary of the Closing Date; and

(iii) in the case of the indemnification obligations of the Parties set forth in Sections 11.1(a)(iii) and 11.1(b)(iii), indefinitely.

11.4 (c) Notwithstanding the foregoing, in the event a claim for indemnification is made in accordance with the provisions hereof on or before the expiration of the applicable survival period for the provision under which such claim is made, the obligations of the Indemnifying Party shall continue as to such claim until it has been finally resolved.

**ARTICLE 12**  
**TAXES AND CHARGES**

12.1 Transfer Taxes. If and to the extent that any transfer, excise, stamp, sales, or other taxes are or become due and payable in connection with the transfer of the LaSalle Interests pursuant to this Purchase Agreement, any such taxes shall be paid by Buyer. Seller and Buyer shall use Commercially Reasonable Efforts to assist and cooperate with each other in connection with establishing the applicability of any exemption from any transfer taxes.

**ARTICLE 13**  
**MISCELLANEOUS PROVISIONS**

13.1 Damages. Notwithstanding anything herein to the contrary, neither Party shall be liable for consequential, incidental, exemplary, special, indirect or punitive damages (including lost profits, loss of production, diminution in value or other damages attributable to business interruption) arising under or in connection with this Purchase Agreement. The exclusion of consequential, incidental, indirect, special or punitive damages as set forth in the preceding sentence shall not apply to any such damages sought by Third Parties against an Indemnified Party in connection with Losses for which indemnification is owed pursuant to Article 11.

13.2 Amendment and Modification. Subject to applicable law, this Purchase Agreement may only be amended, modified and supplemented by written agreement of the Parties to this Purchase Agreement.

13.3 Waiver of Compliance. Any failure of any Seller, on the one hand, or Buyer, on the other hand, to comply with an obligation, covenant, agreement or condition contained in this Purchase Agreement may be expressly waived in writing by the non-failing Party, but such waiver or failure to insist upon strict compliance shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

13.4 Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been given if delivered by hand, courier service, transmitted by facsimile, or mailed, certified or registered mail with postage prepaid:

13.4 (a) If to Seller, to the address first given for them, with a copy to:

DCP Midstream, LP  
370 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80202  
Attn: Wouter T. van Kempen, Chairman of the Board, President and CEO  
Telephone No: 303-605-1610  
Facsimile No: 303-605-2225

with a copy to:

DCP Midstream, LP  
370 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80202  
Attn: Brent Backes, Group Vice President, General Counsel and Secretary  
Telephone No: 303-605-1730  
Facsimile No: 303-605-2226

or such other Person or address as Seller shall furnish Buyer in writing.

13.4 (b) If to Buyer, to:

DCP Midstream Partners, LP  
370 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80202  
Attn: William S. Waldheim, President and CEO  
Telephone No.: 303-633-2220  
Facsimile No: 303-605-2225

with a copy to:

DCP Midstream Partners, LP  
370 17th Street, Suite 2500  
Denver, Colorado 80202  
Attn: Michael S. Richards, Vice President, General Counsel and Secretary  
Telephone No.: 303-633-2912  
Facsimile No.: 303-633-2921

or to such other Person or address as Buyer shall furnish to Seller in writing.

13.5 Assignment. This Purchase Agreement and all of the provisions of this Purchase Agreement shall be binding upon and inure to the benefit of the Parties to this Purchase Agreement and their respective successors and permitted assigns, but neither Party may assign this Purchase Agreement nor any of the rights, interests or obligations under this Purchase Agreement without the prior written consent of the other Party. Notwithstanding any assignment by a Party hereunder, the assigning Party shall in all events remain primarily liable for the performance of all of its obligations hereunder, unless the other Party consents in writing and the proposed assignee expressly assumes as a condition to such assignment all of the assigning Party's performance obligations hereunder. In the event a Party or any subsequent (direct or indirect) assignee of a Party assigns this Purchase Agreement or any of its rights or interests under Article 11 of this Purchase Agreement to a Third Party pursuant to the terms hereof and the assigning Party is thereby released, the assigning Party shall no longer have any rights to make a claim for indemnification under Article 11 following such assignment. Any purported assignment in violation of this Section 13.5 shall be voidable at the option of the non-assigning Party or Parties.

13.6 No Third Party Beneficiaries. Except as provided in Article 6 and Article 11, this Purchase Agreement is solely for the benefit of Seller and Buyer and their respective successors and assigns, and nothing in this Purchase Agreement shall confer any rights upon any other Person.

13.7 GOVERNING LAW. THIS PURCHASE AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, EXCLUDING ANY CHOICE OF LAW RULES WHICH MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

13.8 Consent to Jurisdiction. For purposes of enforcement of any arbitration awards pursuant to Article 14, Seller and Buyer (a) irrevocably submits to the exclusive jurisdiction of any Colorado state court in Denver, Colorado, or the United States District Court sitting in Denver, Colorado, and (b) irrevocably waives any objection that it may now or hereafter have to the laying of venue in such forums and agrees not to plead or claim that any action in such forums would be inconvenient. EACH PARTY WAIVES IRREVOCABLY ANY AND ALL RIGHTS IT MAY HAVE TO TRIAL BY JURY.

13.9 Counterparts. This Purchase Agreement may be executed in one or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

13.10 Exhibits and Headings. Information set forth in any Exhibit or Schedule to this Purchase Agreement is deemed to have been disclosed for all purposes of this Purchase Agreement. The headings contained in this Purchase Agreement are inserted for convenience only, do not constitute a part of this Purchase Agreement, and are in no way to be construed as a limitation on the scope of particular sections to which they refer.

13.11 Entire Agreement. This Purchase Agreement (including the Exhibits, Schedules, and other documents and ancillary agreements referred to herein, which form a part of this Purchase Agreement) embodies the entire agreement and understanding of the Parties in respect of the subject matter contained herein and therein and supersedes all prior and contemporaneous agreements and understandings between the Parties with respect to such subject matter. There are no, and neither Party shall have any remedies or causes of action (whether in contract or in tort) for any, restrictions, promises, statements, warranties, covenants or undertakings with respect to the transactions contemplated hereby and thereby, other than those expressly set forth or referred to in this Purchase Agreement.

13.12 Representation By Counsel; No Strict Construction. Buyer and Seller acknowledge that each of them has been represented by counsel in connection with the negotiation of this Purchase Agreement and the transactions contemplated hereby and that the language used in this Purchase Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Purchase Agreement against the Party that drafted it has no application and is expressly waived.

13.13 Severability. Whenever possible, each provision or part thereof of this Purchase Agreement shall be interpreted in such manner as to be valid and effective under applicable law, but if any provision or part thereof of this Purchase Agreement or the application of any such provision or part thereof to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or part thereof.

13.14 Time of Essence. With regard to all rights and obligations of the Parties and all dates and time periods set forth or referred to in this Purchase Agreement, time is of the essence.

13.15 Acknowledgement of Parties; Conspicuousness. EACH OF THE PARTIES SPECIFICALLY ACKNOWLEDGES AND AGREES (A) THAT IT HAS A DUTY TO READ THIS PURCHASE AGREEMENT AND THAT IT IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS HEREOF, AND (B) THAT IT HAS IN FACT READ THIS PURCHASE AGREEMENT AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS PURCHASE AGREEMENT. EACH PARTY FURTHER AGREES THAT IT WILL NOT

CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY SUCH PROVISIONS OF THIS PURCHASE AGREEMENT ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISIONS OR THAT SUCH PROVISIONS ARE NOT “CONSPICUOUS”.

#### **ARTICLE 14**

#### **DISPUTE RESOLUTION**

14.1 Dispute Resolution. In the event that any Arbitrable Dispute arises, the Parties shall first seek to resolve such disputes by negotiations as provided in this Article 14 between senior representatives who have authority to settle the controversy.

14.1 (a) Notification. When an Arbitrable Dispute exists, a Party has the right to give the other Party written notice of the Arbitrable Dispute.

14.1 (b) Meeting Between Senior Representatives. Senior representatives of the Parties shall meet at a mutually acceptable time and place within fifteen (15) days after a Party's receipt of the notice of the Arbitrable Dispute in order to exchange relevant information and to attempt to resolve the matter. If a senior representative intends to be accompanied to a meeting by an attorney, he or she shall give the other Party's senior representative at least three (3) Business Days' notice of such intention so that he or she also can be accompanied by an attorney. If a Party's senior representative does not meet with the other Party's senior representative within such fifteen (15) day period, the other Party may, at such Party's sole option, either proceed to mediation under Section 14.2 or proceed directly to arbitration under Section 14.3.

14.1 (c) Confidentiality. All negotiations are confidential and shall be treated as compromise and settlement negotiations under the United States Federal Rules of Evidence.

14.2 Mediation. If the Arbitrable Dispute has not been resolved within thirty (30) days after a Party's receipt of the notice provided in Section 14.1(a), either Party may initiate mediation of the Arbitrable Dispute by sending the other Party a written request that the Arbitrable Dispute be mediated. The Party receiving such a written request will promptly respond to the requesting Party so that both Parties can jointly select a neutral and impartial mediator and schedule the mediation session. The dispute shall be mediated before a neutral, third party mediator applying by reference the Commercial Mediation Procedures of the American Arbitration Association within thirty (30) days after a Party's receipt of the written request for mediation. If, within thirty (30) days after a Party's receipt of the mediation notice, the Parties do not jointly select such mediator or do not schedule a mediation session or attend the scheduled mediation session, or if the mediation session conducted pursuant to this Section 14.2 does not result in a resolution of the dispute in question within three (3) Business Days after such conclusion of the mediation session, then either Party may proceed to arbitration under Section 14.3.

14.3 Arbitration. Any Arbitrable Dispute not resolved by agreement of the Parties pursuant to Section 14.1 or pursuant to Section 14.2 shall be resolved exclusively through

final and binding arbitration using three (3) arbitrators applying by reference the Commercial Arbitration Rules (the “AAA Rules”) of the American Arbitration Association (the “AAA”) as in effect on the date such dispute arises, as supplemented to the extent necessary to determine any procedural appeal questions by the Federal Arbitration Act (Title 9 of the United States Code). If there is any inconsistency between the provisions of this Purchase Agreement and the AAA Rules or the Federal Arbitration Act, the provisions of this Purchase Agreement shall control.

14.3 (a) Arbitration must be initiated within the applicable time limits set forth in this Purchase Agreement and not thereafter or if no time limit is given in this Purchase Agreement, within the time period allowed by the applicable statute of limitations; *provided, however*, that if a Party files a notice of Arbitrable Dispute within the applicable time limits or limitations period but such Arbitrable Dispute is not resolved before the expiration of the applicable time limits or limitations period, the time period for initiating arbitration for that specific Arbitrable Dispute shall be extended for ninety (90) calendar days. Arbitration, if initiated, must be initiated by a Party (“*Claimant*”) sending written notice on the other Party (“*Respondent*”) that the Claimant elects to refer the Arbitrable Dispute to binding arbitration.

14.3 (b) Notwithstanding anything in Section 14.1 or Section 14.2 to the contrary, if either Party deems that time is of the essence in resolving the Arbitrable Dispute, it may initiate arbitration and seek interim measures, if appropriate, and then comply with the provisions for negotiations and mediation as long as they are fully completed before the commencement of the final hearing on the merits in the arbitration proceeding.

14.3 (c) Claimant's notice initiating arbitration must identify the arbitrator Claimant has appointed. The Respondent shall respond to Claimant within thirty (30) days after receipt of Claimant's notice, identifying the arbitrator Respondent has appointed. If the Respondent does not name an arbitrator within the thirty (30) day period, the AAA will name the arbitrator for Respondent's account within thirty (30) days after expiration of such period. The two (2) arbitrators so appointed or named shall select a third arbitrator within thirty (30) days after the second arbitrator has been appointed or named. If the two (2) appointed or named arbitrators cannot reach agreement upon the third (3<sup>rd</sup>) arbitrator within the thirty (30) day period, the AAA shall promptly name an independent arbitrator to act as the third (3<sup>rd</sup>) arbitrator. At least one (1) arbitrator shall be a retired or former state or federal judge. The Parties each shall pay one-half (1/2) of the compensation and expenses of the arbitrators. All arbitrators must (a) be neutral persons who have never been officers, directors, employees, or consultants or had other business or personal relationships (except acting as arbitrator) with the Parties or any of their Affiliates, officers, directors or employees, and (b) have experience in or be knowledgeable about the matters in dispute. The location of all arbitration proceedings will be Houston, Texas.

14.3 (d) The Parties and the arbitrators shall proceed diligently so that the award can be made as promptly as possible. If the amount in controversy is less than or equal to One Million Dollars (\$1,000,000), the hearing shall commence within forty-five (45) Business Days after the selection of the third arbitrator. If the amount in controversy exceeds

One Million Dollars (\$1,000,000), the hearing shall commence at such time as agreed by the Parties and the arbitrators but no later than three (3) months after the selection of the third (3<sup>rd</sup>) arbitrator. Expedited discovery will be permitted if and as agreed by the Parties. If the Parties are unable to agree, the arbitrators shall resolve any discovery disputes consistent with the AAA Rules. Any matter involving an amount in controversy in excess of One Million Dollars (\$1,000,000) shall be treated as a large, complex commercial case as per the AAA Rules.

14.3 (e) Except as provided in the Federal Arbitration Act, the decision of the arbitrators shall be binding on and non-appealable by the Parties. In rendering any decision or award, the arbitrators must abide by all terms and conditions of this Purchase Agreement, including the exclusion of consequential, incidental, indirect, special and punitive damages set forth in Section 13.1 and the covenant set forth in Section 14.3(f).

14.3 (f) The Parties shall each bear their own costs and expenses (including attorneys' fees) incurred in arbitrating any Arbitrable Dispute.

\* \* \* \* \*



IN WITNESS WHEREOF, **DCP MIDSTREAM, LP** and **DCP MIDSTREAM PARTNERS, LP** have caused this Purchase Agreement to be executed by their respective, duly authorized representatives as of the day and year first written above.

**DCP MIDSTREAM, LP, A DELAWARE LIMITED PARTNERSHIP**

By: /s/ Brian S. Frederick  
Name: Brian S. Frederick  
Title: President, North and South

**DCP MIDSTREAM PARTNERS, LP, A DELAWARE LIMITED PARTNERSHIP**

By: DCP Midstream GP, LP  
Its: General Partner

By: DCP Midstream GP, LLC  
Its: General Partner

By: /s/ William S. Waldheim  
Name: William S. Waldheim  
Title: President and Chief Executive Officer

*Signature Page to Purchase and Sale Agreement*

**PURCHASE AND SALE AGREEMENT**

**between**

**DCP Midstream, LP,**

**and**

**DCP Midstream Partners, LP**

**August 5, 2013**

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## **Exhibit**

A	Form of Subject Interests Assignment Agreement
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## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is dated as of August 5, 2013 (the "Effective Date") and is by and among DCP Midstream, LP, a Delaware limited partnership ("MIDSTREAM"), and DCP Midstream Partners, LP, a Delaware limited partnership ("MLP"). MIDSTREAM and MLP are sometimes referred to collectively herein as the "Parties" and individually as a "Party".

### RECITALS

A. MIDSTREAM owns all of the membership interests (the "Subject Interests") of DCP Midstream Front Range LLC, a Delaware limited liability company ("Front Range"), which owns a 33.33% membership interest in Front Range Pipeline LLC ("FRP");

B. FRP is constructing a 433 mile 16 inch NGL pipeline from Ft. Lupton, Colorado to the vicinity of Skellytown, Texas ("Front Range Pipeline");

C. WHEREAS, MIDSTREAM desires to sell and assign to MLP, and MLP desires to purchase and accept from MIDSTREAM, the Subject Interests, upon the terms and conditions of this Agreement.

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

### ARTICLE I CERTAIN DEFINITIONS

1.1 Certain Defined Terms. Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings given such terms as is set forth below.

"Affiliate" means, when used with respect to a specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with the specified Person as of the time or for the time periods during which such determination is made. For purposes of this definition "control", when used with respect to any specified Person, means the power to direct the management and policies of the Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have the meanings correlative to the foregoing.

"Arbitral Dispute" means any dispute, claim, counterclaim, demand, cause of action, controversy and other matters in question arising out of or relating to this Agreement or the alleged breach hereof, or in any way relating to the subject matter of this Agreement or the relationship between the Parties created by this Agreement, regardless of whether (a) allegedly extra-contractual in nature, (b) sounding in contract, tort, or otherwise, (c) provided for by applicable Law or otherwise, or (d) seeking damages or any other relief, whether at Law, in equity, or otherwise.

"Arbitration Rules" shall have the meaning given such term in Section 10.8(d).

“Assets” shall mean the Front Range Pipeline and all of the assets and properties of FRP pursuant to the Operating Agreements, except for the Excluded Assets.

“Assignment and Assumption Agreement” shall mean the Assignment and Assumption Agreement between MIDSTREAM and MLP in substantially the form of Exhibit B.

“Assumed Obligations” shall mean any and all obligations and liabilities with respect to or arising out of (i) the Operating Agreements (ii) the ownership of the Subject Interests, but shall not include Reserved Liabilities.

“Benefit Plan” shall mean any of the following: (a) any employee welfare benefit plan or employee pension benefit plan as defined in sections 3(1) and 3(2) of ERISA, and (b) any other material employee benefit agreement or arrangement, including a deferred compensation plan, incentive plan, bonus plan or arrangement, stock option plan, stock purchase plan, stock award plan, golden parachute agreement, severance plan, dependent care plan, cafeteria plan, employee assistance program, scholarship program, employment contract, retention incentive agreement, non-competition agreement, consulting agreement, vacation policy, and other similar plan, agreement and arrangement.

“Business Day” shall mean any day, other than Saturday and Sunday, on which federally-insured commercial banks in Denver, Colorado are generally open for business and capable of sending and receiving wire transfers.

“Casualty Loss” shall mean, with respect to all or any portion of the Assets, any destruction by fire, storm or other casualty, or any condemnation or taking or threatened condemnation or taking, of all or any portion of the Assets.

“Claim” shall mean any demand, demand letter, claim or notice by a Third Person of noncompliance or violation or Proceeding.

“Claim Notice” shall have the meaning given such term in Section 9.3(c).

“Closing” shall have the meaning given such term in Section 8.1.

“Closing Date” shall have the meaning given such term in Section 8.1.

“Code” shall mean the U.S. Internal Revenue Code of 1986, as amended.

“Commercially Reasonable Efforts” shall mean efforts which are reasonably within the contemplation of the Parties on the date hereof, which are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, the transactions contemplated by this Agreement and which do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities which are reasonable in nature and amount in the context of the transactions contemplated by this Agreement.

“Defensible Title” shall mean, to MIDSTREAM's Knowledge, that FRP has good and indefeasible title to the Assets free and clear of Liens other than Permitted Encumbrances.

“Effective Date” shall have the meaning given such term in the introductory paragraph.

“Environmental Law” shall mean any and all Laws, statutes, ordinances, rules, regulations, or orders of any Governmental Authority in existence at the Effective Time pertaining to employee health, public safety, pollution or the protection of the environment or natural resources or to Hazardous Materials in any and all jurisdictions in which the party in question owns property or conducts business or in which the Assets are located, including the Clean Air Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“CERCLA”), the Federal Water Pollution Control Act, the Occupational Safety and Health Act of 1970 (to the extent relating to environmental matters), the Resource Conservation and Recovery Act of 1976 (“RCRA”), the Safe Drinking Water Act, the Toxic Substances Control Act, the Hazardous & Solid Waste Amendments Act of 1984, the Superfund Amendments and Reauthorization Act of 1986, the Hazardous Materials Transportation Act, the Oil Pollution Act of 1990, any state or local Laws implementing or substantially equivalent to the foregoing federal Laws, and any state or local Laws pertaining to the handling of oil and gas exploration, production, gathering, and processing wastes or the use, maintenance, and closure of pits and impoundments.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Excluded Assets” shall mean all of the following:

- (a) Any deposits or pre-paid items attributable to the operation of the Assets not paid by or on behalf of Front Range;
- (b) [Reserved];

(c) Claims for refund of or loss carry forwards with respect to (i) Taxes attributable to the business of Front Range for any period prior to the Closing Date or (ii) any Taxes attributable to any of the Excluded Assets;

(d) All work product of MIDSTREAM or its Affiliates' attorneys, records relating to the negotiation and consummation of the transactions contemplated hereby and documents that are subject to a valid attorney client privilege; and

(e) All rights to claim coverage or benefits under any insurance policies or coverage applicable to Front Range or the Assets, including self-insurance and insurance obtained through a captive insurance carrier.

“Exhibits” shall mean any and/or all of the exhibits attached to and made a part of this Agreement.

“Final Settlement Statement” shall have the meaning given such term in Section 3.3.

“FRP” shall have the meaning given such term in Recital A.

“Front Range” shall have the meaning given such term in Recital A.



“Front Range Pipeline” shall have the meaning given such term in Recital B.

“GAAP” means generally accepted accounting principles in the United States as of the date hereof, consistently applied.

“Governmental Authorities” shall mean (a) the United States of America or any state or political subdivision thereof within the United States of America and (b) any court or any governmental or administrative department, commission, board, bureau or agency of the United States of America or of any state or political subdivision thereof within the United States of America.

“Hazardous Materials” shall mean: (a) any wastes, chemicals, materials or substances defined or included in the definition of “hazardous substances,” “hazardous materials,” “toxic substances,” “solid wastes,” “pollutants,” “contaminants,” or words of similar import, under any Environmental Law; (b) any hydrocarbon or petroleum or component thereof, (including, without limitation, crude oil, natural gas, natural gas liquids, or condensate that is not reasonably and commercially recoverable; (c) oil and gas exploration or production wastes including produced water; (d) radioactive materials (other than naturally occurring radioactive materials), friable asbestos, mercury, lead based paints and polychlorinated biphenyls; (e) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority; or (f) any regulated constituents or substances in concentrations or levels that exceed numeric or risk-based standards established pursuant to Environmental Laws.

“Indemnified Party” or “Indemnitee” shall have the meaning given such term in Section 9.4(a).

“Indemnifying Party” or “Indemnitor” shall have the meaning given such term in Section 9.4(a).

“Independent Accountants” shall mean Deloitte & Touche.

“Interest Rate” shall mean three (3) months LIBOR plus one-half percent (0.5%) basis points.

“Laws” shall mean all applicable statutes, laws (including common law), regulations, rules, rulings, ordinances, orders, restrictions, requirements, writs, judgments, injunctions, decrees and other official acts of or by any Governmental Authority.

“Lien” shall mean any lien, mortgage, pledge, claim, charge, security interest or other encumbrance, option or defect on title.

“LIBOR” shall mean the British Bankers' Association interbank offered rates as of 11:00 a.m. London time for deposits in dollars that appear on the relevant page of the Reuters service (currently page LIBOR01) or, if not available, on the relevant pages of any other service (such as Bloomberg Financial Markets Service) that displays such British Bankers' Association rates.

“Loss” or “Losses” shall mean any and all damages, demands, payments, obligations, penalties, assessments, disbursements, claims, costs, liabilities, losses, causes of action, and expenses, including interest, awards, judgments, settlements, fines, fees, costs of defense and

reasonable attorneys' fees, costs of accountants, expert witnesses and other professional advisors and costs of investigation and preparation of any kind or nature whatsoever.

“Material Adverse Effect” shall mean a single event, occurrence or fact, or series of events, occurrences or facts, that, alone or together with all other events, occurrences or facts (a) would have an adverse change in or effect on Front Range or the Assets (including the cost to remedy, replace or obtain same) taken as a whole, in excess of \$4,300,000 or (b) would result in the prohibition or material delay in the consummation of the transactions contemplated by this Agreement, excluding (in each case) matters that are generally industry-wide developments or changes or effects resulting from changes in Law or general economic, regulatory or political conditions.

“Materiality Condition” shall have the meaning given such term in Section 9.5.

“MIDSTREAM” shall have the meaning given such term in the introductory paragraph.

“MIDSTREAM's Indemnitees” shall have the meaning given such term in Section 9.1.

“MIDSTREAM's Knowledge” or the “Knowledge of MIDSTREAM” or any similar term, shall mean the actual knowledge of (a) any officer of MIDSTREAM having a title of Vice President or higher, and (b) the individuals listed on Schedule 1.1(b).

“MIDSTREAM's Required Consents” shall have meaning given such term in Section 4.4.

“MLP” shall have the meaning given such term in the introductory paragraph.

“MLP Indemnitees” shall have the meaning given such term in Section 9.2.

“MLP's Knowledge” or the “Knowledge of MLP” or any similar term, shall mean the actual knowledge of any officer of MLP having a title of Vice President or higher.

“Notice Period” shall have the meaning given such term in Section 9.4(c).

“Operating Agreements” shall mean the First Amended and Restated Limited Liability Company Agreement of Front Range Pipeline LLC effective as of March 20, 2012, as amended, the Operating Agreement between Enterprise Products Operating LLC and Front Range Pipeline LLC effective as of March 20, 2012, the Construction Agreement by and between Enterprise Products Operating LLC and Front Range Pipeline LLC effective as of March 20, 2012 and the Delegation of Construction Management Agreement among Enterprise Products Operating LLC, WGR Asset Holding Company LLC, DCP Midstream Front Range Pipeline LLC and Front Range Pipeline LLC effective as of March 20, 2012.

“Ordinary Course of Business” shall mean the ordinary course of business consistent with past practices.

“Permitted Encumbrances” shall mean the following:

- (a) the terms, conditions, restrictions, exceptions, reservations, limitations, and other matters contained in any document creating the real property interests, or in any permit or contract;
- (b) Liens for property Taxes and assessments that are not yet due and payable (or that are being contested in good faith by appropriate Proceedings for which adequate reserves in accordance with GAAP have been established on the books of account of Front Range);
- (c) mechanic's, materialmen's, repairmen's and other statutory Liens arising in the Ordinary Course of Business and securing obligations incurred prior to the Effective Date and (i) for which adequate reserves in accordance with GAAP have been established on the books of account of Front Range, or (ii) that are not delinquent and that will be paid and discharged in the Ordinary Course of Business or, if delinquent, that are being contested in good faith with any action to foreclose on or attach any Assets on account thereof properly stayed and for which adequate reserves in accordance with GAAP have been established on the books of account of Front Range;
- (d) utility easements, restrictive covenants, defects and irregularities in title, encumbrances, exceptions and other matters that are of record that, singularly or in the aggregate, will not materially interfere with the ownership, use or operation of the Assets to which they pertain;
- (e) required Third Person consents to assignment, preferential purchase rights and other similar agreements with respect to which consents or waivers are obtained from the appropriate Person for the transaction contemplated hereby prior to Closing or, as to which the appropriate time for asserting such rights has expired as of the Closing without an exercise of such rights;
- (f) any Post-Closing Consent;
- (g) Liens created by MLP or its successors or assigns; and
- (h) the Liens listed on Schedule 1.1(c).

“Person” shall mean any natural person, corporation, company, partnership (general or limited), limited liability company, trust, joint venture, joint stock company, unincorporated organization, or other entity or association.

“Post-Closing Consents” shall mean consents or approvals from, or filings with Governmental Authorities or consents from railroads customarily obtained following the closing of transactions involving the transfer of assets similar to those owned by Front Range, as listed on Schedule 4.4.

“Pre-Closing Capital Contributions” shall mean all accounts payable and pre-Closing capital contributions made by MIDSTREAM under the Operating Agreements.

“Pre-Closing Tax Period” shall mean any taxable period or a portion thereof, ending on or prior to the Closing Date.

“Preliminary Settlement Statement” shall have the meaning given such term in Section 3.2.

“Proceeding” shall mean any action, suit, claim, investigation, review or other judicial or administrative proceeding, at Law or in equity, before or by any Governmental Authority or arbitration or other dispute resolution proceeding.

“Purchase Price” shall have the meaning given such term Section 2.2.

“Qualified Claims” shall have the meaning given such term in Section 9.3(b)(ii).

“Reserved Liabilities” shall mean Losses, and with respect to clause (iii), capital expenditures with respect to:

(i) except for sales, transfer, use or similar Taxes that are due or should hereafter become due (including penalty and interest thereon) by reason of the sale contemplated by Section 10.3 of this Agreement, the amount of Taxes with respect to Front Range, FRP or the Operating Agreements to the extent related to periods prior to and including the Closing Date;

(ii) the Excluded Assets and Taxes related thereto; and

(iii) those matters, if any, described on Schedule 1.1(d).

“Schedules” shall mean any and/or all of the schedules attached to and made a part of this Agreement.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Settlement Notice” shall have the meaning given such term in Section 3.4.

“Subject Interests” shall have the meaning given such term in the Recitals.

“Subject Interests Assignment Agreement” shall mean the Assignment Agreement in substantially the form of Exhibit A covering the conveyance of the Subject Interests by MIDSTREAM to MLP.

“Subsidiary” means, with respect to any Person, (a) any corporation, of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote generally in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (b) any limited liability company, partnership, association or other business entity, of which a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof.

“Tax” or “Taxes” shall mean any federal, state, local or foreign income tax, ad valorem tax, excise tax, sales tax, use tax, franchise tax, real or personal property tax, transfer tax, gross receipts tax or other tax, assessment, duty, fee, levy or other governmental charge, together with and including, any and all interest, fines, penalties, assessments, and additions to Tax resulting from, relating to, or incurred in connection with any of those or any contest or dispute thereof.

“Tax Authority” shall mean any Governmental Authority having jurisdiction over the payment or reporting of any Tax.

“Tax Benefits” means the amount by which the Tax liability of the Indemnified Party or any of its Affiliates for a taxable period is actually reduced (including by deduction, reduction in income upon a sale, disposition or other similar transaction as a result of increased tax basis, receipt of a refund of Taxes or use of a credit of Taxes) plus any related interest (net of Taxes payable thereon) received from the relevant Tax Authority, as a result of the incurrence, accrual or payment of any Loss or Tax with respect to which the indemnification payment is being made.

“Tax Return” shall mean any report, statement, form, return or other document or information required to be supplied to a Tax Authority in connection with Taxes.

“Third Person” shall mean (i) any Person other than a Party or its Affiliates, and (ii) any Governmental Authority.

“Third Person Awards” shall mean any actual recoveries from Third Persons by the Indemnified Party (including from insurance and third-party indemnification) in connection with the claim for which such party is also potentially liable.

“Transaction Documents” shall mean the Subject Interests Assignment Agreement, the Assignment and Assumption Agreement, that certain Amendment to Services Agreement by and between MIDSTREAM, and MLP and any other document related to the sale, transfer, assignment or conveyance of the Subject Interests to be delivered at Closing.

“Treasury Regulations” shall mean regulations promulgated under the Code.

1.2 Other Definitional Provisions. As used in this Agreement, unless expressly stated otherwise or the context requires otherwise, (a) all references to an “Article,” “Section,” or “subsection” shall be to an Article, Section, or subsection of this Agreement, (b) the words “this Agreement,” “hereof,” “hereunder,” “herein,” “hereby,” or words of similar import shall refer to this Agreement as a whole and not to a particular Article, Section, subsection, clause or other subdivision hereof, (c) the words used herein shall include the masculine, feminine and neuter gender, and the singular and the plural, (d) the word “including” means “including, without limitation” and (e) the word “day” or “days” means a calendar day or days, unless otherwise denoted as a Business Day.

1.3 Headings. The headings of the Articles and Sections of this Agreement and of the Schedules and Exhibits are included for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation hereof or thereof.

1.4 Other Terms. Other terms may be defined elsewhere in the text of this Agreement and shall have the meaning indicated throughout this Agreement.

## **ARTICLE II PURCHASE AND SALE OF THE SUBJECT INTERESTS**

2.1 The Transaction. Upon the terms and subject to the conditions of this Agreement, at the Closing, (a) MIDSTREAM shall sell, transfer, convey, assign and deliver to MLP, and MLP shall purchase, acquire, accept, assume and receive from MIDSTREAM, all of MIDSTREAM's right, title and interest in and to the Subject Interests and (b) MLP shall assume the Assumed Obligations.

2.2 Purchase Price.  
The total purchase price to be paid by MLP to MIDSTREAM in consideration for the Subject Interests shall be \$86,000,000 (the "Purchase Price"). At Closing, MLP to pay to MIDSTREAM, in immediately available funds by wire transfer to an account designated by MIDSTREAM, the Purchase Price.

## **ARTICLE III ADJUSTMENTS AND SETTLEMENT**

3.1 Adjustments.

(a) The value of the Pre-Closing Capital Contributions shall be subject to cash adjustments pursuant to this ARTICLE III.

(b) The Parties shall use all Commercially Reasonable Efforts to agree upon the adjustments set forth in this ARTICLE III, and to resolve any differences with respect thereto. Except as provided herein, no adjustments shall be made after delivery of the Final Settlement Statement.

3.2 Preliminary Settlement Statement. Not later than three (3) Business Days before the Closing Date, and after consultation with MLP, MIDSTREAM shall deliver to MLP a written statement (the "Preliminary Settlement Statement") setting forth the Pre-Closing Capital Contributions and each component therein included in the Purchase Price, as determined in good faith by MIDSTREAM that are described in the definition thereof, with MIDSTREAM's calculation of such items in reasonable detail, based on information then available to MIDSTREAM. The Preliminary Settlement Statement shall also set forth wire transfer instructions for the Closing payments.

3.3 Final Settlement Statement. As soon as practicable after receipt of information from the operator of FRP, and after consultation with MLP, MIDSTREAM shall deliver to MLP a revised settlement statement showing in reasonable detail its calculation of the items described in the definition of Pre-Closing Capital Contributions along with other adjustments or payments

contemplated in this Agreement (said revised statement and the calculation thereof shall be referred to as the “Final Settlement Statement”).

3.4 Dispute Procedures. The Final Settlement Statement shall become final and binding on the Parties on the 45th day following the date the Final Settlement Statement is received by MLP, unless prior to such date MLP delivers written notice to MIDSTREAM of its disagreement with the Final Settlement Statement (a “Settlement Notice”). Any Settlement Notice shall set forth MLP's proposed changes to the Final Settlement Statement, including an explanation in reasonable detail of the basis on which MLP proposes such changes. If MLP has timely delivered a Settlement Notice, MLP and MIDSTREAM shall use good faith efforts to reach written agreement on the disputed items. If the disputed items have not been resolved by MLP and MIDSTREAM by the 30th day following MIDSTREAM's receipt of a Settlement Notice, any remaining disputed items shall be submitted to the Independent Accountants for resolution within ten (10) Business Days after the end of the foregoing 30-day period. The fees and expenses of the Independent Accountants shall be borne fifty percent (50%) by MIDSTREAM and fifty percent (50%) by MLP. The Independent Accountants' determination of the disputed items shall be final and binding upon the Parties, and the Parties hereby waive any and all rights to dispute such resolution in any manner, including in court, before an arbiter or appeal.

3.5 Payments. If the final calculated amount as set forth in the Final Settlement Statement exceeds the estimated calculated amount as set forth in the Preliminary Settlement Statement, then MLP shall pay to MIDSTREAM the aggregate amount of such excess, with interest at the Interest Rate (calculated from the Closing Date). If the final calculated amount as set forth in the Final Settlement Statement is less than the estimated calculated amount as set forth in the Preliminary Settlement Statement, then MIDSTREAM shall pay to MLP the aggregate amount of such excess, with interest at the Interest Rate (calculated from the Closing Date). Any payment shall be made within three (3) Business Days of the date the Final Settlement Statement becomes final pursuant to Section 3.4.

3.6 Access to Records. The Parties shall grant to each other full access to the records and relevant personnel to allow each of them to make evaluations under this ARTICLE III.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF MIDSTREAM**

MIDSTREAM represents and warrants to MLP as follows:

4.1 Organization, Good Standing, and Authority. MIDSTREAM is a limited partnership duly formed, validly existing and in good standing under the Laws of the State of Delaware. Front Range is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Delaware. The execution and delivery of this Agreement and the other Transaction Documents to which MIDSTREAM is a party and the consummation by MIDSTREAM of the transactions contemplated herein and therein have been duly and validly authorized by all necessary limited partnership action by MIDSTREAM. This Agreement has been duly executed and delivered by MIDSTREAM. MIDSTREAM has all requisite limited partnership power and

authority to enter into and perform this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to carry out the transactions contemplated herein and therein.

4.2 Enforceability. This Agreement constitutes and, upon execution of and delivery by MIDSTREAM of the other Transaction Documents to which it is a party, such Transaction Documents will constitute, valid and binding obligations of MIDSTREAM, enforceable against such Party in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar Laws affecting creditor's rights generally and general principles of equity.

4.3 No Conflicts. The execution, delivery and performance by MIDSTREAM of this Agreement, and the execution, delivery and performance by MIDSTREAM of the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby or thereby, will not:

- (a) Provided all of MIDSTREAM's Required Consents and Post-Closing Consents have been obtained, conflict with, constitute a breach, violation or termination of, give rise to any right of termination, cancellation or acceleration of or result in the loss of any right or benefit under, any agreements to which MIDSTREAM or Front Range is a party or by which any of them, the Subject Interests or the Assets are bound;
- (b) Conflict with or violate the organizational documents of MIDSTREAM or Front Range; and
- (c) Provided that all of MIDSTREAM's Required Consents and Post-Closing Consents have been obtained, violate any Law applicable to MIDSTREAM, Front Range or the Assets.

4.4 Consents, Approvals, Authorizations and Governmental Regulations. Except for (i) Post-Closing Consents, and (ii) as set forth in Schedule 4.4 (the items described in clause (ii) referred to as the "MIDSTREAM's Required Consents"); no order, consent, waiver, permission, authorization or approval of, or exemption by, or the giving of notice to or the registration or filing with any Third Person, is necessary for MIDSTREAM to execute, deliver and perform this Agreement or for MIDSTREAM to execute, deliver and perform the other Transaction Documents to which it is a party.

4.5 Taxes. Except as set forth in Schedule 4.5:

(a) Front Range, and to MIDSTREAM's Knowledge, FRP, has not filed an election under Treasury Regulation §301.7701-3 to be classified as a corporation for U.S. federal income tax purposes. Since the date of its formation until Closing, Front Range has been and will be a business entity that will be disregarded for federal income Tax purposes under Treasury Regulation §§301.7701-2 and -3;

(b) Except with respect to ad valorem Taxes for the year in which Closing occurs, all Taxes due and owing or claimed to be due and owing (whether such claim is asserted before or after the Effective Date) from or against Front Range, and to MIDSTREAM's



Knowledge from or against FRP, relating to the Assets, or the operation thereof, prior to the Effective Date have been or will be timely paid in full by, for or on behalf of Front Range or FRP;

(c) All withholding Tax and Tax deposit requirements imposed with respect to Front Range, and to MIDSTREAM's Knowledge with respect to FRP, and applicable to the Assets, or the operation thereof, for any and all periods or portions thereof ending prior to the Effective Date have been or will be timely satisfied in full by for or on behalf of Front Range or FRP;

(d) All Tax Returns that are required to be timely filed for, by, on behalf of or with respect to Front Range, and to MIDSTREAM's Knowledge for, by, or on behalf of or with respect to FRP, before the Effective Date have been or will be filed with the appropriate Governmental Authority; all Taxes shown to be due and payable on such Tax Returns have been or will be paid in full by, for or on behalf of Front Range and to MIDSTREAM's Knowledge, for or on behalf of or with respect to FRP;

(e) Front Range, and to MIDSTREAM's Knowledge, FRP, is not under Tax audit or Tax examination by any Governmental Authority. There are no Claims pending or threatened against Front Range or to the Knowledge of MIDSTREAM pending or threatened against FRP, with respect to any Tax or any matters under discussion with any Governmental Authority relating to any Tax;

(f) Neither of Front Range, and to MIDSTREAM's Knowledge, FRP, (i) has not agreed to make, nor is required to make, any adjustment under Section 481 of the Code or any comparable provision of state, local or foreign Law by reason of a change in accounting method or otherwise, and (ii) is not a party to or bound by (or will become a party to or bound by) any Tax sharing, Tax indemnity or Tax allocation agreement; and

(g) To MIDSTREAM's Knowledge, FRP has made or will make on its Tax Return for the taxable year that includes the Closing Date, a valid election pursuant to Section 754 of the Code.

4.6 Litigation; Compliance with Laws.

(a) There is no injunction, restraining order or Proceeding pending against MIDSTREAM, Front Range, or FRP that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

(b) Except for the litigation and Claims identified on Schedule 4.6, there is no written Claim, investigation or examination pending, against or affecting Front Range (or its assets), before or by any Third Person.

(c) Except for the litigation and Claims identified on Schedule 4.6, to MIDSTREAM's Knowledge, there is no written Claim, investigation or examination pending or threatened, against or affecting FRP or the Assets, before or by any Third Person.

(d) To MIDSTREAM's Knowledge, the Assets have been owned and operated in compliance with applicable Laws, except for any non-compliance which has been timely brought into compliance therewith. Notwithstanding anything herein to the contrary, the

provisions of this Section 4.6(d) shall not relate to or cover any environmental matters, which shall be governed by Section 4.14.

4.7 Contracts. The Operating Agreements, as applicable, are the only contracts to which Front Range is a party. Front Range is not party to any other contracts that are material to the business of Front Range, taken as a whole. Front Range is not in default and there is no event or circumstance that with notice, or lapse of time or both, would constitute an event of default by the entity under the terms of the Operating Agreements. The Operating Agreements are in full force and effect and to MIDSTREAM's Knowledge, no counter-party to any of the Operating Agreements is in default under the terms of such Operating Agreements.

4.8 Intellectual Property.

(a) To MIDSTREAM's Knowledge neither of MIDSTREAM or Front Range has received any written notice of infringement, misappropriation or conflict with respect to intellectual property from any Person with respect to the ownership, use or operation of the Assets; and

(b) To MIDSTREAM's Knowledge the ownership, use and operation of the Assets have not infringed, misappropriated or otherwise conflicted with any patents, patent applications, patent rights, trademarks, trademark applications, service marks, service mark applications, copyrights, trade names, unregistered copyrights or trade secrets of any other Person.

4.9 [Reserved].

4.10 [Reserved].

4.11 Preferential Rights to Purchase. There are no preferential or similar rights to purchase any portion of the Subject Interests, Front Range or the Assets that will be triggered by this Agreement or the transactions contemplated herein.

4.12 Broker's or Finder's Fees. No investment banker, broker, finder or other Person is entitled to any brokerage or finder's fee or similar commission in respect thereof based in any way on agreements, arrangements or understandings made by or on behalf of MIDSTREAM or any of its Affiliates.

4.13 Compliance with Property Instruments. To MIDSTREAM's Knowledge and except as set forth in Schedule 4.13, (a) all of the instruments creating the real property interests are presently valid, subsisting and in full force and effect; (b) there are no violations, defaults or breaches thereunder, or existing facts or circumstances which upon notice or the passage of time or both will constitute a violation, default or breach thereunder; and (c) the Assets are currently being operated and maintained in compliance with all terms and provisions of the instruments creating the real property interests. None of MIDSTREAM or its Affiliates has received or given any written notice of default or claimed default under any such instruments and is not participating in any negotiations regarding any material modifications thereof.

4.14 Environmental Matters. Except as set forth in Schedule 4.14:

(a) to MIDSTREAM's Knowledge, the operator of the Assets has not caused or allowed the generation, use, treatment, manufacture, storage, or disposal of Hazardous Materials at, on or from the Assets, except in accordance with all applicable Environmental Laws;

(b) to MIDSTREAM's Knowledge, there has been no release of any Hazardous Materials at, on, from or underlying any of the Assets other than such releases that (i) are not required to be reported to a Governmental Authority, (ii) have been reported to the appropriate Governmental Authority or (iii) were in compliance with applicable Environmental Laws;

(c) to MIDSTREAM's Knowledge, the operator of the Assets has secured all permits required under Environmental Laws for the ownership, use and operation of the Assets and FRP is in compliance with such permits;

(d) MIDSTREAM and its Affiliates, or to MIDSTREAM's Knowledge, the operator of the Assets has not received written inquiry or notice of any actual or threatened Claim related to or arising under any Environmental Law relating to the Assets;

(e) Neither MIDSTREAM nor Front Range is currently operating or required to be operating any of the Assets under any compliance order, a decree or agreement, any consent decree or order, or corrective action decree or order issued by or entered into with any Governmental Authority under any Environmental Law or any Law regarding health or safety in the work place;

(f) to MIDSTREAM's Knowledge, FRP has owned, used and operated the Assets in compliance with Environmental Laws, except for any non-compliance which has been remediated and brought into compliance with Environmental Laws; and

(g) to MIDSTREAM's Knowledge, none of the off-site locations where Hazardous Materials from any of the Assets have been transported, stored, treated, recycled, disposed of or released has been designated as a facility that is subject to a Claim under any Environmental Laws.

4.15 Employee Matters. At no time prior to the Effective Time will Front Range have had any employees.

4.16 Benefit Plan Liabilities. At no time prior to the Effective Time will Front Range have maintained any Benefit Plans and Front Range shall have no liability with respect to any Benefit Plans.

4.17 No Foreign Person. MIDSTREAM is not a "foreign person" as defined in Section 1445 of the Code and in any regulations promulgated thereunder.

4.18 Title; Capitalization of the Subject Interests.

(a) The Subject Interests (i) constitute 100% of the outstanding ownership interests in Front Range, (ii) were duly authorized, validly issued, fully paid and non-assessable and (iii) were not issued in violation of any pre-emptive rights.

(b) MIDSTREAM has good and valid title to the Subject Interests and, except as provided or created by its limited liability company agreement or other organizational or governance documents, the Securities Act or applicable securities Laws, the Subject Interests are free and clear of any (i) restrictions on transfer, Taxes, Liens, Claims, or Proceedings or (ii) encumbrances, options, warrants, purchase rights, contracts, commitments, equities or demands to the extent any of the same contain or create any right to acquire all or any right in or to the Subject Interests.

(c) There are no existing rights, agreements or commitments of any character obligating Front Range to issue, transfer or sell any additional ownership rights or interests or any other securities (debt, equity or otherwise) convertible into or exchangeable for such ownership rights or interests or repurchase, redeem or otherwise acquire any such interest.

(d) Front Range owns Defensible Title to a 33.33% ownership interest in and to FRP, free and clear of any Liens, except Permitted Encumbrances and subject to the terms of the Operating Agreements.

4.19 Subsidiaries and Other Equity Interests. With the exception of FRP, Front Range does not have any Subsidiaries or own, directly or indirectly, any equity interest in any other Person other than FRP.

4.20 Bank Accounts. Except as set forth on Schedule 4.20, Front Range has no accounts or safe-deposit boxes with banks, trust companies, savings and loan associations, or other financial institutions.

4.21 [Reserved].

4.22 [Reserved].

4.23 [Reserved].

4.24 Undisclosed Liabilities. To MIDSTREAM's Knowledge, there are no liabilities or obligations of Front Range (whether known or unknown and whether accrued, absolute, contingent or otherwise) and there are no facts or circumstances that would reasonably be expected to result in any such liabilities or obligations, other than (i) liabilities or obligations disclosed in Schedule 4.24, and (ii) current liabilities incurred in the Ordinary Course of Business.

4.25 No Other Representations or Warranties; Schedules. Other than as provided in this Article IV, MIDSTREAM makes no other express or implied representation or warranty with respect to Front Range or any of its respective Affiliates, the Assets, or the transactions contemplated by this Agreement, and disclaims any other representations or warranties. The disclosure of any matter

or item in any schedule to this Agreement shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES OF MLP**

MLP hereby represents and warrants to MIDSTREAM:

5.1 Organization, Good Standing, and Authorization. MLP is a limited partnership duly formed, validly existing and in good standing under the Laws of the State of Delaware. MLP has all requisite limited partnership power and authority to enter into and perform this Agreement and the Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to carry out the transactions contemplated herein and therein. The execution and delivery of this Agreement and the Transaction Documents to which it is a party and the consummation by MLP of the transactions contemplated herein have been duly and validly authorized by all necessary limited partnership action by MLP. This Agreement has been duly executed and delivered by MLP.

5.2 Enforceability. This Agreement constitutes, and upon execution and delivery of the Transaction Documents to which MLP is a party, such Transaction Documents will constitute, valid and binding obligations of MLP, enforceable against MLP in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar Laws affecting creditor's rights generally and general principles of equity.

5.3 No Conflicts. The execution, delivery and performance by MLP of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby or thereby, will not:

- (a) conflict with, constitute a breach, violation or termination of, give rise to any right of termination, cancellation or acceleration of or result in the loss of any right or benefit under, any agreement to which MLP is a party;
- (b) conflict with or violate the organizational documents of MLP; or
- (c) violate any Law applicable to MLP.

5.4 Consents, Approvals, Authorizations and Governmental Regulations. No order, consent, waiver, permission, authorization or approval of, or exemption by, or the giving of notice to or registration or filing with, any Third Person, is necessary for MLP to execute, deliver and perform this Agreement or the Transaction Documents to which it will be a party.

5.5 Litigation. There is no injunction, restraining order or Proceeding pending against MLP that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

5.6 Independent Investigation. MLP is knowledgeable in the business of owning and operating natural gas, natural gas liquids facilities, condensate and refined product facilities and

has had access to the Assets, the representatives of MIDSTREAM and its Affiliates, and to the records of MIDSTREAM and its Affiliates with respect to the Assets. MLP ACKNOWLEDGES THAT THE ASSETS ARE IN THEIR "AS IS, WHERE IS" CONDITION AND STATE OF REPAIR, AND WITH ALL FAULTS AND DEFECTS, AND THAT, EXCEPT AS EXPRESSLY SET OUT IN THIS AGREEMENT, MIDSTREAM HAS MADE NO REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MARKETABILITY, QUALITY, CONDITION, CONFORMITY TO SAMPLES, MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED BY MIDSTREAM AND EXCEPT AS SET FORTH IN THIS AGREEMENT, WAIVED BY MLP. MLP FURTHER ACKNOWLEDGES THAT: (I) THE ASSETS WILL BE USED FOR natural gas, natural gas liquids, CONDENSATE AND/OR REFINED PRODUCT OPERATIONS AND PHYSICAL CHANGES IN THE ASSETS AND IN THE LANDS BURDENED THEREBY MAY HAVE OCCURRED AS A RESULT OF SUCH USES; (II) THE ASSETS MAY INCLUDE BURIED PIPELINES AND OTHER EQUIPMENT, THE LOCATIONS OF WHICH MAY NOT BE KNOWN BY MIDSTREAM OR READILY APPARENT BY A PHYSICAL INSPECTION OF THE ASSETS OR THE LANDS BURDENED THEREBY; (III) MLP SHALL HAVE INSPECTED PRIOR TO CLOSING, OR SHALL BE DEEMED TO HAVE WAIVED ITS RIGHTS TO INSPECT, THE ASSETS AND THE ASSOCIATED PREMISES, AND SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, AND THAT MLP SHALL, SUBJECT TO THE OTHER PROVISIONS OF THIS AGREEMENT, ACCEPT ALL OF THE SAME IN THEIR "AS IS, WHERE IS" CONDITION AND STATE OF REPAIR, AND WITH ALL FAULTS AND DEFECTS, INCLUDING, BUT NOT LIMITED TO, THE PRESENCE OF MAN-MADE MATERIAL FIBERS AND THE PRESENCE, RELEASE OR DISPOSAL OF HAZARDOUS MATERIALS. EXCEPT AS EXPRESSLY SET OUT IN THIS AGREEMENT, MIDSTREAM MAKES NO REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED OR STATUTORY, AS TO (A) THE ACCURACY OR COMPLETENESS OF ANY DATA OR RECORDS DELIVERED TO MLP WITH RESPECT TO THE SUBJECT INTERESTS, INCLUDING, WITHOUT LIMITATION, ANY DESCRIPTION OF THE SUBJECT INTERESTS, PRICING ASSUMPTIONS, QUALITY OR QUANTITY OF THE SUBJECT INTERESTS, FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT OR (B) FUTURE VOLUMES OF HYDROCARBONS OR OTHER PRODUCTS TRANSPORTED, TREATED, STORED OR PROCESSED THROUGH OR AT THE ASSETS. With respect to any projection or forecast delivered by or on behalf of MIDSTREAM or its Affiliates to MLP, MLP acknowledges that (i) there are uncertainties inherent in attempting to make such projections and forecasts, (ii) MLP is familiar with such uncertainties, (iii) MLP is taking full responsibility for making its own evaluation of the adequacy and accuracy of all such projections and forecasts furnished to MLP and (iv) MLP will not have a claim against MIDSTREAM or any of its advisors or Affiliates with respect to such projections or forecasts.

5.7 Broker's or Finder's Fees. No investment banker, broker, finder or other Person is entitled to any brokerage or finder's fee or similar commission in respect thereof based in any way on agreements, arrangements or understandings made by or on behalf of MLP or any of its Affiliates which is, or following the Closing would be, an obligation of MIDSTREAM or any of its Affiliates.

5.8 Investment Intent. MLP is acquiring the Subject Interests for its own account, and not with a view to, or for sale in connection with, the distribution thereof in violation of state or federal Law. MLP acknowledges that the Subject Interests have not been registered under the Securities Act or the securities Laws of any state and neither MIDSTREAM nor any of its Affiliates has any obligation to register the Subject Interests. Without such registration, the Subject Interests may not be sold, pledged, hypothecated or otherwise transferred unless it is determined that registration is not required. MLP, itself or through its officers, employees or agents, has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment such as an investment in the Subject Interests, and MLP, either alone or through its officers, employees or agents, has evaluated the merits and risks of the investment in the Subject Interests.

5.9 Available Funds. MLP will have at Closing, sufficient cash to enable it to make payment in immediately available funds of the cash amount specified in Section 2.2 when due and any other amounts to be paid by it hereunder.

## **ARTICLE VI COVENANTS**

6.1 [Reserved].

6.2 [Reserved].

6.3 [Reserved].

6.4 [Reserved].

6.5 [Reserved].

6.6 Preservation of Records. For a period of seven (7) years after the Closing Date, the Party in possession of the originals of the records will retain such records at its sole cost and expense and will make such records available to the other Party to the extent pertaining to such other Parties' obligations hereunder upon reasonable notice for inspection and/or copying, at the expense of the requesting Party, at the headquarters of the Party in possession (or at such other location in the United States as the Party in possession may designate in writing to the other Party) at reasonable times and during regular office hours. MLP agrees that MIDSTREAM may retain a copy of the records to the extent such records pertain to its obligations hereunder.

6.7 [Reserved]

6.8 [Reserved]

6.9 Tax Covenants; Preparation of Tax Returns. MLP shall prepare and file, or cause to be prepared and filed, all Tax Returns required to be filed by Front Range with respect to a Pre-Closing Tax Period; and shall cause Front Range to pay the Taxes shown to be due thereon; provided, however, that MIDSTREAM shall promptly reimburse the MLP for the portion of any Tax attributable to the Subject Interests (including, with respect to Front Range's interest in FRP and the Operating Agreements) that relates to a Pre-Closing Tax Period, to the extent not accrued in the Final Settlement Statement. MIDSTREAM shall furnish to the MLP all information and records reasonably requested by the MLP for use in preparation of any Tax Returns. The Parties shall cause MLP to allow MIDSTREAM to review, comment upon and reasonably approve without undue delay any Tax Return at any time during the twenty (20) day period immediately preceding the filing of such Tax Return.

6.10 Further Assurances.

(a) On and after the Closing Date, the Parties shall cooperate and use their respective reasonable commercial efforts to take or cause to be taken all appropriate actions and do, or cause to be done, all things necessary or appropriate to make effective the transactions contemplated hereby, including the execution of any additional assignment or similar documents or instruments of transfer of any kind, the obtaining of consents which may be reasonably necessary or appropriate to carry out any of the provisions hereof and the taking of all such other actions as such party may reasonably be requested to take by the other party hereto from time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement and contemplated transactions.

(b) Promptly after Closing, MIDSTREAM covenants and agrees to cooperate with MLP in order to evidence the transfers contemplated by this Agreement, under the Operating Agreements.

(c) After Closing, and upon request from MLP, MIDSTREAM covenants and agrees to execute a partial assignment of rights-of-way for the 14 mile NGL pipeline as required under the Delegation of Construction Management Agreement among Enterprise Products Operating LLC, WGR Asset Holding Company LLC, DCP Midstream Front Range Pipeline LLC and Front Range Pipeline LLC effective as of March 20, 2012.

## **ARTICLE VII CONDITIONS TO CLOSING**

7.1 MIDSTREAM's Conditions. The obligation of MIDSTREAM to close is subject to the satisfaction of the following conditions, any of which may be waived in MIDSTREAM's sole discretion:

(a) The representations of MLP contained in ARTICLE V shall be true, in all material respects (or, in the case of representations or warranties that are already qualified by a materiality standard, shall be true in all respects) as of Closing.



(b) MLP shall have performed in all material respects the obligations, covenants and agreements of MLP contained herein.

(c) There is no injunction, restraining order or Proceeding pending against MIDSTREAM or the Front Range that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

(d) All of MIDSTREAM's Required Consents shall have been obtained.

(e) MLP shall have made all deliveries in accordance with Section 8.2(b).

7.2 MLP's Conditions. The obligation of MLP to close is subject to the satisfaction of the following conditions, any of which may be waived in its sole discretion:

(a) The representations of MIDSTREAM contained in ARTICLE IV shall be true, in all material respects (or in the case of representations or warranties that are already qualified by a materiality standard, shall be true in all respects) as of the Closing.

(b) MIDSTREAM shall have performed, in all material respects, the obligations, covenants and agreements of MIDSTREAM contained herein.

(c) There is no injunction, restraining order or Proceeding pending against MIDSTREAM, Front Range or FRP that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

(d) All of MIDSTREAM's Required Consents shall have been obtained.

(e) There shall have been no events or occurrences that could reasonably be expected to have a Material Adverse Effect.

(f) MIDSTREAM shall have delivered all documents in accordance with Section 8.2(a).

7.3 Exceptions. Notwithstanding the provisions of Sections 7.1(a) and 7.1(b) and Sections 7.2(a) and 7.2(b) no Party shall have the right to refuse to close the transaction contemplated hereby by reason of this ARTICLE VII unless (a) in the case of MIDSTREAM, the sum of all representations of MLP contained in ARTICLE V which are not true and all obligations, covenants and agreements which MLP has failed to perform, would reasonably be expected to have a Material Adverse Effect; and (b) in the case of MLP, the sum of all representations of MIDSTREAM contained in ARTICLE IV which are not true and all obligations, covenants and agreements which MIDSTREAM has failed to perform, would reasonably be expected to have a Material Adverse Effect.

## **ARTICLE VIII CLOSING**

8.1 Time and Place of Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place in the offices of MIDSTREAM in Denver,

Colorado at 9:00 a.m. Denver time on the Effective Date; or such other time and place as the Parties agree to in writing (the “Closing Date).

8.2 Deliveries at Closing. At the Closing,

- (a) MIDSTREAM will execute and deliver or cause to be executed and delivered to MLP:
  - (i) Each of the Transaction Documents to which MIDSTREAM or Affiliates are a party; and
  - (ii) A Certificate of a corporate officer or other authorized person dated the Closing Date, certifying on behalf of MIDSTREAM that the conditions in Sections 7.2(a) and 7.2(b) have been fulfilled.
- (b) MLP will execute and deliver or cause to be executed and delivered to MIDSTREAM:
  - (i) Each of the Transaction Documents to which MLP or MLP's Affiliates are a party;
  - (ii) A certificate of a corporate officer or other authorized person dated the Closing Date certifying on behalf of MLP that the conditions in Sections 7.1(a) and 7.1(b) have been fulfilled; and
  - (iii) A wire transfer to MIDSTREAM of the amounts due with respect to the Purchase Price (as set forth in the Preliminary Settlement Statement).

**ARTICLE IX  
INDEMNIFICATION**

9.1 Indemnification by MLP. Effective upon Closing, MLP shall defend, indemnify and hold harmless MIDSTREAM and its Affiliates, and all of its and their directors, officers, employees, partners, members, contractors, agents, and representatives (collectively, the “MIDSTREAM Indemnitees”) from and against any and all Losses (other than the Reserved Liabilities which are retained by Midstream) asserted against, resulting from, imposed upon or incurred by any of the MIDSTREAM Indemnitees as a result of or arising out of:

- (a) the breach of any of the representations or warranties under ARTICLE IV;
- (b) the breach of any covenants or agreements of MLP contained in this Agreement; and
- (c) to the extent that MIDSTREAM is not required to indemnify any of the MLP Indemnitees pursuant to Section 9.2, the Assumed Obligations.

9.2 Indemnification by MIDSTREAM. Effective upon Closing, MIDSTREAM shall defend, indemnify and hold harmless MLP and its Affiliates, and all of its and their directors, officers, employees, partners, members, contractors, agents, and representatives (collectively, the “MLP

Indemnitees”) from and against any and all Losses asserted against, resulting from, imposed upon or incurred by any of the MLP Indemnitees as a result of or arising out of:

- (a) the breach of any of the representations or warranties under ARTICLE IV (other than Sections 4.1, 4.2, 4.18 and 4.19);
- (b) the breach of any of the representations or warranties under Sections 4.1, 4.2, 4.18, 4.19 or the covenants or agreements of MIDSTREAM contained in this Agreement required to be performed after the Closing; and
- (c) Any Reserved Liabilities

9.3 Deductibles, Caps, Survival and Certain Limitations.

(a) Subject to this Section 9.3, all representations, warranties, covenants and indemnities made by the Parties in this Agreement or pursuant hereto shall survive the Closing as hereinafter provided, and shall not be merged into any instruments or agreements delivered at Closing.

(b) With respect to the obligations of MIDSTREAM:

(i) under Sections 9.2(a), none of the MLP Indemnitees shall be entitled to assert any right to indemnification after one (1) year from the Closing, provided, however, that indemnification obligations under Sections 9.2(b) and 9.2(c) shall survive indefinitely;

(ii) under Section 9.2(a), none of the MLP Indemnitees shall be entitled to assert any right to indemnification unless the individual claim or series of related claims which arise out of substantially the same facts and circumstances exceeds \$100,000 (“Qualified Claims”);

(iii) under Section 9.2(a), none of the MLP Indemnitees shall be entitled to assert any right to indemnification unless Qualified Claims for which indemnity is only provided under Section 9.2(a) shall in the aggregate exceed \$860,000 and then only to the extent that all such Qualified Claims exceed said amount;

(iv) under Section 9.2(a), none of the MLP Indemnitees shall be entitled to indemnification for any amount in excess of \$8,600,000; and

(v) Any indemnification or payment obligations of MIDSTREAM under Section 9.2 resulting from MIDSTREAM's breach of its representations, warranties, covenants or agreements, shall be limited to Losses that are attributable to the Subject Interests or to the transactions pursuant to which MLP acquires the Subject Interests under this Agreement.

(c) Any claim for indemnity under this Agreement made by a Party Indemnitee shall be in writing, be delivered in good faith prior to the expiration of the respective survival period under Section 9.3(b) (to the extent applicable), and specify in reasonable detail the specific nature of the claim for indemnification hereunder ("Claim Notice"). Any such claim that is described in a timely (if applicable) delivered Claim Notice shall survive with respect to the specific matter described therein.

(d) MLP shall not be entitled to indemnification under this Article IX if it had knowledge prior to or on the Effective Date of the breach of any representation, warranty, covenant, agreement or obligation with respect to which MLP is seeking indemnification under this Article IX. A Party shall promptly notify the other Party of any breach of any representation, warranty, covenant or agreement of the other Party made hereunder of which such Party has knowledge prior to the Effective Date.

(e) All Losses indemnified hereunder shall be determined net of any (i) Third Person Awards, (ii) Tax Benefits, and (iii) amount which specifically pertains to such Loss and is reflected in the calculations of the amounts set forth on the Final Settlement Statement.

9.4 Notice of Asserted Liability; Opportunity to Defend.

(a) All claims for indemnification hereunder shall be subject to the provisions of this Section 9.4. Any Person claiming indemnification hereunder is referred to herein as the "Indemnified Party" or "Indemnitee" and any person against whom such claims are asserted hereunder is referred to herein as the "Indemnifying Party" or "Indemnitor."

(b) If any Claim is asserted against or any Loss is sought to be collected from an Indemnified Party, the Indemnified Party shall with reasonable promptness provide to the Indemnifying Party a Claim Notice. The failure to give any such Claim Notice shall not otherwise affect the rights of the Indemnified Party to indemnification hereunder unless the Indemnified Party has proceeded to contest, defend or settle such Claim or remedy such a Loss with respect to which it has failed to give a Claim Notice to the Indemnifying Party, but only to the extent the Indemnifying Party is prejudiced thereby. Additionally, to the extent the Indemnifying Party is prejudiced thereby, the failure to provide a Claim Notice to the Indemnifying Party shall relieve the Indemnifying Party from liability for such Claims and Losses that it may have to the Indemnified Party, but only to the extent the liability for such Claims or Losses is directly attributable to such failure to provide the Claim Notice.

(c) The Indemnifying Party shall have thirty (30) days from the personal delivery or receipt of the Claim Notice (the "Notice Period") to notify the Indemnified Party (i) whether or not it disputes the liability to the Indemnified Party hereunder with respect to the Claim or Loss, and in the event of a dispute, such dispute shall be resolved in the manner set forth in Section 10.8 hereof, (ii) in the case where Losses are asserted against or sought to be collected from an Indemnifying Party by the Indemnified Party, whether or not the Indemnifying Party shall at its own sole cost and expense remedy such Losses or (iii) in the case where Claims are asserted against or sought to be collected from an Indemnified Party, whether or not the Indemnifying Party shall at its own sole cost and expense defend the Indemnified Party against such Claim; provided however, that any Indemnified Party is hereby authorized prior to and during the Notice 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 of which it shall have given notice and opportunity to comment to the Indemnifying Party) and not prejudicial to the Indemnifying Party.

(d) If the Indemnifying Party does not give notice to the Indemnified Party of its election to contest and defend any such Claim described in Section 9.4(c)(iii) within the Notice Period, then the Indemnifying Party shall be bound by the result obtained with respect thereto by the Indemnified Party and shall be responsible for all costs incurred in connection therewith.

(e) If the Indemnifying Party is obligated to defend and indemnify the Indemnified Party, and the Parties have a conflict of interest with respect to any such Claim, then the Indemnified Party may, in its sole discretion, separately and independently contest and defend such Claim, and the Indemnifying Party shall be bound by the result obtained with respect thereto by the Indemnified Party and shall be responsible for all costs incurred in connection therewith.

(f) If the Indemnifying Party notifies the Indemnified Party within the Notice Period that it shall defend the Indemnified Party against a Claim, the Indemnifying Party shall have the right to defend all appropriate Proceedings, and with counsel of its own choosing (but reasonably satisfactory to the Indemnified Party) and such Proceedings shall be promptly settled (subject to obtaining a full and complete release of all Indemnified Parties) or prosecuted by it to a final conclusion. If the Indemnified Party desires to participate in, but not control, any such defense or settlement it may do so at its sole cost and expense. If the Indemnified Party joins in any such Claim, the Indemnifying Party shall have full authority to determine all action to be taken with respect thereto, as long as such action could not create a liability to any of the Indemnified Parties, in which case, such action would require the prior written consent of any Indemnified Party so affected.

(g) If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any Claim and in making any counterclaim against the Third Person asserting the Claim, or any cross-complaint against any person as long as such cooperation, counterclaim or cross-complaint could not create a liability to any of the Indemnified Parties.

(h) At any time after the commencement of defense by Indemnifying Party under Section 9.4(f) above of any Claim, the Indemnifying Party may request the Indemnified Party to agree in writing to the abandonment of such contest or to the payment or compromise by the Indemnifying Party of the asserted Claim, but only if the Indemnifying Party agrees in writing to be solely liable for such Claim; whereupon such action shall be taken unless the Indemnified Party determines that the contest should be continued and notifies the Indemnifying Party in writing within fifteen (15) days of such request from the Indemnifying Party. If the Indemnified Party determines that the contest should be continued, the amount for which the Indemnifying Party would otherwise be liable hereunder shall not exceed the amount which the Indemnifying Party had agreed to pay to compromise such Claim; provided that, the other Person to the contested Claim had agreed in writing to accept such amount in payment or compromise of the Claim as of the time the Indemnifying Party made its request therefor to the Indemnified Party, and further provided that, under such proposed compromise,

the Indemnified Party would be fully and completely released from any further liability or obligation with respect to the matters which are the subject of such contested Claim.

9.5 Materiality Conditions. For purposes of determining whether an event described in this ARTICLE IX as occurred for which indemnification under this ARTICLE IX can be sought, any requirement in any representation, warranty, covenant or agreement by MIDSTREAM or MLP, as applicable, contained in this Agreement that an event or fact be “material,” “Material,” meet a certain minimum dollar threshold or have a “Material Adverse Effect” or a material adverse effect (each a “Materiality Condition”) in order for such event or fact to constitute a misrepresentation or breach of such representation, warranty, covenant or agreement under this Agreement, such Materiality Condition shall be disregarded and such representations, warranties, covenants or agreements shall be construed solely for purposes of this ARTICLE IX as if they did not contain such Materiality Conditions. Notwithstanding anything in this Section 9.5, any claim for indemnification under this ARTICLE IX will be subject to Section 9.3.

9.6 Exclusive Remedy. AS BETWEEN THE MLP INDEMNITEES AND THE MIDSTREAM INDEMNITEES, AFTER CLOSING (A) THE EXPRESS INDEMNIFICATION PROVISIONS SET FORTH IN THIS AGREEMENT, WILL BE THE SOLE AND EXCLUSIVE RIGHTS, OBLIGATIONS AND REMEDIES OF THE PARTIES WITH RESPECT TO SAID AGREEMENT AND THE EVENTS GIVING RISE THERETO, AND THE TRANSACTIONS PROVIDED FOR THEREIN OR CONTEMPLATED THEREBY (OTHER THAN THE OTHER TRANSACTION DOCUMENTS) AND (B) NO PARTY HERETO NOR ANY OF ITS RESPECTIVE SUCCESSORS OR ASSIGNS SHALL HAVE ANY RIGHTS AGAINST ANY OTHER PARTY OR ITS AFFILIATES WITH RESPECT TO THE TRANSACTIONS PROVIDED FOR HEREIN OTHER THAN AS IS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS.

9.7 Negligence and Strict Liability Waiver. WITHOUT LIMITING OR ENLARGING THE SCOPE OF THE INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, AN INDEMNIFIED PARTY SHALL BE ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT IN ACCORDANCE WITH THE TERMS HEREOF, REGARDLESS OF WHETHER THE LOSS OR CLAIM GIVING RISE TO SUCH INDEMNIFICATION OBLIGATION IS THE RESULT OF THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY, OR VIOLATION OF ANY LAW OF OR BY SUCH INDEMNIFIED PARTY.

9.8 Limitation on Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL EITHER MIDSTREAM OR MLP BE LIABLE TO THE OTHER, OR TO THE OTHERS' INDEMNITEES, UNDER THIS AGREEMENT FOR ANY EXEMPLARY, PUNITIVE, REMOTE, SPECULATIVE, CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES OR LOSS OF PROFITS; PROVIDED THAT, IF ANY OF THE MIDSTREAM INDEMNITEES OR MLP INDEMNITEES IS HELD LIABLE TO A THIRD PERSON FOR ANY SUCH DAMAGES AND THE INDEMNITOR IS OBLIGATED TO INDEMNIFY SUCH MIDSTREAM INDEMNITEES OR MLP INDEMNITEES FOR THE MATTER THAT GAVE RISE TO SUCH DAMAGES, THE

INDEMNITOR SHALL BE LIABLE FOR, AND OBLIGATED TO REIMBURSE SUCH INDEMNITEES FOR SUCH DAMAGES.

9.9 **Bold and/or Capitalized Letters.** THE PARTIES AGREE THAT THE BOLD AND/OR CAPITALIZED LETTERS IN THIS AGREEMENT CONSTITUTE CONSPICUOUS LEGENDS.

## **ARTICLE X MISCELLANEOUS PROVISIONS**

10.1 **Expenses.** Unless otherwise specifically provided for herein, each Party will bear its own costs and expenses (including legal fees and expenses) incurred in connection with the negotiation of this Agreement and the transactions contemplated hereby.

10.2 **Further Assurances.** From time to time, and without further consideration, each Party will execute and deliver to the other Party such documents and take such actions as the other Party may reasonably request in order to more effectively implement and carry into effect the transactions contemplated by this Agreement.

10.3 **Transfer Taxes.** The Parties believe that the sale of the Subject Interests as provided for herein is exempt from or is otherwise not subject to any sales, use, transfer, or similar Taxes. If any such sales, transfer, use or similar Taxes are due or should hereafter become due (including penalties and interest thereon) by reason of this transaction, MLP shall timely pay and solely bear all such type of Taxes.

10.4 **Assignment.** Neither Party may assign this Agreement or any of its rights or obligations arising hereunder without the prior written consent of the other Party; provided, however, MLP shall be permitted to assign this Agreement to an Affiliate prior to Closing, provided, that, notwithstanding such assignment, MLP shall continue to remain responsible for all obligations of MLP hereunder following such assignment.

10.5 **Entire Agreement,, Amendments and Waiver.** This Agreement, together with the Transaction Documents and all certificates, documents, instruments and writings that are delivered pursuant hereto and thereto contain the entire understanding of the Parties with respect to the transactions contemplated hereby and supersede all prior agreements, arrangements and understandings relating to the subject matter hereof. This Agreement may be amended, superseded or canceled only by a written instrument duly executed by the Parties specifically stating that it amends, supersedes or cancels this Agreement. Any of the terms of this Agreement and any condition to a Party's obligations hereunder may be waived only in writing by that Party specifically stating that it waives a term or condition hereof. No waiver by either Party of any one or more conditions or defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any future conditions or defaults, whether of a like or different character, nor shall the waiver constitute a continuing waiver unless otherwise expressly provided.

10.6 Severability. Each portion of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

10.7 Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.8 Governing Law, Dispute Resolution and Arbitration.

(a) Governing Law. This Agreement shall be governed by, enforced in accordance with, and interpreted under, the Laws of the State of Colorado, without reference to conflicts of Laws principles.

(b) Negotiation. In the event of any Arbitral Dispute, the Parties shall promptly seek to resolve any such Arbitral Dispute by negotiations between senior executives of the Parties who have authority to settle the Arbitral Dispute. When a Party believes there is an Arbitral Dispute under this Agreement that Party will give the other Party written notice of the Arbitral Dispute. Within thirty (30) days after receipt of such notice, the receiving Party shall submit to the other a written response. Both the notice and response shall include (i) a statement of each Party's position and a summary of the evidence and arguments supporting such position, and (ii) the name, title, fax number, and telephone number of the executive or executives who will represent that Party. If the Arbitral Dispute involves a claim arising out of the actions of any Person not a signatory to this Agreement, the receiving Party shall have such additional time as necessary, not to exceed an additional thirty (30) days, to investigate the Arbitral Dispute before submitting a written response. The executives shall meet at a mutually acceptable time and place within fifteen (15) days after the date of the response and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the Arbitral Dispute. If one of the executives intends to be accompanied at a meeting by an attorney, the other executive shall be given at least five (5) Business Days' notice of such intention and may also be accompanied by an attorney.

(c) Failure to Resolve. If the Arbitral Dispute has not been resolved within sixty (60) days after the date of the response given pursuant to Section 10.8(b) above, or such additional time, if any, that the Parties mutually agree to in writing, or if the Party receiving such notice denies the applicability of the provisions of Section 10.8(b) or otherwise refuses to participate under the provisions of Section 10.8(b), either Party may initiate binding arbitration pursuant to the provisions of Section 10.8(d) below.

(d) Arbitration. Any Arbitral Disputes not settled pursuant to the foregoing provisions shall be resolved through the use of binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules"), as supplemented to the extent necessary to determine any procedural appeal questions by the Federal Arbitration Act (Title 9 of the United States Code) and in accordance with the following provisions:



- (i) If there is any inconsistency between this Section 10.8(d) and the Arbitration Rules or the Federal Arbitration Act, the terms of this Section 10.8(d) will control the rights and obligations of the Parties.
- (ii) Arbitration shall be initiated by a Party serving written notice, via certified mail, on the other Party that the first Party elects to refer the Arbitral Dispute to binding arbitration, along with the name of the arbitrator appointed by the Party demanding arbitration and a statement of the matter in controversy. Within thirty (30) days after receipt of such demand for arbitration, the receiving Party shall name its arbitrator. If the receiving Party fails or refuses to name its arbitrator within such thirty (30) day period, the second arbitrator shall be appointed, upon request of the Party demanding arbitration, by the Chief U.S. District Court Judge for the District of Colorado, or such other person designated by such judge. The two arbitrators so selected shall within thirty (30) days after their designation select a third arbitrator; provided, however, that if the two arbitrators are not able to agree on a third arbitrator within such thirty (30) day period, either Party may request the Chief U.S. District Court Judge for the District of Colorado, or such other person designated by such judge to select the third arbitrator as soon as possible. If the Judge declines to appoint an arbitrator, appointment shall be made, upon application of either Party, pursuant to the Commercial Arbitration Rules of the American Arbitration Association. If any arbitrator refuses or fails to fulfill his or her duties hereunder, such arbitrator shall be replaced by the Party which selected such arbitrator (or if such arbitrator was selected by another Person, through the procedure which such arbitrator was selected) pursuant to the foregoing provisions.
- (iii) The hearing will be conducted in Denver, Colorado, no later than sixty (60) days following the selection of the arbitrators or thirty (30) days after all prehearing discovery has been completed, whichever is later, at which the Parties shall present such evidence and witnesses as they may choose, with or without counsel. The Parties and the arbitrators should proceed diligently and in good faith in order that the award may be made as promptly as possible.
- (iv) Except as provided in the Federal Arbitration Act, the decision of the arbitrators will be binding on and non-appealable by the Parties. Any such decision may be filed in any court of competent jurisdiction and may be enforced by any Party as a final judgment in such court.
- (v) The arbitrators shall have no right or authority to grant or award exemplary, punitive, remote, speculative, consequential, special or incidental damages.
- (vi) The Federal Rules of Civil Procedure, as modified or supplemented by the local rules of civil procedure for the U.S. District Court of Colorado, shall apply in the arbitration. The Parties shall make their witnesses available in a timely manner for discovery pursuant to such rules. If a Party fails to comply with this discovery agreement within the time established by the arbitrators, after resolving any discovery disputes, the arbitrators may take such failure to comply into consideration in reaching their decision. All discovery disputes shall be resolved by

the arbitrators pursuant to the procedures set forth in the Federal Rules of Civil Procedure.

(vii) Adherence to formal rules of evidence shall not be required. The arbitrators shall consider any evidence and testimony that they determine to be relevant.

(viii) The Parties hereby request that the arbitrators render their decision within thirty (30) days following conclusion of the hearing.

(ix) The defenses of statute of limitations and laches shall be tolled from and after the date a Party gives the other Party written notice of an Arbitral Dispute as provided in Section 10.8(b), above until such time as the Arbitral Dispute has been resolved pursuant to Section 10.8(b), or an arbitration award has been entered pursuant to this Section 10.8(d).

(e) Recovery of Costs and Attorneys' Fees. If arbitration arising out of this Agreement is initiated by either Party, the decision of the arbitrators may include the award of court costs, fees and expenses of such arbitration (including reasonable attorneys' fees).

(f) Choice of Forum. If, despite the Parties' agreement to submit any Arbitral Disputes to binding arbitration, there are any court proceedings arising out of or relating to this Agreement or the transactions contemplated hereby, such proceedings shall be brought and tried in, and the Parties hereby consent to the jurisdiction of, the federal or state courts situated in the City and County of Denver, State of Colorado.

(g) Jury Waivers. THE PARTIES HEREBY WAIVE ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY.

(h) Settlement Proceedings. All aspects of any settlement proceedings, including discovery, testimony and other evidence, negotiations and communications pursuant to this Section 10.8, briefs and the award shall be held confidential by each Party and the arbitrators, and shall be treated as compromise and settlement negotiations for the purposes of the Federal and State Rules of Evidence.

#### 10.9 Notices and Addresses.

Any notice, request, instruction, waiver or other communication to be given hereunder by either Party shall be in writing and shall be considered duly delivered if personally delivered, mailed by certified mail with the postage prepaid (return receipt requested), sent by messenger or overnight delivery service, or sent by facsimile to the addresses of the Parties as follows:

MLP: DCP Midstream Partners, LP  
370 - 17th Street, Suite 2500  
Denver, Colorado 80202  
Telephone: (303) 633-2900  
Facsimile: (303) 633-2921  
Attn: President

with a copy to: DCP Midstream Partners, LP  
370 - 17th Street, Suite 2500  
Denver, Colorado 80202  
Telephone: (303) 633-2900  
Facsimile: (303) 633-2921  
Attn: General Counsel

MIDSTREAM: DCP Midstream, LP  
370 - 17th Street, Suite 2500  
Denver, Colorado 80202  
Telephone: (303) 595-3331  
Facsimile: (303) 605-2226  
Attn: President

with a copy to: DCP Midstream, LP  
370 - 17th Street, Suite 2500  
Denver, Colorado 80202  
Telephone: (303) 605-1730  
Facsimile: (303) 605-2226  
Attn: General Counsel

or at such other address as either Party may designate by written notice to the other Party in the manner provided in this Section 10.9. Notice by mail shall be deemed to have been given and received on the third (3rd) day after posting. Notice by messenger, overnight delivery service, facsimile transmission (with answer-back confirmation) or personal delivery shall be deemed given on the date of actual delivery.

10.10 Press Releases. Except as may otherwise be required by securities Laws and public announcements or disclosures that are, in the reasonable opinion of the Party proposing to make the announcement or disclosure, legally required to be made, there shall be no press release or public communication concerning the transactions contemplated by this Agreement by either Party except with the prior written consent of the Party not originating such press release or communication, which consent shall not be unreasonably withheld or delayed. MLP and MIDSTREAM will consult in advance on the necessity for, and the timing and content of, any communications to be made to the public and, subject to legal constraints, to the form and content of any application or report to be made to any Governmental Authority that relates to the transactions contemplated by this Agreement.

10.11 Offset. Nothing contained herein or in any Transaction Document shall create a right of offset or setoff for any Party under this Agreement and each Party hereby waives and disclaims any such right of offset or setoff under all applicable Law (including common Law).

10.12 No Partnership; Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create a joint venture, partnership, tax partnership, or agency relationship between the Parties. Nothing in this Agreement shall provide any benefit to any Third Person or entitle any Third Person to any claim, cause of action, remedy or right of any kind, it being the intent of the Parties that this Agreement shall not be construed as a third-party beneficiary contract; provided, however, that the indemnification provisions of ARTICLE IX shall inure to the benefit of the MLP Indemnitees and the MIDSTREAM Indemnitees as provided therein.

10.13 Negotiated Transaction. The provisions of this Agreement were negotiated by the Parties, and this Agreement shall be deemed to have been drafted by both Parties.

THE PARTIES HAVE signed this Agreement by their duly authorized officials as of the date first set forth above.

*[Signatures begin on next page]*

**DCP MIDSTREAM, LP**

By: /s/ Brian S. Frederick

Name: Brian S. Frederick

Title: President, North and South

**DCP MIDSTREAM PARTNERS, LP**

By: DCP MIDSTREAM GP, LP,

Its General Partner

By: DCP MIDSTREAM GP, LLC,

Its General Partner

By: /s/ William S. Waldheim

Name: William S. Waldheim

Title: President and Chief Executive Officer

SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT

**FIRST AMENDMENT  
TO  
SERVICES AGREEMENT**

This First Amendment to Services Agreement (this “Amendment”) is dated as of August 5, 2013 and entered into by and between DCP Midstream, LP, a Delaware limited partnership (“Service Provider”) and DCP Midstream Partners, LP, a Delaware limited partnership (“Owner”). Service Provider and Owner are sometimes referred to in this Amendment individually as a “Party” and collectively as the “Parties”.

**RECITALS**

- A. The Parties entered into that certain Services Agreement dated as of February 14, 2013 (the “Services Agreement”) (capitalized terms used but not defined herein shall have the meaning given thereto in the Services Agreement).
- B. The Parties desire to amend the Services Agreement to increase the G&A Expenses Limit as provided for in Section 2.5 of the Services Agreement to account for the sale of the Membership Interests in DCP LaSalle Plant LLC and DCP Midstream Front Range LLC from Service Provider to the Owner in two separate Purchase and Sale Agreements dated as of August 5, 2013 (the “PSAs”) which are referred to together herein and in Schedule A as “Project Frontier”.

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

- 1. **Services Agreement Schedule Amendment.** Schedule A to the Services Agreement is replaced with the Schedule A attached hereto as Attachment I.
- 2. **Acknowledgement.** Except as amended hereby, the Services Agreement shall remain in full force and effect as previously executed, and the Parties hereby ratify the Services 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.

**EACH OF THE UNDERSIGNED**, intending to be legally bound, has caused this Amendment to be duly executed and delivered to be effective as of August 5, 2013, regardless of the actual date of execution of this Amendment.

**DCP MIDSTREAM, LP**

By: /s/ Brent L. Backes

Name: Brent L. Backes

Title: Group Vice President, General Counsel & Corporate 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 & Secretary

*Signature Page to First Amendment to Services Agreement*

ATTACHMENT I

SCHEDULE A

G&A EXPENSES LIMIT

For 2013 the G&A Expenses Limit shall be \$28,620,000 plus an additional \$400,000 per year for Project Frontier, pro-rated for the remainder of calendar year 2013 from the Effective Date, as such term is defined in the PSAs.





News Release

[www.dcppartners.com](http://www.dcppartners.com)

August 6, 2013

 MEDIA AND INVESTOR  
RELATIONS CONTACT:

Andrea Attel

Phone:

303/605-1741

24-Hour:

720/235-6433

## DCP MIDSTREAM PARTNERS REPORTS STRONG SECOND QUARTER 2013 RESULTS

- **Second quarter 2013 Distributable Cash Flow up over 200 percent from second quarter 2012**
- **Dropped down the LaSalle Plant in the DJ Basin and a one-third interest in the 435-mile Front Range Pipeline with a combined investment of over \$400 million**
- **Quarterly distribution increase in line with 2013 distribution growth forecast**

DENVER - DCP Midstream Partners, LP (NYSE: DPM), or the Partnership, today reported financial results for the three and six months ended June 30, 2013. The table below reflects the results for the three and six months ended June 30, 2013 and 2012 on a consolidated basis and for the 2012 periods as originally reported.

### SECOND QUARTER 2013 SUMMARY RESULTS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012 (3)	As Reported in 2012	2013 (3)	2012 (3)(4)	As Reported in 2012
(Unaudited)						
(Millions, except per unit amounts)						
Net income attributable to partners <sup>(1)(5)</sup>	\$ 102	\$ 85	\$ 79	\$ 154	\$ 119	\$ 102
Net income per limited partner unit - basic and diluted <sup>(1)(5)</sup>	\$ 1.11	\$ 1.33	\$ 1.33	\$ 1.64	\$ 1.64	\$ 1.64
Adjusted EBITDA <sup>(2)</sup>	\$ 79	\$ 44	\$ 35	\$ 173	\$ 146	\$ 119
Adjusted net income attributable to partners <sup>(2)</sup>	\$ 44	\$ 20	\$ 14	\$ 106	\$ 78	\$ 61
Adjusted net income per limited partner unit <sup>(2)</sup> - basic and diluted	\$ 0.36	\$ 0.08	\$ 0.08	\$ 0.97	\$ 0.81	\$ 0.81
Distributable cash flow <sup>(2)</sup>	\$ 68	**	\$ 22	\$ 145	**	\$ 77

(1) Includes non-cash commodity derivative mark-to-market gains of \$58 million and \$65 million for the three months ended June 30, 2013 and 2012, respectively. Includes non-cash commodity derivative mark-to-market gains of \$48 million and \$42 million for the six months ended June 30, 2013 and 2012, respectively.

(2) Denotes a financial measure not presented in accordance with U.S. generally accepted accounting principles, or GAAP. Each such non-GAAP financial measure is defined below under "Non-GAAP Financial Information", and each is reconciled to its most directly comparable GAAP financial measures under "Reconciliation of Non-GAAP Financial Measures" below.

(3) Includes our 80 percent interest in the Eagle Ford system, retrospectively adjusted. We acquired a 33.33 percent interest in the Eagle Ford system in November 2012, and a 46.67 percent interest in March 2013. Transfers of net assets between entities under common control are accounted for as if the transactions had occurred at the beginning of the period, and prior

years are retrospectively adjusted to furnish comparative information similar to the pooling method. In addition, results are presented as originally reported in 2012 for comparative purposes.

- (4) Includes our 100 percent interest in Southeast Texas, retrospectively adjusted. We acquired a 33.33 percent interest in Southeast Texas in January 2011, and a 66.67 percent interest in March 2012. Transfers of net assets between entities under common control are accounted for as if the transactions had occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information similar to the pooling method. In addition, results are presented as originally reported in 2012 for comparative purposes.
- (5) The Partnership recognized \$3 million of lower of cost or market adjustments during the three and six months ended June 30, 2013, and \$14 million and \$19 million of lower of cost or market adjustments during the three and six months ended June 30, 2012, respectively.

\*\* Distributable cash flow has not been calculated under the pooling method.

## **DROPPED DOWN LASALLE PLANT AND FRONT RANGE PIPELINE**

On August 5, 2013, the Partnership completed the dropdowns from DCP Midstream, the owner of our general partner, of the LaSalle Plant and a one-third interest in the Front Range Pipeline at a combined investment of over \$400 million, including follow on capital. The transactions, which are subject to certain purchase price adjustments, were financed at closing through borrowings under the Partnership's revolving credit facility.

The LaSalle Plant is part of the DCP enterprise's ongoing program to expand its gathering and processing presence in the prolific DJ Basin.

LaSalle Plant highlights include:

- 110 million cubic feet per day (MMcf/d) deep-cut cryogenic processing plant under construction with plans to expand to 160 MMcf/d in the first half of 2014
- A 15-year fee-based processing agreement with DCP Midstream providing a fixed demand charge, along with a throughput fee on all volumes processed

This fee-based plant will become part of an eight-plant system with approximately 600 MMcf/d of total processing capacity owned by the DCP enterprise. These plants serve producers in the quickly growing Niobrara shale play that is part of the DJ Basin. The LaSalle Plant is expected to be in service in the second half of 2013. The total investment for the LaSalle Plant is \$242 million, of which \$209 million was paid at closing with an estimated \$33 million for the cost to complete and expand the plant to 160 MMcf/d.

Front Range Pipeline highlights include:

- One-third interest in Front Range Pipeline, an NGL pipeline with affiliates of Enterprise Products Partners L.P. and Anadarko Petroleum Corporation, each owning a one-third interest, which is operated by Enterprise
- Fee-based revenues backstopped by ship or pay arrangements with DCP Midstream and Anadarko
- 435-mile, 16-inch diameter natural gas liquids (NGL) pipeline
- 150,000 barrels per day of NGL pipeline capacity, expandable to approximately 230,000 barrels per day

The Front Range Pipeline will provide much needed takeaway capacity for the expanding production of natural gas liquids in the DJ Basin, serving the Niobrara shale play. The pipeline will originate in Weld County, Colorado, and extend approximately 435 miles to Skellytown, Texas. With connections to the Enterprise-operated Mid-America and Texas Express pipelines, the Front Range Pipeline will provide producers in the DJ Basin with reliable takeaway capacity and market access to the Gulf Coast, the largest NGL market in the United States. The pipeline operator expects the Front Range Pipeline to be mechanically complete in the fourth quarter of 2013. The total investment for the one-third interest in Front Range Pipeline is \$172 million, of which \$86 million was paid at closing with an estimated \$86 million for the cost to complete construction.

## **SECOND QUARTER HIGHLIGHTS**

- We are on target to deliver on the key elements of our 2013 business plan
  - Second quarter 2013 Distributable Cash Flow was up over 200 percent from second quarter 2012
  - Financial results in line with 2013 Distributable Cash Flow forecast
  - Quarterly distribution increase in line with 2013 distribution growth forecast
- With the dropdown of the additional 47 percent interest in the Eagle Ford system in the first quarter and the completion of the LaSalle Plant and Front Range Pipeline dropdowns, we have exceeded our \$1 billion of targeted dropdowns in 2013 and are on track to deliver approximately \$2.7 billion of dropdowns and organic growth in 2013/2014.

In summary, our dropdown strategy with DCP Midstream, visible pipeline of organic growth projects, as well as solid financial results, position us well to achieve our 2013 forecast.

## **PRESIDENT'S PERSPECTIVE**

"I couldn't be more pleased with our second quarter results," said Bill Waldheim, president of the Partnership. "The year-to-date financial results and distribution growth are in line with our 2013 forecast. With the completion of the dropdowns of the fee-based LaSalle Plant and Front Range Pipeline, we are expanding into another high growth area. This is the second year in a row that we have exceeded our \$1 billion of targeted dropdowns. Once these assets are placed into service they will be accretive and are another example of how we are partnering with our general partner to fund the growth of the DCP enterprise."

## **CONSOLIDATED FINANCIAL RESULTS**

Consolidated results are shown using the pooling method of accounting, which includes results associated with DCP Midstream's ownership interests in the Eagle Ford system and Southeast Texas during its periods of ownership. While the Partnership hedges the majority of its commodity risk, prior period results reflect DCP Midstream's unhedged portion of its ownership interest in the Eagle Ford system and Southeast Texas during those periods.

Adjusted EBITDA for the three months ended June 30, 2013, increased to \$79 million from \$44 million for the three months ended June 30, 2012. Adjusted EBITDA for the six months ended June 30, 2013, increased to \$173 million from \$146 million for the six months ended June 30, 2012. These results reflect increased volumes on our Eagle Ford system, the dropdown of the Mont Belvieu fractionators and higher margins at the Marysville storage facility, partially offset by hedge settlement timing on storage. Adjusted EBITDA for the three and six months ended June 30, 2012, included a non-cash write down of \$14 million and \$15 million, respectively, to reflect propane inventory carrying costs at the lower of cost or market price ("LCM Adjustment") for our wholesale propane logistics segment.

On July 25, 2013, the Partnership announced a quarterly distribution of \$0.71 per limited partner unit. This represents an increase of 1.4 percent over the last quarterly distribution and an increase of 6 percent over the distribution declared in the second quarter of 2012. Our distributable cash flow of \$68 million for the three months ended June 30, 2013, provided a 1.0 times distribution coverage ratio adjusted for the timing of actual distributions paid during the quarter. The distribution coverage ratio adjusted for the timing of actual distributions paid during the last four quarters was approximately 1.1 times.

## OPERATING RESULTS BY BUSINESS SEGMENT

**Natural Gas Services** - Adjusted segment EBITDA increased to \$72 million for the three months ended June 30, 2013, from \$69 million for the three months ended June 30, 2012, reflecting higher volumes at our Eagle Ford system and the operation of our fee-based wholly-owned Eagle Plant, partially offset by hedge settlement timing on storage.

Adjusted segment EBITDA decreased to \$137 million for the six months ended June 30, 2013, from \$161 million for the six months ended June 30, 2012, reflecting hedge settlement timing on storage, lower NGL prices, lower volumes across certain of our assets and timing of operating expenses, partially offset by higher volumes at our Eagle Ford system, the operation of our fee-based wholly-owned Eagle Plant and higher unit margins attributable to our natural gas storage and pipeline assets.

Results are shown using the pooling method of accounting, which includes the additional 47 percent of the Eagle Ford system for the three months ended March 31, 2013, and 80 percent of the Eagle Ford system for the six months ended June 30, 2012. Results also include 67 percent of Southeast Texas for the three months ended March 31, 2012. These results reflect the unhedged portion of the Eagle Ford system and Southeast Texas associated with DCP Midstream's ownership interest during those periods.

**NGL Logistics** - Adjusted segment EBITDA increased to \$22 million for the three months ended June 30, 2013, from \$11 million for the three months ended June 30, 2012. Adjusted segment EBITDA increased to \$45 million for the six months ended June 30, 2013, from \$23 million for the six months ended June 30, 2012. These results reflect the July 2012 dropdown of the Mont Belvieu fractionators, higher margins at the Marysville storage facility and higher throughput on certain of our pipelines.

**Wholesale Propane Logistics** - Adjusted segment EBITDA increased to \$1 million for the three months ended June 30, 2013, from a loss of \$19 million for the three months ended June 30, 2012, reflecting increased unit margins and the 2012 LCM Adjustment of \$14 million.

Adjusted segment EBITDA increased to \$23 million for the six months ended June 30, 2013, from a loss of \$1 million for the six months ended June 30, 2012. The 2013 results reflect increased unit margins and the exporting of propane from the Chesapeake terminal partially

offset by a non-cash write off of a discontinued construction project. 2012 results reflect the LCM Adjustment of \$15 million and reduced demand as a result of near record warm weather.

## **CORPORATE AND OTHER**

The changes in depreciation and amortization expense for the three and six months ended June 30, 2013, as compared to the three and six months ended June 30, 2012, reflect growth, as well as a change in the estimated useful lives of our assets.

## **CAPITALIZATION**

At June 30, 2013, the Partnership had \$1,740 million of total debt outstanding comprised of \$1,590 million of senior notes and \$150 million outstanding under our revolver. Total unused revolver capacity was approximately \$850 million. Our leverage ratio pursuant to our credit facility for the quarter ended June 30, 2013, was approximately 3.7 times. Our effective interest rate on our overall debt position, as of June 30, 2013, was 3.7 percent.

## **COMMODITY DERIVATIVE ACTIVITY**

The objective of our commodity risk management program is to protect downside risk in our distributable cash flow. We utilize mark-to-market accounting treatment for our commodity derivative instruments. Mark-to-market accounting rules require companies to record currently in earnings the difference between their contracted future derivative settlement prices and the forward prices of the underlying commodities at the end of the accounting period. Revaluing our commodity derivative instruments based on futures pricing at the end of the period creates assets or liabilities and associated non-cash gains or losses. Realized gains or losses from cash settlement of the derivative contracts occur monthly as our physical commodity sales are realized or when we rebalance our portfolio. Non-cash gains or losses associated with the mark-to-market accounting treatment of our commodity derivative instruments do not affect our distributable cash flow.

For the three months ended June 30, 2013, commodity derivative activity and total revenues included non-cash gains of \$58 million. This compares to non-cash gains of \$65 million for the three months ended June 30, 2012. Net hedge cash settlements for the three months ended June 30, 2013, were receipts of \$13 million. Net hedge cash settlements for the three months ended June 30, 2012, were receipts of \$10 million.

For the six months ended June 30, 2013, commodity derivative activity and total revenues included non-cash gains of \$48 million. This compares to non-cash gains of \$42 million for the six months ended June 30, 2012. Net hedge cash settlements for the six months ended June 30, 2013, were receipts of \$23 million. Net hedge cash settlements for the six months ended June 30, 2012, were receipts of \$28 million. While our earnings will continue to fluctuate as a result of the volatility in the commodity markets, our commodity derivative contracts mitigate a substantial portion of the risk of weakening commodity prices thereby stabilizing distributable cash flows.

## **EARNINGS CALL**

DCP Midstream Partners will hold a conference call to discuss second quarter results on Wednesday, August 7, 2013, at 9:00 a.m. ET. The dial-in number for the call is 1-800-446-1671 in the United States or 1-847-413-3362 outside the United States. A live webcast of the call can be accessed on the Investor section of DCP Midstream Partners' website at [www.dcppartners.com](http://www.dcppartners.com). The conference confirmation number for login is 35272692. The call will be available for replay one hour after the end of the conference until Midnight ET on August 20, 2013, by dialing 1-888-843-7419 in the United States or 1-630-652-3042 outside the United States. The replay conference number is 35272692. A replay, transcript and presentation slides in PDF format will also be available by accessing the Investor section of the Partnership's website.

## NON-GAAP FINANCIAL INFORMATION

This press release and the accompanying financial schedules include the following non-GAAP financial measures: distributable cash flow, adjusted EBITDA, adjusted segment EBITDA, adjusted net income attributable to partners, and adjusted net income per limited partner unit. The accompanying schedules provide reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures. The Partnership's non-GAAP financial measures should not be considered in isolation or as an alternative to its financial measures presented in accordance with GAAP, including operating revenues, net income or loss attributable to partners, net cash provided by or used in operating activities or any other measure of liquidity or financial performance presented in accordance with GAAP as a measure of operating performance, liquidity or ability to service debt obligations and make cash distributions to unitholders. The non-GAAP financial measures presented by us may not be comparable to similarly titled measures of other companies because they may not calculate their measures in the same manner.

We define distributable cash flow as net cash provided by or used in operating activities, less maintenance capital expenditures, net of reimbursable projects, plus or minus adjustments for non-cash mark-to-market of derivative instruments, proceeds from divestiture of assets, net income attributable to noncontrolling interests net of depreciation and income tax, net changes in operating assets and liabilities, and other adjustments to reconcile net cash provided by or used in operating activities. Historical distributable cash flow is calculated excluding the impact of retrospective adjustments related to any acquisitions presented under the pooling method. Maintenance capital expenditures are capital expenditures made where we add on to or improve capital assets owned, or acquire or construct new capital assets, if such expenditures are made to maintain, including over the long-term, the Partnership's operating or earnings capacity. Non-cash mark-to-market of derivative instruments is considered to be non-cash for the purpose of computing distributable cash flow because settlement will not occur until future periods, and will be impacted by future changes in commodity prices and interest rates. Distributable cash flow is used as a supplemental liquidity and performance measure by the Partnership's management and by external users of its financial statements, such as investors, commercial banks, research analysts and others, to assess the Partnership's ability to make cash distributions to its unitholders and its general partner.

We define adjusted EBITDA as net income or loss attributable to partners less interest income, noncontrolling interest in depreciation and income tax expense and non-cash commodity derivative gains, plus interest expense, income tax expense, depreciation and amortization expense and non-cash commodity derivative losses. The commodity derivative non-cash losses and gains result from the marking to market of certain financial derivatives used by us for risk management purposes that we do not account for under the hedge method of accounting. These non-cash losses or gains may or may not be realized in future periods when the derivative contracts are settled, due to fluctuating commodity prices. We define adjusted segment EBITDA for each segment as segment net income or loss attributable to partners less non-cash commodity derivative gains for that segment, plus depreciation and amortization expense and non-cash commodity derivative losses for that segment, adjusted for any noncontrolling interest on depreciation and amortization expense for that segment. The Partnership's adjusted EBITDA equals the sum of its adjusted segment EBITDAs, plus general and administrative expense.



Adjusted EBITDA is used as a supplemental liquidity and performance measure and adjusted segment EBITDA is used as supplemental performance measure by the Partnership's management and by external users of its financial statements, such as investors, commercial banks, research analysts and others to assess:

- financial performance of the Partnership's assets without regard to financing methods, capital structure or historical cost basis;
- the Partnership's operating performance and return on capital as compared to those of other companies in the midstream energy industry, without regard to financing methods or capital structure;
- viability and performance of acquisitions and capital expenditure projects and the overall rates of return on investment opportunities;
- performance of the Partnership's business excluding non-cash commodity derivative gains or losses; and
- in the case of Adjusted EBITDA, the ability of the Partnership's assets to generate cash sufficient to pay interest costs, support its indebtedness, make cash distributions to its unitholders and general partner, and finance maintenance capital expenditures.

We define adjusted net income attributable to partners as net income attributable to partners, plus non-cash derivative losses, less non-cash derivative gains. Adjusted net income per limited partner unit is then calculated from adjusted net income attributable to partners. These non-cash derivative losses and gains result from the marking to market of certain financial derivatives used by us for risk management purposes that we do not account for under the hedge method of accounting. Adjusted net income attributable to partners and adjusted net income per limited partner unit are provided to illustrate trends in income excluding these non-cash derivative losses or gains, which may or may not be realized in future periods when derivative contracts are settled, due to fluctuating commodity prices.

## **ABOUT DCP MIDSTREAM PARTNERS**

DCP Midstream Partners, LP (NYSE: DPM) is a midstream master limited partnership engaged in the business of gathering, compressing, treating, processing, transporting, storing and selling natural gas; producing, fractionating, transporting, storing and selling NGLs and condensate; and transporting, storing and selling propane in wholesale markets. DCP Midstream Partners, LP is managed by its general partner, DCP Midstream GP, LP, which in turn is managed by its general partner, DCP Midstream GP, LLC, or the General Partner, which is wholly-owned by DCP Midstream, LLC, a system between Phillips 66 and Spectra Energy. For more information, visit the DCP Midstream Partners, LP website at [www.dcppartners.com](http://www.dcppartners.com).

## CAUTIONARY STATEMENTS

*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 the Partnership's 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.*

*The key risk factors that may have a direct bearing on the Partnership's results of operations and financial condition are described in detail in the Partnership's annual and quarterly reports most recently filed with the Securities and Exchange Commission and other such matters discussed in the "Risk Factors" section of the Partnership's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. 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 forward looking statements contained herein speak as of the date of this announcement. 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.*

**DCP MIDSTREAM PARTNERS, LP**  
**FINANCIAL RESULTS AND**  
**SUMMARY BALANCE SHEET DATA**  
(Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	As Reported in 2012	2013	2012	As Reported in 2012
(Millions, except per unit amounts)						
Sales of natural gas, propane, NGLs and condensate	\$ 643	\$ 543	\$ 297	\$ 1,311	\$ 1,333	\$ 784
Transportation, processing and other	61	50	42	124	102	85
Gains from commodity derivative activity, net	71	75	75	71	70	70
Total operating revenues	775	668	414	1,506	1,505	939
Purchases of natural gas, propane and NGLs	(573)	(490)	(274)	(1,159)	(1,186)	(706)
Operating and maintenance expense	(51)	(50)	(30)	(96)	(92)	(56)
Depreciation and amortization expense	(23)	(15)	(10)	(43)	(49)	(34)
General and administrative expense	(16)	(17)	(11)	(32)	(36)	(22)
Other expense	—	—	—	(4)	—	—
Total operating costs and expenses	(663)	(572)	(325)	(1,334)	(1,363)	(818)
Operating income	112	96	89	172	142	121
Interest expense	(14)	(11)	(11)	(26)	(24)	(24)
Earnings from unconsolidated affiliates	8	2	2	16	8	8
Income tax expense	—	—	—	(1)	(1)	(1)
Net income attributable to noncontrolling interests	(4)	(2)	(1)	(7)	(6)	(2)
Net income attributable to partners	102	85	79	154	119	102
Net income attributable to predecessor operations	—	(6)	—	(6)	(20)	(3)
General partner's interest in net income	(16)	(10)	(10)	(31)	(18)	(18)
Net income allocable to limited partners	\$ 86	\$ 69	\$ 69	\$ 117	\$ 81	\$ 81
Net income per limited partner unit-basic and diluted	\$ 1.11	\$ 1.33	\$ 1.33	\$ 1.64	\$ 1.64	\$ 1.64
Weighted-average limited partner units outstanding-basic and diluted	77.3	51.9	51.9	71.3	49.4	49.4

	June 30, 2013	December 31, 2012	As Reported December 31, 2012
	(Millions)		
Cash and cash equivalents	\$ 9	\$ 2	\$ 1
Other current assets	411	366	308
Property, plant and equipment, net	2,679	2,550	1,727
Other long-term assets	840	685	936
Total assets	<u>\$ 3,939</u>	<u>\$ 3,603</u>	<u>\$ 2,972</u>
Current liabilities	\$ 410	\$ 345	\$ 234
Long-term debt	1,740	1,620	1,620
Other long-term liabilities	39	44	35
Partners' equity	1,533	1,405	1,048
Noncontrolling interests	217	189	35
Total liabilities and equity	<u>\$ 3,939</u>	<u>\$ 3,603</u>	<u>\$ 2,972</u>

**DCP MIDSTREAM PARTNERS, LP**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	As Reported in 2012	2013	2012	As Reported in 2012
(Millions, except per unit amounts)						
<b>Reconciliation of Non-GAAP Financial Measures:</b>						
Net income attributable to partners	\$ 102	\$ 85	\$ 79	\$ 154	\$ 119	\$ 102
Interest expense	14	11	11	26	24	24
Depreciation, amortization and income tax expense, net of noncontrolling interests	21	13	10	41	45	35
Non-cash commodity derivative mark-to-market	(58)	(65)	(65)	(48)	(42)	(42)
Adjusted EBITDA	79	44	35	173	146	119
Interest expense	(14)	(11)	(11)	(26)	(24)	(24)
Depreciation, amortization and income tax expense, net of noncontrolling interests	(21)	(13)	(10)	(41)	(45)	(35)
Other	—	—	—	—	1	1
Adjusted net income attributable to partners	44	\$ 20	14	106	\$ 78	61
Maintenance capital expenditures, net of reimbursable projects	(3)		(4)	(10)		(8)
Distributions from unconsolidated affiliates, net of earnings	3		1	6		1
Depreciation and amortization, net of noncontrolling interests	21		9	40		34
Impact of minimum volume receipt for throughput commitment	2		2	4		3
Discontinued construction projects	—		—	4		—
Adjustment to remove impact of pooling	—		—	(6)		(17)
Other	1		—	1		3
Distributable cash flow <sup>(1)</sup>	\$ 68		\$ 22	\$ 145		\$ 77
Adjusted net income attributable to partners	\$ 44	\$ 20	\$ 14	\$ 106	\$ 78	\$ 61
Adjusted net income attributable to predecessor operations	—	(6)	—	(6)	(20)	(3)
Adjusted general partner's interest in net income	(16)	(10)	(10)	(31)	(18)	(18)
Adjusted net income allocable to limited partners	\$ 28	\$ 4	\$ 4	\$ 69	\$ 40	\$ 40
Adjusted net income per limited partner unit - basic and diluted	\$ 0.36	\$ 0.08	\$ 0.08	\$ 0.97	\$ 0.81	\$ 0.81
Net cash provided by operating activities	\$ 123	\$ 3	\$ 11	\$ 270	\$ 47	\$ 72
Interest expense	14	11	11	26	24	24
Distributions from unconsolidated affiliates, net of earnings	(3)	—	(1)	(6)	—	(1)
Net changes in operating assets and liabilities	11	99	80	(54)	127	68
Net income attributable to noncontrolling interests, net of depreciation and income tax	(6)	(4)	(1)	(10)	(10)	(2)
Discontinued construction projects	—	—	—	(4)	—	—
Non-cash commodity derivative mark-to-market	(58)	(65)	(65)	(48)	(42)	(42)
Other, net	(2)	—	—	(1)	—	—
Adjusted EBITDA	\$ 79	\$ 44	\$ 35	\$ 173	\$ 146	\$ 119
Interest expense, net of derivative mark-to-market and other	(14)		(11)	(26)		(20)
Maintenance capital expenditures, net of reimbursable projects	(3)		(4)	(10)		(8)
Distributions from unconsolidated affiliates, net of earnings	3		1	6		1
Adjustment to remove impact of pooling	—		—	(6)		(17)
Discontinued construction projects	—		—	4		—
Other	3		1	4		2
Distributable cash flow <sup>(1)</sup>	\$ 68		\$ 22	\$ 145		\$ 77

(1) Distributable cash flow has not been calculated under the pooling method.

**DCP MIDSTREAM PARTNERS, LP**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**SEGMENT FINANCIAL RESULTS AND OPERATING DATA**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	As Reported in 2012	2013	As Reported in 2012
(Millions, except as indicated)				
<b>Reconciliation of Non-GAAP Financial Measures:</b>				
Distributable cash flow	\$ 68	\$ 22	\$ 145	\$ 77
Distributions declared	\$ 72	\$ 49	\$ 141	\$ 92
Distribution coverage ratio - declared	0.94 x	0.44 x	1.03 x	0.84 x
Distributable cash flow	\$ 68	\$ 22	\$ 145	\$ 77
Distributions paid	\$ 69	\$ 43	\$ 123	\$ 80
Distribution coverage ratio - paid	0.99 x	0.51 x	1.18 x	0.97 x

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	As Reported in 2012	2013	2012	As Reported in 2012
(Millions, except per unit amounts)						
<b>Natural Gas Services Segment:</b>						
Financial results:						
Segment net income attributable to partners	\$ 111	\$ 106	\$ 94	\$ 150	\$ 146	\$ 116
Non-cash commodity derivative mark-to-market	(58)	(49)	(49)	(49)	(26)	(26)
Depreciation and amortization expense	21	14	8	39	45	30
Noncontrolling interests on depreciation and income tax	(2)	(2)	—	(3)	(4)	(1)
Adjusted segment EBITDA	\$ 72	\$ 69	\$ 53	\$ 137	\$ 161	\$ 119
Operating and financial data:						
Natural gas throughput (MMcf/d)	2,264	2,216	1,607	2,285	2,250	1,644
NGL gross production (Bbls/d)	112,785	105,282	62,771	113,446	105,709	62,978
Operating and maintenance expense	\$ 43	\$ 42	\$ 23	\$ 81	\$ 77	\$ 41

**NGL Logistics Segment:**

Financial results:						
Segment net income attributable to partners	\$ 20	\$ 10	\$ 10	\$ 42	\$ 20	\$ 20
Depreciation and amortization expense	2	1	1	3	3	3
Adjusted segment EBITDA	\$ 22	\$ 11	\$ 11	\$ 45	\$ 23	\$ 23
Operating and financial data:						
NGL pipelines throughput (Bbls/d)	93,306	72,786	72,786	88,800	77,740	77,740
Operating and maintenance expense	\$ 4	\$ 4	\$ 4	\$ 8	\$ 8	\$ 8

**Wholesale Propane Logistics Segment:**

Financial results:						
Segment net income (loss) attributable to partners	\$ 1	\$ (3)	\$ (3)	\$ 21	\$ 14	\$ 14
Non-cash commodity derivative mark-to-market	—	(16)	(16)	1	(16)	(16)
Depreciation and amortization expense	—	—	—	1	1	1
Adjusted segment EBITDA	\$ 1	\$ (19)	\$ (19)	\$ 23	\$ (1)	\$ (1)
Operating and financial data:						
Propane sales volume (Bbls/d)	12,286	11,641	11,641	23,024	23,010	23,010
Operating and maintenance expense	\$ 4	\$ 4	\$ 4	\$ 7	\$ 7	\$ 7

**DCP MIDSTREAM PARTNERS, LP**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(Unaudited)

	As Reported in Q312	As Reported in Q412	Q113	Q213	Twelve months ended June 30, 2013 (As Originally Reported)
(Millions, except as indicated)					
Net income attributable to partners	\$ 1	\$ 64	\$ 52	\$ 102	\$ 219
Maintenance capital expenditures, net of reimbursable projects	(4)	(6)	(7)	(3)	(20)
Depreciation and amortization expense, net of noncontrolling interests	15	14	19	21	69
Non-cash commodity derivative mark-to-market	23	(2)	10	(58)	(27)
Distributions from unconsolidated affiliates, net of earnings	(1)	1	3	3	6
Impact of minimum volume receipt for throughput commitment	2	(6)	2	2	—
Discontinued construction projects	—	—	4	—	4
Adjustment to remove impact of pooling	—	—	(6)	—	(6)
Other	(1)	3	—	1	3
Distributable cash flow	<u>\$ 35</u>	<u>\$ 68</u>	<u>\$ 77</u>	<u>\$ 68</u>	<u>\$ 248</u>
Distributions declared	<u>\$ 53</u>	<u>\$ 54</u>	<u>\$ 69</u>	<u>\$ 72</u>	<u>\$ 248</u>
Distribution coverage ratio - declared	0.67x	1.25x	1.12x	0.94x	1.00x
Distributable cash flow	<u>\$ 35</u>	<u>\$ 68</u>	<u>\$ 77</u>	<u>\$ 68</u>	<u>\$ 248</u>
Distributions paid	<u>\$ 49</u>	<u>\$ 53</u>	<u>\$ 54</u>	<u>\$ 69</u>	<u>\$ 225</u>
Distribution coverage ratio - paid	0.72x	1.29x	1.43x	0.99x	1.10x