UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Commission file number 1-11071

UGI CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania	23-2668356
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

460 North Gulph Road, King of Prussia, PA 19406
(Address of Principal Executive Offices) (Zip Code)

(610) 337-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of each Exchange on Which Registered
Common Stock, without par value	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ☑

The aggregate market value of UGI Corporation Common Stock held by non-affiliates of the registrant on March 31, 2010 was $2,848,571,109.

At November 15, 2010 there were 110,466,049 shares of UGI Corporation Common Stock issued and outstanding.

Portions of the Proxy Statement for the Annual Meeting of Shareholders to be held on January 20, 2011 are incorporated by reference into Part III of this Form 10-K.

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FORWARD-LOOKING INFORMATION

Information contained in this Annual Report on Form 10-K may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements use forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will,” or other similar words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the following important factors which could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) adverse weather conditions resulting in reduced demand; (2) cost volatility and availability of propane and other liquefied petroleum gases, oil, electricity, and natural gas and the capacity to transport product to our customers; (3) changes in domestic and foreign laws and regulations, including safety, tax and accounting matters; (4) inability to timely recover costs through utility rate proceedings; (5) the impact of pending and future legal proceedings; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations; (11) large customer, counter-party or supplier defaults; (12) liability in excess of insurance coverage for personal injury and property damage arising from explosions and other catastrophic events, including acts of terrorism, resulting from operating hazards and risks incidental to generating and distributing electricity and transporting, storing and distributing natural gas and liquefied petroleum gases; (13) political, regulatory and economic conditions in the United States and in foreign countries, including foreign currency exchange rate fluctuations, particularly the euro; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; (15) changes in commodity market prices resulting in significantly higher cash collateral requirements; (16) reduced distributions from subsidiaries; (17) the timing of development of Marcellus Shale gas production; and (18) the timing and success of our acquisitions, commercial initiatives and investments to grow our businesses.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

PART I:

ITEMS 1. AND 2. BUSINESS AND PROPERTIES

CORPORATE OVERVIEW

UGI Corporation is a holding company that, through subsidiaries, distributes and markets energy products and related services. We are a domestic and international retail distributor of propane and butane (which are liquefied petroleum gases (“LPG”)); a provider of natural gas and electric service through regulated local distribution utilities; a generator of electricity; a regional marketer of energy commodities; a manager of midstream assets; and a regional provider of heating, ventilation, air conditioning, refrigeration and electrical contracting services. Our subsidiaries and affiliates operate principally in the following six business segments:

- AmeriGas Propane
- International Propane — Antargaz
- International Propane — Other
- Gas Utility
- Electric Utility
- Midstream & Marketing (formerly, Energy Services)

The AmeriGas Propane segment consists of the propane distribution business of AmeriGas Partners, L.P. (“AmeriGas Partners” or the “Partnership”) which is the nation’s largest retail propane distributor. The Partnership’s sole general partner is our subsidiary, AmeriGas Propane, Inc. (“AmeriGas Propane” or the “General Partner”). The common units of AmeriGas Partners represent limited partner interests in a Delaware limited partnership; they trade on the New York Stock Exchange under the symbol “APU.” We have an effective 44% ownership interest in the Partnership; the remaining interest is publicly held. See Note 1 to Consolidated Financial Statements.

The International Propane-Antargaz segment consists of the LPG distribution business of our wholly owned subsidiary Antargaz, a French société anonyme (“Antargaz”). The International Propane — Other segment consists of the LPG distribution businesses of Flaga GmbH, an Austrian corporation, and its subsidiaries (“Flaga”), Kosan Gas A/S, a Danish company managed by Flaga, and a majority-owned Delaware limited partnership, China Gas Partners, L.P. Antargaz is one of the largest retail distributors of LPG in France. Flaga is the largest retail LPG distributor in Austria and one of the largest in the Czech Republic, Slovakia and Hungary. Kosan Gas is the largest LPG distributor in Denmark. China Gas Partners is an LPG distributor in the Nantong region of China.

The Gas Utility segment (“Gas Utility”) consists of the regulated natural gas distribution businesses of our subsidiary, UGI Utilities, Inc. (“UGI Utilities”) and UGI Utilities’ subsidiaries, UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”). Gas Utility serves approximately 568,000 customers in eastern and central Pennsylvania and several hundred customers in portions of one Maryland county. UGI Utilities’ natural gas distribution utility is referred to as “UGI Gas;” PNG’s natural gas distribution utility is referred to as “PNG Gas;” and CPG’s natural gas distribution utility is referred to as “CPG Gas.” The Electric Utility segment (“Electric Utility”) consists of the regulated electric distribution business of UGI Utilities, serving approximately 62,000 customers in northeastern Pennsylvania. Gas Utility is regulated by the Pennsylvania Public Utility Commission (“PUC”) and, with respect to a small service territory, the Maryland Public Service Commission. Electric Utility is regulated by the PUC.

The Midstream & Marketing segment (formerly, Energy Services) consists of energy-related businesses conducted by UGI Energy Services, Inc. and a number of its subsidiaries. These businesses include (i) energy marketing in the eastern region of the United States under the trade name GASMARK®, (ii) generating electricity in Pennsylvania, including through solar facilities, (iii) operating and owning a natural gas liquefaction, storage and vaporization facility and propane-air mixing assets, (iv) managing natural gas pipeline and storage contracts, and (v) developing pipelines, gathering infrastructure and gas storage facilities to serve customers in the Marcellus Shale region of Pennsylvania.

Through subsidiaries, UGI Corporation also operates and owns heating, ventilation, air conditioning, refrigeration and electrical contracting service businesses serving customers in the Mid-Atlantic region.

Business Strategy

Our business strategy is to grow the Company by focusing on our core competencies as a marketer and distributor of energy products and services. We are utilizing our core competencies from our existing businesses and our national scope, international experience, extensive asset base and access to customers to accelerate both internal growth and growth through acquisitions in our existing businesses, as well as in related and complementary businesses. During fiscal year 2010, we completed a number of transactions in pursuit of this strategy and moved forward on a number of larger internally generated capital projects and renewable energy projects.

Corporate Information

UGI Corporation was incorporated in Pennsylvania in 1991. UGI Corporation is not subject to regulation by the PUC. UGI Corporation is a "holding company" under the Public Utility Holding Company Act of 2005 ("PUHCA 2005"). PUHCA 2005 and the implementing regulations of the Federal Energy Regulatory Commission ("FERC") give FERC access to certain holding company books and records and impose certain accounting, record-keeping, and reporting requirements on holding companies. PUHCA 2005 also provides state utility regulatory commissions with access to holding company books and records in certain circumstances. Pursuant to a waiver granted in accordance with FERC's regulations on the basis of UGI Corporation's status as a single-state holding company system, UGI Corporation is not subject to certain of the accounting, record-keeping, and reporting requirements prescribed by FERC's regulations.

Our executive offices are located at 460 North Gulph Road, King of Prussia, Pennsylvania 19406, and our telephone number is (610) 337-1000. In this report, the terms "Company" and "UGI," as well as the terms "our," "we," and "its," are sometimes used as abbreviated references to UGI Corporation or, collectively, UGI Corporation and its consolidated subsidiaries. Similarly, the terms "AmeriGas Partners" and the "Partnership" are sometimes used as abbreviated references to AmeriGas Partners, L.P. or, collectively, AmeriGas Partners, L.P. and its subsidiaries and the term "UGI Utilities" is sometimes used as an abbreviated reference to UGI Utilities, Inc. or, collectively, UGI Utilities, Inc. and its subsidiaries. The terms "Fiscal 2010" and "Fiscal 2009" refer to the fiscal years ended September 30, 2010 and September 30, 2009, respectively.

The Company's corporate website can be found at www.ugicorp.com. The Company makes available free of charge at this website (under the "Investor Relations and Corporate Governance — SEC Filings" caption) copies of its reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, including its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. The Company's Principles of Corporate Governance, Code of Ethics for the Chief Executive Officer and Senior Financial Officers, Code of Business Conduct and Ethics for Directors, Officers and Employees, and charters of the Corporate Governance, Audit and Compensation and Management Development Committees of the Board of Directors are also available on the Company's website, under the caption "Investor Relations and Corporate Governance-Corporate Governance." All of these documents are also available free of charge by writing to Hugh J. Gallagher, Director, Treasury Services and Investor Relations, UGI Corporation, P.O. Box 858, Valley Forge, PA 19482.

AMERIGAS PROPANE

Products, Services and Marketing

Our domestic propane distribution business is conducted through AmeriGas Partners. AmeriGas Propane is responsible for managing the Partnership. The Partnership serves approximately 1.3 million customers in all 50 states from nearly 1,200 propane distribution locations. In addition to distributing propane, the Partnership also sells, installs and services propane appliances, including heating systems. In certain areas, the Partnership also installs and services propane fuel systems for motor vehicles. Typically, district locations are found in suburban and rural areas where natural gas is not readily available. Districts generally consist of an office, appliance showroom, warehouse, and service facilities, with one or more 18,000 to 30,000 gallon storage tanks on the premises. As part of its overall transportation and distribution infrastructure, the Partnership operates as an interstate carrier in 48 states throughout the continental United States. It is also licensed as a carrier in the Canadian Provinces of Ontario and Quebec.

The Partnership sells propane primarily to residential, commercial/industrial, motor fuel, agricultural and wholesale customers. The Partnership distributed over one billion gallons of propane in Fiscal 2010. Approximately 87% of the Partnership's Fiscal 2010 sales (based on gallons sold) were to retail accounts and approximately 13% were to wholesale customers. Sales to residential customers in Fiscal 2010 represented approximately 40% of retail gallons sold; commercial/industrial customers 37%; motor fuel customers 13%; and agricultural customers 5%. Transport gallons, which are large-scale deliveries to retail customers other than residential, accounted for 5% of Fiscal 2010 retail gallons. No single customer represents, or is anticipated to represent, more than 5% of the Partnership's consolidated revenues.

The Partnership continues to expand its AmeriGas Cylinder Exchange ("ACE") program. At September 30, 2010, ACE cylinders were available at approximately 30,000 retail locations throughout the United States. Sales of our ACE grill cylinders to retailers are included in commercial/industrial sales. The ACE program enables consumers to purchase or exchange their empty propane grill cylinders at various retail locations such as home centers, gas stations, mass merchandisers and grocery and convenience stores. We also supply retailers with large propane tanks to enable retailers to replenish customers' propane grill cylinders directly at the retailer's location.

Residential customers use propane primarily for home heating, water heating and cooking purposes. Commercial users, which include motels, hotels, restaurants and retail stores, generally use propane for the same purposes as residential customers. Industrial customers use propane to fire furnaces, as a cutting gas and in other process applications. Other industrial customers are large-scale heating accounts and local gas utility customers who use propane as a supplemental fuel to meet peak load deliverability requirements. As a motor fuel, propane is burned in internal combustion engines that power over-the-road vehicles, forklifts and stationary engines. Agricultural uses include tobacco curing, chicken brooding and crop drying. In its wholesale operations, the Partnership principally sells propane to large industrial end-users and other propane distributors.

Retail deliveries of propane are usually made to customers by means of bobtail and rack trucks. Propane is pumped from the bobtail truck, which generally holds 2,400 to 3,000 gallons of propane, into a stationary storage tank on the customer's premises. The Partnership owns most of these storage tanks and leases them to its customers. The capacity of these tanks ranges from approximately 120 gallons to approximately 1,200 gallons. The Partnership also delivers propane in portable cylinders, including ACE propane grill cylinders. Some of these deliveries are made to the customer's location, where empty cylinders are either picked up or replenished in place.

Propane Supply and Storage

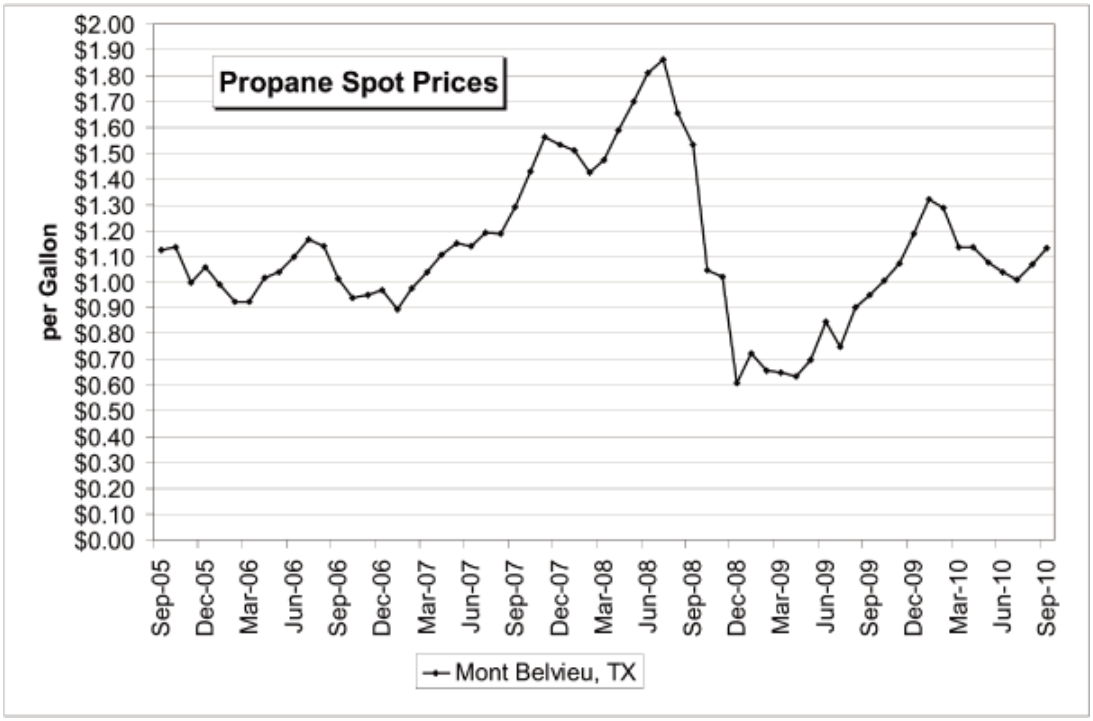
The Partnership has over 250 domestic and international sources of supply, including the spot market. Supplies of propane from the Partnership's sources historically have been readily available. During the year ended September 30, 2010, approximately 90% of the Partnership's propane supply was purchased under supply agreements with terms of 1 to 3 years. The availability of propane supply is dependent upon, among other things, the severity of winter weather, the price and availability of competing fuels such as natural gas and crude oil, and the amount and availability of imported supply. Although no assurance can be given that supplies of propane will be readily available in the future, management currently expects to be able to secure adequate supplies during fiscal year 2011. If supply from major sources were interrupted, however, the cost of procuring replacement supplies and transporting those supplies from alternative locations might be materially higher and, at least on a short-term basis, margins could be affected. BP Products North America Inc. and BP Canada Energy Marketing Corp. (collectively), Enterprise Products Operating LP and Targa Midstream Services LP, supplied approximately 43% of the Partnership's Fiscal 2010 propane supply. No other single supplier provided more than 10% of the Partnership's total propane supply in Fiscal 2010. In certain areas, however, a single supplier provides more than 50% of the Partnership's requirements. Disruptions in supply in these areas could also have an adverse impact on the Partnership's margins.

The Partnership's supply contracts typically provide for pricing based upon (i) index formulas using the current prices established at a major storage point such as Mont Belvieu, Texas, or Conway, Kansas, or (ii) posted prices at the time of delivery. In addition, some agreements provide maximum and minimum seasonal purchase volume guidelines. The percentage of contract purchases, and the amount of supply contracted for at fixed prices, will vary from year to year as determined by the General Partner. The Partnership uses a number of interstate pipelines, as well as railroad tank cars, delivery trucks and barges, to transport propane from suppliers to storage and distribution facilities. The Partnership stores propane at various storage facilities and terminals located in strategic areas across the United States.

Because the Partnership's profitability is sensitive to changes in wholesale propane costs, the Partnership generally seeks to pass on increases in the cost of propane to customers. There is no assurance, however, that the Partnership will always be able to pass on product cost increases fully, particularly when product costs rise rapidly. Product cost increases can be triggered by periods of severe cold weather, supply interruptions, increases in the prices of base commodities such as crude oil and natural gas, or other unforeseen events. The General Partner has adopted supply acquisition and product cost risk management practices to reduce the effect of volatility on selling prices. These practices currently include the use of summer storage, forward purchases and derivative commodity instruments, such as options and propane price swaps. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Disclosures."

The following graph shows the average prices of propane on the propane spot market during the last 5 fiscal years at Mont Belvieu, Texas, a major storage area.

Average Propane Spot Market Prices



General Industry Information

Propane is separated from crude oil during the refining process and also extracted from natural gas or oil wellhead gas at processing plants. Propane is normally transported and stored in a liquid state under moderate pressure or refrigeration for economy and ease of handling in shipping and distribution. When the pressure is released or the temperature is increased, it is usable as a flammable gas. Propane is colorless and odorless; an odorant is added to allow for its detection. Propane is clean burning, producing negligible amounts of pollutants when properly consumed.

Competition

Propane competes with other sources of energy, some of which are less costly for equivalent energy value. Propane distributors compete for customers with suppliers of electricity, fuel oil and natural gas, principally on the basis of price, service, availability and portability. Electricity is a major competitor of propane, but propane generally enjoys a competitive price advantage over electricity for space heating, water heating, and cooking. In some areas electricity may have a competitive price advantage or be relatively equivalent in price to propane due to government regulated rate caps on electricity. Additionally, high efficiency electric heat pumps have led to a decrease in the cost of electricity for heating. Fuel oil is also a major competitor of propane and is generally less expensive than propane. Furnaces and appliances that burn propane will not operate on fuel oil, and vice versa, and, therefore, a conversion from one fuel to the other requires the installation of new equipment. Propane serves as an alternative to natural gas in rural and suburban areas where natural gas is unavailable or portability of product is required. Natural gas is generally a less expensive source of energy than propane, although in areas where natural gas is available, propane is used for certain industrial and commercial applications and as a standby fuel during interruptions in natural gas service. The gradual expansion of the nation’s natural gas distribution systems has resulted in the availability of natural gas in some areas that previously depended upon propane. However, natural gas pipelines are not present in many regions of the country where propane is sold for heating and cooking purposes.

For motor fuel customers, propane competes with gasoline and diesel fuel as well as electric batteries and fuel cells. Wholesale propane distribution is a highly competitive, low margin business. Propane sales to other retail distributors and large-volume, direct-shipment industrial end-users are price sensitive and frequently involve a competitive bidding process.

The retail propane industry is mature, with no growth in total demand foreseen in the next several years. Therefore, the Partnership's ability to grow within the industry is dependent on its ability to acquire other retail distributors and to achieve internal growth, which includes expansion of the ACE program and the Strategic Accounts program (through which the Partnership encourages large, multi-location propane users to enter into a supply agreement with it rather than with many small suppliers), as well as the success of its sales and marketing programs designed to attract and retain customers. The failure of the Partnership to retain and grow its customer base would have an adverse effect on its long-term results.

The domestic propane retail distribution business is highly competitive. The Partnership competes in this business with other large propane marketers, including other full-service marketers, and thousands of small independent operators. Some rural electric cooperatives and fuel oil distributors have expanded their businesses to include propane distribution and the Partnership competes with them as well. The ability to compete effectively depends on providing high quality customer service, maintaining competitive retail prices and controlling operating expenses. The Partnership also offers customers various payment and service options, including fixed price and guaranteed price programs.

In Fiscal 2010, the Partnership's retail propane sales totaled approximately 893 million gallons. Based on the most recent annual survey by the American Petroleum Institute, 2008 domestic retail propane sales (annual sales for other than chemical uses) in the United States totaled approximately 9.3 billion gallons. Based on LP-GAS magazine rankings, 2008 sales volume of the ten largest propane companies (including AmeriGas Partners) represented approximately 41% of domestic retail sales.

Properties

As of September 30, 2010, the Partnership owned approximately 86% of its district locations. The transportation of propane requires specialized equipment. The trucks and railroad tank cars utilized for this purpose carry specialized steel tanks that maintain the propane in a liquefied state. As of September 30, 2010, the Partnership operated a transportation fleet with the following assets:

Approximate Quantity	Equipment Type	% Owned	% Leased
1,400	Trailers	89%	11%
300	Tractors	13%	87%
188	Railroad tank cars	0%	100%
2,460	Bobtail trucks	14%	86%
267	Rack trucks	1%	99%
2,125	Service and delivery trucks	15%	85%

Other assets owned at September 30, 2010 included approximately 837,000 stationary storage tanks with typical capacities ranging from 121 to 2,000 gallons and approximately 3.3 million portable propane cylinders with typical capacities of 1 to 120 gallons. The Partnership also owned approximately 5,700 large volume tanks with typical capacities of more than 2,000 gallons which are used for its own storage requirements.

Trade Names, Trade and Service Marks

The Partnership markets propane principally under the "AmeriGas®" and "America's Propane Company®" trade names and related service marks. UGI owns, directly or indirectly, all the right, title and interest in the "AmeriGas" name and related trade and service marks. The General Partner owns all right, title and interest in the "America's Propane Company" trade name and related service marks. The Partnership has an exclusive (except for use by UGI, AmeriGas, Inc. and the General Partner), royalty-free license to use these trade names and related service marks in the U.S. UGI and the General Partner each have the option to terminate its respective license agreement (on 12 months prior notice in the case of UGI), without penalty, if the General Partner is removed as general partner of the Partnership other than for cause. If the General Partner ceases to serve as the general partner of the Partnership for cause, the General Partner has the option to terminate its license agreement upon payment of a fee to UGI equal to the fair market value of the licensed trade names. UGI has a similar termination option; however, UGI must provide 12 months prior notice in addition to paying the fee to the General Partner.

Seasonality

Because many customers use propane for heating purposes, the Partnership's retail sales volume is seasonal. Approximately 65% to 70% of the Partnership's retail sales volume occurs, and substantially all of the Partnership's operating income is earned, during the peak heating season from October through March. As a result of this seasonality, sales are higher in the Partnership's first and second fiscal quarters (October 1 through March 31). Cash receipts are generally greatest during the second and third fiscal quarters when customers pay for propane purchased during the winter heating season.

Sales volume for the Partnership traditionally fluctuates from year-to-year in response to variations in weather, prices, competition, customer mix and other factors, such as conservation efforts and general economic conditions. For historical information on national weather statistics, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Government Regulation

The Partnership is subject to various federal, state and local environmental, safety and transportation laws and regulations governing the storage, distribution and transportation of propane and the operation of bulk storage LPG terminals. These laws include, among others, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Clean Air Act, the Occupational Safety and Health Act, the Homeland Security Act of 2002, the Emergency Planning and Community Right to Know Act, the Clean Water Act and comparable state statutes. CERCLA imposes joint and several liability on certain classes of persons considered to have contributed to the release or threatened release of a "hazardous substance" into the environment without regard to fault or the legality of the original conduct. Propane is not a hazardous substance within the meaning of federal and most state environmental laws.

All states in which the Partnership operates have adopted fire safety codes that regulate the storage and distribution of propane. In some states these laws are administered by state agencies, and in others they are administered on a municipal level. The Partnership conducts training programs to help ensure that its operations are in compliance with applicable governmental regulations. With respect to general operations, National Fire Protection Association ("NFPA") Pamphlets No. 54 and No. 58, which establish a set of rules and procedures governing the safe handling of propane, or comparable regulations, have been adopted by all states in which the Partnership operates. Management believes that the policies and procedures currently in effect at all of its facilities for the handling, storage and distribution of propane are consistent with industry standards and are in compliance in all material respects with applicable environmental, health and safety laws.

With respect to the transportation of propane by truck, the Partnership is subject to regulations promulgated under federal legislation, including the Federal Motor Carrier Safety Act and the Homeland Security Act of 2002. Regulations under these statutes cover the security and transportation of hazardous materials and are administered by the United States Department of Transportation ("DOT"). The Natural Gas Safety Act of 1968 required the DOT to develop and enforce minimum safety regulations for the transportation of gases by pipeline. The DOT's pipeline safety regulations apply to, among other things, a propane gas system which supplies 10 or more residential customers or 2 or more commercial customers from a single source and a propane gas system any portion of which is located in a public place. The code requires operators of all gas systems to provide training and written instructions for employees, establish written procedures to minimize the hazards resulting from gas pipeline emergencies, and to conduct and keep records of inspections and testing. Operators are subject to the Pipeline Safety Improvement Act of 2002, which, among other things, protects employees who provide information to their employers or to the federal government as to pipeline safety from adverse employment actions.

Employees

The Partnership does not directly employ any persons responsible for managing or operating the Partnership. The General Partner provides these services and is reimbursed for its direct and indirect costs and expenses, including all compensation and benefit costs. At September 30, 2010, the General Partner had approximately 5,800 employees, including approximately 400 part-time, seasonal and temporary employees, working on behalf of the Partnership. UGI also performs certain financial and administrative services for the General Partner on behalf of the Partnership and is reimbursed by the Partnership.

INTERNATIONAL PROPANE — ANTARGAZ

Our International Propane — Antargaz LPG distribution business is conducted in France through our wholly owned subsidiary, Antargaz. Antargaz is one of the largest LPG distributors in France. During Fiscal 2010, Antargaz sold approximately 280 million gallons of LPG.

ANTARGAZ

Products, Services and Marketing

Antargaz' customer base consists of residential, commercial, agricultural and motor fuel customer accounts that use LPG for space heating, cooking, water heating, process heat and transportation. Antargaz sells LPG in cylinders, and in small, medium and large tanks. Sales of LPG are also made to service stations to accommodate vehicles that run on LPG. Antargaz sells LPG in cylinders to approximately 17,500 retail outlets, such as supermarkets, individually owned stores and gas stations. Supermarket sales represented approximately 58% of cylinder sales volume in Fiscal 2010. At September 30, 2010, Antargaz had approximately 200,000 bulk customers and approximately 6 million cylinders in circulation. Approximately 62% of Antargaz' Fiscal 2010 sales (based on volumes) were cylinder and small bulk, 14% medium bulk, 18% large bulk, 3% to service stations for automobiles, and 3% piped networks (metered sales). Antargaz also engages in wholesale sales of LPG and provides logistic, storage and other services to third-party LPG distributors. No single customer represents, or is anticipated to represent, more than 5% of total revenues for Antargaz.

Sales to small bulk customers represent the largest segment of Antargaz' business in terms of volume, revenue and total margin. Small bulk customers are primarily residential and small business users, such as restaurants, that use LPG mainly for heating and cooking. Small bulk customers also include municipalities, which use LPG for heating sports arenas and swimming pools, and the poultry industry for use in chicken brooding.

The principal end-users of cylinders are residential customers who use LPG supplied in this form for domestic applications such as cooking and heating. Butane cylinders accounted for approximately 61% of all LPG cylinders sold in Fiscal 2010, with propane cylinders accounting for the remainder. Propane cylinders are also used to supply fuel for forklift trucks. The market demand for cylinders has been declining, due primarily to customers gradually changing to other household energy sources for heating and cooking, such as natural gas. Antargaz is seeking to increase demand for butane and propane cylinders through marketing and product innovations.

Medium bulk customers use propane only, and consist mainly of large residential developments such as housing projects, hospitals, municipalities and medium-sized industrial enterprises, and poultry brooders. Large bulk customers include agricultural companies, and companies that use LPG in their industrial processes.

LPG Supply and Storage

Antargaz has an agreement with Totalgaz for the supply of butane, with pricing based on internationally quoted market prices. Under this agreement, 80% of Antargaz' requirements for butane are guaranteed until September 2012. Requirements are fixed annually and Antargaz can develop other sources of supply. For Fiscal 2010, Antargaz purchased almost 100% of its butane needs and approximately 10% of its propane needs from Totalgaz. Antargaz also purchases propane on the international market and on the domestic market, under term agreements with international oil and gas trading companies. In addition, purchases are made on the spot market from international oil and gas companies and to a lesser extent from domestic refineries, including those operated by BP France and Esso SAF. During Fiscal 2010, three suppliers accounted for substantially all of Antargaz' propane supply.

Antargaz has 4 primary storage facilities in operation, including 3 that are located at deep sea harbor facilities, and 26 secondary storage facilities. It also manages an extensive logistics and transportation network. Access to seaborne facilities allows Antargaz to diversify its LPG supplies through imports. LPG stored in primary storage facilities is transported to smaller storage facilities by rail, sea and road. At secondary storage facilities, LPG is filled into cylinders or trucks equipped with tanks and then delivered to customers.

Competition

The LPG market in France is mature, with modest declines in total demand due to competition with other fuels and conservation. Sales volumes are affected principally by the severity of the weather and customer migration to alternative energy forms, including natural gas and electricity. Like other businesses, it becomes more difficult for Antargaz to pass on product cost increases fully when product costs rise rapidly. Increased LPG prices may result in slower than expected growth due to customer conservation and customers seeking less expensive alternative energy sources. France derives a significant portion of its electricity from nuclear power plants. Due to the nuclear power plants as well as the regulation of electricity prices by the French government, electricity prices in France are generally less expensive than LPG. As a result, electricity has increasingly become a more significant competitor to LPG in France than in other countries where we operate. In addition, government policies and incentives that favor alternative energy sources can result in customers migrating to energy sources other than LPG.

Antargaz competes in all of its product markets on a national level principally with three LPG distribution companies, Totalgaz (owned by Total France), Butagaz (owned by Societe des Petroles Shell, “Shell”) and Compagnie des Gaz de Petrole Primagaz (an independent supplier owned by SHV Holding NV), as well as with regional competitors, Vitogaz and Repsol. In recent years, competition has increased as supermarkets affiliate with LPG distributors to offer their own brands of cylinders. Antargaz has partnered with one supermarket chain in this market. If Antargaz is unsuccessful in expanding its services to other supermarket chains, its market share through supermarket sales may decline. Antargaz’ competitors are generally affiliates of its LPG suppliers. As a result, its competitors may obtain product at more competitive prices.

On October 21, 2009, Antargaz responded to a Statement of Objections issued by the French competition authority, the General Division of Competition, Consumption and Fraud Punishment, in July of 2009. For more information on this matter, see “Legal Proceedings” and Note 15 to Consolidated Financial Statements, included under Item 8 of this Report.

Seasonality

Because a significant amount of LPG is used for heating, demand is typically higher during the colder months of the year. Approximately 65% to 70% of Antargaz’ retail sales volume occurs, and substantially all of Antargaz’ operating income is earned, during the six months from October through March.

Sales volume for Antargaz traditionally fluctuates from year-to-year in response to variations in weather, prices and other factors, such as conservation efforts and general economic conditions. For historical information on weather statistics for Antargaz, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Government Regulation

Antargaz’ business is subject to various laws and regulations at the national and European levels with respect to matters such as protection of the environment, the storage and handling of hazardous materials and flammable substances, the discharge of contaminants into the environment and the safety of persons and property.

Properties

Antargaz has 4 primary storage facilities in operation. One of these is a refrigerated facility. The table below sets forth details of each of these facilities.

	Ownership %	Antargaz Storage Capacity - Propane (m3) (1)	Antargaz Storage Capacity - Butane (m3) (1)
Norgal	52.7	22,600	8,900
Geogaz Lavera	16.7	17,400	32,500
Donges	50.0(2)	30,000	0
Cobogal	15.0	1,300	450

(1) Cubic meters.

(2) Pursuant to a long-term contractual arrangement with the owner.

Antargaz closed a fifth storage facility, Geovexin, during Fiscal 2010. Antargaz has 26 secondary storage facilities, 13 of which are wholly owned. The others are partially owned, through joint ventures.

Employees

At September 30, 2010, Antargaz had approximately 950 employees.

INTERNATIONAL PROPANE — OTHER

Our International Propane — Other LPG distribution business is conducted principally in Europe through our wholly owned subsidiary, Flaga. Flaga operates in Austria, Switzerland, the Czech Republic, Slovakia, Poland, Hungary and Romania. During Fiscal 2010, Flaga sold approximately 70 million gallons of LPG. Our majority-owned partnership in China sold approximately 12.3 million gallons of LPG during Fiscal 2010. Prior to February 2010, this partnership was a joint venture.

On September 23, 2010, we acquired Kosan Gas A/S, which operates in Denmark and is managed by Flaga. On October 15, 2010, we acquired Shell Gas Polska Sp. z.o.o, which operates in Poland and is being combined with Flaga's existing business there.

FLAGA

Products, Services, Marketing and Storage

Flaga is referred to in this section collectively with Kosan Gas as "Flaga" unless the context otherwise requires. Flaga distributes LPG for residential, commercial, industrial, and auto gas applications in the following European countries: Austria, Switzerland, the Czech Republic, Denmark, Slovakia, Poland, Hungary and Romania. During Fiscal 2010, Flaga sold approximately 70 million gallons of LPG. Flaga is the largest distributor of LPG in Austria and Denmark and one of the largest distributors of LPG in the Czech Republic, Hungary and Slovakia.

Flaga's customers primarily use LPG for heating, cooking, construction work, industrial processing, forklifts and autogas. The retail propane industry in Austria, Denmark and Switzerland is mature, with slight declines in overall demand in recent years, due primarily to the expansion of natural gas and renewable energy sources. Competition for customers is based on contract terms as well as on product prices. Flaga has 32 sales offices throughout the countries it serves. Much of Flaga's cylinder business in Austria is conducted through approximately 600 local resellers with whom Flaga has a long business relationship. In its other countries, Flaga sells cylinders to distributors who resell the cylinders to end users under the distributor's pricing and terms. Flaga utilizes approximately 60 storage facilities with 21 of those storage facilities in the Czech Republic and 16 in Austria.

Seasonality and Competition

Because many of Flaga's customers use LPG for heating, sales volumes in Flaga's sales territories are affected principally by the severity of the weather and traditionally fluctuate from year-to-year in response to variations in weather, prices and other factors, such as conservation efforts and general economic conditions. Because Flaga's profitability is sensitive to changes in wholesale LPG costs, Flaga generally seeks to pass on increases in the cost of LPG to customers. There is no assurance, however, that Flaga will always be able to pass on product cost increases fully. In parts of Flaga's sales territories, it is particularly difficult to pass on rapid increases in the price of LPG due to the low per capita income of customers in several of its territories and the intensity of competition. Product cost increases can be triggered by periods of severe cold weather, supply interruptions, increases in the prices of base commodities such as crude oil and natural gas, or other unforeseen events. High LPG prices may result in slower than expected growth due to customer conservation and customers seeking less expensive alternative energy sources. In many of Flaga's sales territories, government policies and incentives that favor alternative energy sources may result in customers migrating to energy sources other than LPG.

Flaga competes with other LPG marketers, including competitors located in other European countries, and also competes with providers of other sources of energy, principally natural gas, electricity and wood. Rules and regulations applicable to LPG industry operations in many of the eastern European countries where Flaga operates are still evolving, or are not consistently enforced. As a result, competitive conditions in those areas are intense.

Government Regulation

Flaga's business is subject to various laws and regulations at both the national and European levels with respect to matters such as protection of the environment and the storage and handling of hazardous materials and flammable substances.

Employees

At September 30, 2010, Flaga had approximately 850 employees.

GAS UTILITY

The Gas Utility segment ("Gas Utility") consists of the regulated natural gas distribution businesses of our subsidiary, UGI Utilities, Inc. ("UGI Utilities") and UGI Utilities' subsidiaries, UGI Penn Natural Gas, Inc. ("PNG") and UGI Central Penn Gas, Inc. ("CPG"). Gas Utility serves approximately 568,000 customers in eastern and central Pennsylvania and several hundred customers in portions of one Maryland county. UGI Utilities' natural gas distribution utility is referred to as "UGI Gas;" PNG's natural gas distribution utility is referred to as "PNG Gas;" and CPG's natural gas distribution utility is referred to as "CPG Gas." The Electric Utility segment ("Electric Utility") consists of the regulated electric distribution business of UGI Utilities, serving approximately 62,000 customers in northeastern Pennsylvania. Gas Utility is regulated by the Pennsylvania Public Utility Commission ("PUC") and, with respect to a small service territory, the Maryland Public Service Commission. Electric Utility is regulated by the PUC.

Service Area; Revenue Analysis

Gas Utility is authorized to distribute natural gas to approximately 568,000 customers in portions of 45 eastern and central Pennsylvania counties through its distribution system of approximately 11,900 miles of gas mains. The service area includes the cities of Allentown, Bethlehem, Easton, Harrisburg, Hazleton, Lancaster, Lebanon, Reading, Scranton, Wilkes-Barre, Lock Haven, Pittston, Pottsville and Williamsport, Pennsylvania, and the boroughs of Honesdale and Milford, Pennsylvania. Located in Gas Utility's service area are major production centers for basic industries such as specialty metals, aluminum, glass and paper product manufacturing. Gas Utility also distributes natural gas to several hundred customers in portions of one Maryland county.

System throughput (the total volume of gas sold to or transported for customers within Gas Utility's distribution system) for Fiscal 2010 was approximately 153.9 billion cubic feet ("bcf"). System sales of gas accounted for approximately 37% of system throughput, while gas transported for residential, commercial and industrial customers (who bought their gas from others) accounted for approximately 63% of system throughput.

Sources of Supply and Pipeline Capacity

Gas Utility is permitted to recover prudently incurred costs of natural gas it sells to its customers. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Disclosures." Gas Utility meets its service requirements by utilizing a diverse mix of natural gas purchase contracts with marketers and producers, along with storage and transportation service contracts. These arrangements enable Gas Utility to purchase gas from Gulf Coast, Mid-Continent, Appalachian and Canadian sources. For the transportation and storage function, Gas Utility has long-term agreements with a number of pipeline companies, including Texas Eastern Transmission Corporation, Columbia Gas Transmission Corporation, Transcontinental Gas Pipeline Corporation, Dominion Transmission, ANR Pipeline and Tennessee Gas Pipeline.

Gas Supply Contracts

During Fiscal 2010, Gas Utility purchased approximately 91 bcf of natural gas for sale to core-market customers (principally comprised of firm-residential, commercial and industrial customers who purchase their gas from Gas Utility ("retail core-market") and, to a much lesser extent, residential and small commercial customers who purchase their gas from alternate suppliers) and off-system sales customers. Approximately 75% of the volumes purchased were supplied under agreements with 10 suppliers. The remaining 25% of gas purchased by Gas Utility was supplied by approximately 21 producers and marketers. Gas supply contracts for Gas Utility are generally no longer than 1 year. Gas Utility also has long-term contracts with suppliers for natural gas peaking supply during the months of November through March.

Seasonality

Because many of its customers use gas for heating purposes, Gas Utility sales are seasonal. Approximately 65% to 70% of Gas Utility's sales volume is supplied, and approximately 85% to 90% of Gas Utility's operating income is earned, during a typical peak heating season from October through March.

Competition

Natural gas is a fuel that competes with electricity and oil, and to a lesser extent, with propane and coal. Competition among these fuels is primarily a function of their comparative price and the relative cost and efficiency of fuel utilization equipment. In parts of Gas Utility's service area, electricity may have a competitive price advantage over natural gas due to government regulated rate caps on electricity. Rate caps for electric utilities serving a significant portion of Gas Utility's service territory expired at the end of 2009 or are scheduled to expire at the end of 2010 which will likely result in electricity losing all or some of its competitive price advantage. Additionally, high efficiency electric heat pumps have led to a decrease in the cost of heating with electricity. Government subsidies currently favor ground source heat pumps over fossil fueled systems. Fuel oil dealers compete for customers in all categories, including industrial customers. Gas Utility responds to this competition with marketing efforts designed to retain and grow its customer base.

In substantially all of its service territories, Gas Utility is the only regulated gas distribution utility having the right, granted by the PUC or by law, to provide gas distribution services. Since the 1980s, larger commercial and industrial customers have been able to purchase gas supplies from entities other than natural gas distribution utility companies. As a result of Pennsylvania's Natural Gas Choice and Competition Act, effective July 1, 1999 all of Gas Utility's customers, including core-market customers, have been afforded this opportunity.

A number of Gas Utility's commercial and industrial customers have the ability to switch to an alternate fuel at any time and, therefore, are served on an interruptible basis under rates which are competitively priced with respect to the alternate fuel. Margin from these customers, therefore, is affected by the difference or "spread" between the customers' delivered cost of gas and the customers' delivered cost of the alternate fuel, as well as the frequency and duration of interruptions. See "Gas Utility and Electric Utility Regulation and Rates — Gas Utility Rates." Approximately 31% of Gas Utility's commercial and industrial customers' annual throughput volume, including certain customers served under interruptible rates, have locations which afford them the opportunity of seeking transportation service directly from interstate pipelines, thereby bypassing Gas Utility. The majority of customers in this group are served under transportation contracts having 3 to 20 year terms. Included in these two customer groups are 28 customers, most of which are among the 10 largest customers for each of UGI Gas, PNG and CPG in terms of annual volumes. All of these customers have contracts, 22 of which extend beyond the 2011 fiscal year. No single customer represents, or is anticipated to represent, more than 5% of Gas Utility's total revenues.

Outlook for Gas Service and Supply

Gas Utility anticipates having adequate pipeline capacity and sources of supply available to it to meet the full requirements of all firm customers on its system through Fiscal year 2011. Supply mix is diversified, market priced, and delivered pursuant to a number of long-term and short-term firm transportation and storage arrangements, including transportation contracts held by some of Gas Utility's larger customers.

During Fiscal 2010, Gas Utility supplied transportation service to 2 major co-generation installations and 5 electric generation facilities. Gas Utility continues to seek new residential, commercial and industrial customers for both firm and interruptible service. In the residential market sector, Gas Utility connected approximately 7,700 residential heating customers during Fiscal 2010. These customers consisted primarily of (i) customers converting from other energy sources, mainly oil and electricity, (ii) existing non-heating gas customers who added gas heating systems to replace other energy sources and (iii) new home construction customers.

UGI Utilities continues to monitor and participate, where appropriate, in rulemaking and individual rate and tariff proceedings before FERC affecting the rates and the terms and conditions under which Gas Utility transports and stores natural gas. Among these proceedings are those arising out of certain FERC orders and/or pipeline filings which relate to (i) the pricing of pipeline services in a competitive energy marketplace; (ii) the flexibility of the terms and conditions of pipeline service tariffs and contracts; and (iii) pipelines' requests to increase their base rates, or change the terms and conditions of their storage and transportation services.

UGI Utilities' objective in negotiations with interstate pipeline and natural gas suppliers, and in proceedings before regulatory agencies, is to assure availability of supply, transportation and storage alternatives to serve market requirements at the lowest cost possible, taking into account the need for security of supply. Consistent with that objective, UGI Utilities negotiates the terms of firm transportation capacity on all pipelines serving it, arranges for appropriate storage and peak-shaving resources, negotiates with producers for competitively priced gas purchases and aggressively participates in regulatory proceedings related to transportation rights and costs of service.

ELECTRIC UTILITY

Service Area; Sales Analysis

Electric Utility supplies electric service to approximately 62,000 customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania through a system consisting of approximately 2,120 miles of transmission and distribution lines and 13 transmission substations. For Fiscal 2010, approximately 54% of sales volume came from residential customers, 34% from commercial customers, and 12% from industrial and other customers. Sales of electricity for residential heating purposes accounted for approximately 18% of total sales of electricity during Fiscal 2010.

Sources of Supply

In accordance with Electric Utility's default service settlement with the PUC effective January 1, 2010, Electric Utility is permitted to recover prudently incurred electricity costs, including costs to obtain supply to meet its customers' energy requirements, pursuant to a supply plan filed with the PUC. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Disclosures" and Note 8 to Consolidated Financial Statements. Electric Utility distributes electricity that it purchases from wholesale markets and electricity that customers purchase from other suppliers, if any. As of September 30, 2010, 4 electric generation suppliers provided energy for customers representing 13% of Electric Utility's sales volume. See "Gas Utility and Electric Utility Regulation and Rates — Electric Utility Rates."

Competition

As a result of the Electricity Generation Customer Choice and Competition Act ("ECC Act"), all Pennsylvania retail electric customers have the ability to choose their electric generation supplier. Electric Utility remains the "default service" provider for its customers who do not choose an alternate electric generation supplier. In Fiscal 2010, Electric Utility served nearly all of the electric customers within its service territory and is the only regulated electric utility having the right, granted by the PUC or by law, to distribute electricity in its service territory. As an energy source, electricity competes with natural gas, oil, propane and other heating fuels for residential heating purposes.

The terms and conditions under which Electric Utility provides default service, and rules governing the rates that may be charged for such service, have been established in a Default Service Rate Plan ("DSR Plan") approved by the PUC. Consistent with the terms of the DSR Plan, effective January 1, 2010, default service rates are designed to recover all reasonable and prudent costs incurred in providing electricity to default service customers. This recovery, through default service rates, no longer subjects Electric Utility to the risk that actual costs for purchased power will exceed default service revenues. Conversely, effective January 1, 2010, Electric Utility does not have the opportunity to recover revenues in excess of actual power costs. See "Gas Utility and Electric Utility Regulation and Rates — Electric Utility Rates."

GAS UTILITY AND ELECTRIC UTILITY REGULATION AND RATES

Pennsylvania Public Utility Commission Jurisdiction

UGI Utilities' gas and electric utility operations are subject to regulation by the PUC as to rates, terms and conditions of service, accounting matters, issuance of securities, contracts and other arrangements with affiliated entities, and various other matters. There are primarily two types of rates that UGI Utilities may charge customers for gas and electric service: (1) rates designed to recover costs other than purchased gas costs ("PGCs") and electric default service costs; and (2) rates designed to recover PGCs and electric default service costs. Rates designed to recover costs other than PGCs and electric default service costs are primarily established in general base rate proceedings. Rates designed to recover PGCs and electric default service costs are established in PGC and electric default service rate proceedings.

Electric Transmission and Wholesale Power Sale Rates

FERC has jurisdiction over the rates and terms and conditions of service of electric transmission facilities used for wholesale or retail choice transactions. Electric Utility owns electric transmission facilities that are within the control area of the PJM Interconnection, LLC ("PJM") and are dispatched in accordance with a FERC-approved open access tariff and associated agreements administered by PJM. PJM is a regional transmission organization that regulates and coordinates generation supply and the wholesale delivery of electricity. Electric Utility receives certain revenues collected by PJM, determined under a formulary rate schedule that is adjusted in June of each year to reflect annual changes in Electric Utility's electric transmission revenue requirements, when its transmission facilities are used by third parties.

FERC has jurisdiction over the rates and terms and conditions of service of wholesale sales of electric capacity and energy. Electric Utility has a tariff on file with FERC pursuant to which it may make power sales to wholesale customers at market-based rates.

Gas Utility Rates

Rates that UGI Utilities' utility operations may charge for gas service come in two forms: 1) rates designed to recover costs other than purchased gas costs; and 2) rates designed to recover purchase gas costs. Rates designed to recover costs other than purchased gas costs are primarily established in general base rate proceedings. Rates designed to recover purchased gas costs are reviewed in a purchased gas costs ("PGC") rate proceeding. The most recent general base rate increase for UGI Gas became effective in 1995. In accordance with a statutory mechanism, a rate increase for Gas Utility's retail core-market customers became effective October 1, 2000 along with a PGC variable credit equal to a portion of the margin received from customers served under interruptible rates to the extent such interruptible customers use third-party pipeline capacity contracted for by UGI Gas for retail core-market customers.

On August 27, 2009, the PUC approved PNG's and CPG's base rate case settlement agreements, which resulted in a $19.75 million base rate operating revenue increase for PNG and a $10 million base rate operating revenue increase for CPG. The increases became effective on August 28, 2009.

The gas service tariffs for UGI Gas, PNG and CPG contain PGC rates applicable to firm retail rate schedules. These PGC rates permit recovery of substantially all of the prudently incurred costs of natural gas that UGI Gas, PNG, and CPG sell to their customers. PGC rates are reviewed and approved annually by the PUC. UGI Gas, PNG, and CPG may request quarterly or, under certain conditions, monthly adjustments to reflect the actual cost of gas. Quarterly adjustments become effective on 1 day's notice to the PUC and are subject to review during the next annual PGC filing. Each proposed annual PGC rate is required to be filed with the PUC 6 months prior to its effective date. During this period, the PUC holds hearings to determine whether the proposed rate reflects a least-cost fuel procurement policy consistent with the obligation to provide safe, adequate and reliable service. After completion of these hearings, the PUC issues an order permitting the collection of gas costs at levels which meet that standard. The PGC mechanism also provides for an annual reconciliation.

UGI Gas has two PGC rates: (1) PGC is applicable to small, firm, retail core-market customers consisting of the residential and small commercial and industrial classes; and (2) PGC is applicable to firm, contractual, high-load factor customers served on three separate rates. PNG and CPG each have one PGC rate applicable to all customers.

Electric Utility Rates

The most recent general base rate increase for Electric Utility became effective in 1996. Electric Utility's rates were unbundled into distribution, transmission and generation (POLR or "default service") components in 1998. In accordance with the POLR Settlements, Electric Utility increased POLR rates annually from 2005 through 2009.

PUC default service regulations became applicable to Electric Utility's provision of default service effective January 1, 2010 and Electric Utility, consistent with these regulations, has received approval from the PUC of (1) default service tariff rules applicable for service rendered on or after January 1, 2010, (2) a reconcilable default service cost rate recovery mechanism to recover the cost of acquiring default service supplies for service rendered on or after January 1, 2010, (3) a plan for meeting the post-2009 requirements of the Alternative Energy Portfolio Standards Act ("AEPS Act"), which requires Electric Utility to directly or indirectly acquire certain percentages of its supplies from designated alternative energy sources and (4) a reconcilable AEPS Act cost recovery rate mechanism to recover the costs of complying with AEPS Act requirements applicable to default service supplies for service rendered on or after January 1, 2010. Under these rules, default service rates for most customers will be adjusted quarterly.

FERC Market Manipulation Rules and Other FERC Enforcement and Regulatory Powers

Both Gas Utility and Electric Utility, and our subsidiaries UGI Energy Services, Inc. and UGI Development Company, are subject to FERC regulations governing the manner in which certain jurisdictional sales or transportation are conducted. Section 4A of the Natural Gas Act and Section 222 of the Federal Power Act prohibit the use or employment of any manipulative or deceptive devices or contrivances in connection with the purchase or sale of natural gas, electric energy, or natural gas transportation or electric transmission services subject to the jurisdiction of FERC. FERC has adopted regulations to implement these statutory provisions which apply to interstate transportation and sales by the Electric Utility, and to a much more limited extent, to certain sales and transportation by the Gas Utility that are subject to FERC's jurisdiction. Gas Utility and Electric Utility are subject to certain other regulations and obligations for FERC-regulated activities. Under provisions of the Energy Policy Act of 2005 ("EPACT 2005"), Electric Utility is subject to certain electric reliability standards established by FERC and administered by an Electric Reliability Organization ("ERO"). Electric Utility anticipates that substantially all the costs of complying with the ERO standards will be recoverable through its PJM formulary electric transmission rate schedule.

EPACT 2005 also granted FERC authority to impose substantial civil penalties for the violation of any regulations, orders or provisions under the Federal Power Act and Natural Gas Act, and clarified FERC's authority over certain utility or holding company mergers or acquisitions of electric utilities or electric transmitting utility property valued at $10 million or more.

State Tax Surcharge Clauses

UGI Utilities' gas and electric service tariffs contain state tax surcharge clauses. The surcharges are recomputed whenever any of the tax rates included in their calculation are changed. These clauses protect UGI Utilities from the effects of increases in most of the Pennsylvania taxes to which it is subject.

Utility Franchises

UGI Utilities, PNG and CPG each hold certificates of public convenience issued by the PUC and certain "grandfather rights" predating the adoption of the Pennsylvania Public Utility Code and its predecessor statutes, which each of them believes are adequate to authorize them to carry on their business in substantially all of the territories to which they now render gas or electric service. Under applicable Pennsylvania law, UGI Utilities, PNG and CPG also have certain rights of eminent domain as well as the right to maintain their facilities in streets and highways in their territories.

Other Government Regulation

In addition to regulation by the PUC and FERC, the gas and electric utility operations of UGI Utilities are subject to various federal, state and local laws governing environmental matters, occupational health and safety, pipeline safety and other matters. UGI Utilities is subject to the requirements of the federal Resource Conservation and Recovery Act, CERCLA and comparable state statutes with respect to the release of hazardous substances on property owned or operated by UGI Utilities. See Note 15 to Consolidated Financial Statements.

Employees

At September 30, 2010, UGI Utilities had approximately 1,400 employees.

MIDSTREAM & MARKETING

UGI Energy Services, Inc. and its subsidiaries (collectively, "Energy Services") operate the energy-related businesses described below.

Retail Energy Marketing

Energy Services conducts its energy marketing business under the trade name GASMARK®. Energy Services sells natural gas, liquid fuels and electricity to approximately 9,000 commercial and industrial customers at approximately 30,000 locations. Energy Services serves customers in all or portions of Pennsylvania, New Jersey, Delaware, New York, Ohio, Maryland, Virginia, North Carolina and the District of Columbia. Energy Services distributes natural gas through the use of the transportation systems of 33 utility systems. It supplies power to customers through the use of the transmission systems of 13 utility systems.

Gas and power marketing are high-revenue, low-margin businesses. A majority of Energy Services' commodity sales are made under fixed-price agreements. Energy Services manages supply cost volatility related to these agreements by (i) entering into fixed-price supply arrangements with a diverse group of suppliers and holders of interstate pipeline capacity, (ii) entering into exchange-traded futures contracts which are guaranteed by the New York Mercantile Exchange and have nominal credit risk, (iii) entering into over-the-counter derivative arrangements with major international banks and major suppliers, and (iv) utilizing supply assets that it owns or manages. Energy Services also bears the risk for balancing and delivering natural gas and power to its customers under various gas pipeline and utility company tariffs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Disclosures."

Midstream Assets

Energy Services operates a natural gas liquefaction, storage and vaporization facility in Temple, Pennsylvania ("Temple Facility"), and propane storage and propane-air mixing stations in Bethlehem, Reading, Hunlock Creek, and White Deer, Pennsylvania. It also operates propane storage, rail transshipment terminals and propane-air mixing stations in Steelton and Williamsport, Pennsylvania. These assets are used in Energy Services' energy peaking business that provides supplemental energy, primarily liquefied natural gas and propane-air mixtures, to gas utilities at times of high demand (generally during periods of coldest winter weather). During Fiscal 2010, Energy Services continued construction work on the fourfold expansion of its Temple Facility. That project is on schedule and expected to be completed during Fiscal 2012. Energy Services also manages natural gas pipeline and storage contracts for UGI Utilities, subject to a competitive bid process.

As we announced in August 2010, Energy Services is planning to make investments in infrastructure projects to support the development of natural gas in the Marcellus Shale region of Pennsylvania. These investments are expected to cover a range of new midstream asset opportunities, including interstate pipelines, local gathering systems and gas storage facilities.

Electric Generation

We have an approximate 5.97% (approximately 102 megawatt) ownership interest in the Conemaugh generation station ("Conemaugh"), a 1,711 megawatt, coal-fired generation station located near Johnstown, Pennsylvania. Conemaugh is owned by a consortium of energy companies and operated by a unit of Reliant Resources, Inc. Energy Services also owns the Hunlock Station located near Wilkes-Barre, Pennsylvania, which it operated as a 44-megawatt coal-fired facility through May 2010. At that time, it ceased operations to facilitate conversion to a natural gas-fueled plant. Energy Services is in the process of building a 125-megawatt natural gas-fueled power plant to replace the Hunlock Station facility. The new plant is expected to be completed in late Fiscal 2011.

Energy Services owns and operates a landfill gas-fueled electricity generation plant in Hegins, Pennsylvania with gross generating capacity of 11 megawatts. The plant qualifies for renewable energy credits. During fiscal year 2010, Energy Services built a 1 megawatt solar-powered generation facility in Easton, Pennsylvania to supply electrical power to a third party and will receive solar renewable energy credits as a result of the project. Several other solar generation projects are in development.

Competition

Energy Services competes with other marketers and local utilities to sell natural gas, liquid fuels, electric power and related services to customers in its service area principally on the basis of price, customer service and reliability. For electricity generation, we compete with other generation stations on the PJM interface where sales are based on bid pricing.

Government Regulation

FERC has jurisdiction over the rates and terms and conditions of service of wholesale sales of electric capacity and energy, as well as the sales for resale of natural gas and related storage and transportation services. Energy Services has a tariff on file with FERC pursuant to which it may make power sales to wholesale customers at market-based rates. Energy Services also has market-based rate authority for power sales to wholesale customers to the extent that Energy Services purchases power in excess of its retail customer needs. Energy Services also owns electric generation facilities that are within the control area of PJM and are dispatched in accordance with a FERC-approved open access tariff and associated agreements administered by PJM. Energy Services receives certain revenues collected by PJM, determined under a formulary rate schedule. Energy Services is also subject to FERC market manipulation rules and enforcement and regulatory powers. See "Gas Utility and Electric Utility Regulation and Rates — FERC Market Manipulation Rules and Other FERC Enforcement and Regulatory Powers."

Prior to suspending operations in May 2010 for conversion to natural gas-fueled generation, Hunlock Station generally complied with the air quality standards of the Pennsylvania Department of Environmental Protection ("DEP") with respect to stack emissions. Under the Federal Water Pollution Control Act, Hunlock Station had a permit from the DEP to discharge water into the North Branch of the Susquehanna River. A permit for the gas-fired plant is pending. Energy Services is working with the DEP to develop a closure plan for the Hunlock Station following the permanent cessation of coal operations there in 2010. The federal Clean Air Act Amendments of 1990 impose emissions limitations for certain compounds, including sulfur dioxide and nitrous oxides. The Conemaugh Station is in material compliance with these current emission standards.

Energy Services is subject to various federal, state and local environmental, safety and transportation laws and regulations governing the storage, distribution and transportation of propane and the operation of bulk storage LPG terminals. These laws include, among others, the Resource Conservation and Recovery Act, CERCLA, the Clean Air Act, the Occupational Safety and Health Act, the Homeland Security Act of 2002, the Emergency Planning and Community Right to Know Act, the Clean Water Act and comparable state statutes. CERCLA imposes joint and several liability on certain classes of persons considered to have contributed to the release or threatened release of a "hazardous substance" into the environment without regard to fault or the legality of the original conduct.

Employees

At September 30, 2010, Energy Services and its subsidiaries had approximately 165 employees.

HVAC/R

We conduct a heating, ventilation, air-conditioning, refrigeration and electrical contracting service business through UGI HVAC Enterprises, Inc. ("HVAC/R") serving portions of eastern Pennsylvania and the Mid-Atlantic region, including the Philadelphia suburbs and portions of New Jersey and northern Delaware. This business serves more than 120,000 customers in residential, commercial, industrial and new construction markets. During Fiscal 2010, HVAC/R generated approximately $77 million in revenues and employed approximately 480 people.

GLOBAL CLIMATE CHANGE

There continues to be concern, both nationally and internationally, about climate change and the contribution of greenhouse gas ("GHG") emissions, most notably carbon dioxide, to global warming. In addition to carbon dioxide, greenhouse gases include, among others, methane, a component of natural gas. While some states have adopted laws regulating the emission of GHGs for some industry sectors, there is currently no federal regulation mandating the reduction of GHG emissions in the United States. In June 2009, the United States House of Representatives passed the American Clean Energy and Security Act ("ACES Act"). The ACES Act would establish an economy-wide GHG cap-and-trade system to reduce GHG emissions over time. The United States Senate has been considering a number of related proposals, ranging from "energy only" bills to proposals that place an economy-wide cap on greenhouse gas emissions. No legislation can be enacted until a final reconciled bill is approved by both the House of Representatives and the Senate and signed by the President.

Even if Congress does not pass legislation mandating GHG emissions reductions, there continue to be regulatory developments under the Clean Air Act applicable to GHGs. In September 2009, the Environmental Protection Agency ("EPA") issued a final rule establishing a system for mandatory reporting of GHG emissions. In November 2010, the EPA expanded the reach of its GHG reporting requirements to include the petroleum and natural gas industries. Petroleum and natural gas facilities subject to the rule, which include facilities of our natural gas distribution and electricity generation businesses, are required to begin emissions monitoring in January 2011 and to submit detailed annual reports beginning in March 2012. The rule does not require affected facilities to implement GHG emission controls or reductions. In December 2009, the EPA published its findings that emissions of GHGs constitute an endangerment to public health and the environment. These findings allow the EPA to adopt and implement regulations that would restrict emissions of GHGs under existing provisions of the Clean Air Act. Accordingly, the EPA has proposed two sets of regulations that would limit GHG emissions from new motor vehicles and that would impose permit requirements for GHG emissions from certain stationary sources. Legal challenges have been filed against many of EPA's rulemakings, and we are unable to predict the results of those challenges.

Two of the commodities we sell, namely LPG and natural gas, are considered clean alternative fuels under the federal Clean Air Act Amendments of 1990. We anticipate that this will provide us with a competitive advantage over other sources of energy, such as fuel oil and coal, if new climate change regulations become effective. In addition, we are in the process of refining and implementing our strategy to identify both our domestic GHG emissions and our energy consumption in order to be in a position to comply with new regulations and to take advantage of any opportunities that may arise from the regulation of such emissions.

BUSINESS SEGMENT INFORMATION

The table stating the amounts of revenues, operating income (loss) and identifiable assets attributable to each of UGI's reportable business segments, and to the geographic areas in which we operate, for the 2010, 2009 and 2008 fiscal years appears in Note 21 to Consolidated Financial Statements included in Item 8 of this Report and is incorporated herein by reference.

EMPLOYEES

At September 30, 2010, UGI and its subsidiaries had approximately 9,800 employees.

ITEM 1A. RISK FACTORS

There are many factors that may affect our business and results of operations. Additional discussion regarding factors that may affect our business and operating results is included elsewhere in this Report.

Decreases in the demand for our energy products and services because of warmer-than-normal heating season weather may adversely affect our results of operations.

Because many of our customers rely on our energy products and services to heat their homes and businesses, our results of operations are adversely affected by warmer-than-normal heating season weather. Weather conditions have a significant impact on the demand for our energy products and services for both heating and agricultural purposes. Accordingly, the volume of our energy products sold is at its highest during the peak heating season of October through March and is directly affected by the severity of the winter weather. For example, historically, approximately 65% to 70% of AmeriGas Partners' annual retail propane volume, Gas Utility's natural gas throughput (the total volume of gas sold to or transported for customers within our distribution system) and Antargaz' annual retail LPG volume has been sold during these months. There can be no assurance that normal winter weather in our market areas will occur in the future.

Our holding company structure could limit our ability to pay dividends or debt service.

We are a holding company whose material assets are the stock of our subsidiaries. Our ability to pay dividends on our common stock and to pay principal and accrued interest on our debt, if any, depends on the payment of dividends to us by our principal subsidiaries, AmeriGas, Inc., UGI Utilities, Inc. and UGI Enterprises, Inc. (including Antargaz). Payments to us by those subsidiaries, in turn, depend upon their consolidated results of operations and cash flows. The operations of our subsidiaries are affected by conditions beyond our control, including weather, competition in national and international markets we serve, the costs and availability of propane, butane, natural gas, electricity, and other energy sources and capital market conditions. The ability of our subsidiaries to make payments to us is also affected by the level of indebtedness of our subsidiaries, which is substantial, and the restrictions on payments to us imposed under the terms of such indebtedness.

Our profitability is subject to LPG pricing and inventory risk.

The retail LPG business is a "margin-based" business in which gross profits are dependent upon the excess of the sales price over the LPG supply costs. LPG is a commodity, and, as such, its unit price is subject to volatile fluctuations in response to changes in supply or other market conditions. We have no control over these market conditions. Consequently, the unit price of the LPG that our subsidiaries and other marketers purchase can change rapidly over a short period of time. Most of our domestic LPG product supply contracts permit suppliers to charge posted prices at the time of delivery or the current prices established at major U.S. storage points such as Mont Belvieu, Texas or Conway, Kansas. Most of our international LPG supply contracts are based on internationally quoted market prices. Because our subsidiaries' profitability is sensitive to changes in wholesale supply costs, it will be adversely affected if we cannot pass on increases in cost to our customers. Due to competitive pricing in the industry, our subsidiaries may not be able to pass on product cost increases to our customers when product costs rise rapidly, or when our competitors do not raise their product prices. Finally, market volatility may cause our subsidiaries to sell LPG at less than the price at which they purchased it, which would adversely affect our operating results.

Energy efficiency and technology advances, as well as price induced customer conservation, may result in reduced demand for our energy products and services.

The trend toward increased conservation and technological advances, including installation of improved insulation and the development of more efficient furnaces and other heating devices, may reduce the demand for energy products. Prices for LPG and natural gas are subject to volatile fluctuations in response to changes in supply and other market conditions. During periods of high energy commodity costs, our prices generally increase which may lead to customer conservation and attrition. A reduction in demand could lower our revenues, and therefore, lower our net income and adversely affect our cash flows. State and/or federal regulation may require mandatory conservation measures which would reduce the demand for our energy products. We cannot predict the materiality of the effect of future conservation measures or the effect that any technological advances in heating, conservation, energy generation or other devices might have on our operations.

Volatility in credit and capital markets may restrict our ability to grow, increase the likelihood of defaults by our customers and counterparties and adversely affect our operating results.

The recent volatility in credit and capital markets may create additional risks to our businesses in the future. We are exposed to financial market risk (including refinancing risk) resulting from, among other things, changes in interest rates, foreign currency exchange rates and conditions in the credit and capital markets. Recent developments in the credit markets increase our possible exposure to the liquidity, default and credit risks of our suppliers, counterparties associated with derivative financial instruments and our customers. Although we believe that recent financial market conditions, if they were to continue for the foreseeable future, will not have a significant impact on our ability to fund our existing operations, such market conditions could restrict our ability to grow through acquisitions, limit the scope of major capital projects if access to credit and capital markets is limited, or could otherwise adversely affect our operating results.

The economic recession, volatility in the stock market and the low interest rate environment may negatively impact our pension liability.

The recent economic recession, the decline in the stock market and the low interest rate environment have had a significant impact on our pension liability and funded status. Additional declines in the stock market and valuation of stocks, combined with continued low interest rates, could further impact our pension liability and increase the amount of required contributions to our pension plans.

Supplier defaults may have a negative effect on our operating results.

When the Company enters into fixed-price sales contracts with customers, it typically enters into fixed-price purchase contracts with suppliers. Depending on changes in the market prices of products compared to the prices secured in our contracts with suppliers of LPG, natural gas and electricity, a default of one or more of our suppliers under such contracts could cause us to purchase those commodities at higher prices which would have a negative impact on our operating results.

We are dependent on our principal propane suppliers, which increases the risks from an interruption in supply and transportation.

During Fiscal 2010, AmeriGas Propane purchased approximately 82% of its propane needs from ten suppliers. If supplies from these sources were interrupted, the cost of procuring replacement supplies and transporting those supplies from alternative locations might be materially higher and, at least on a short-term basis, our earnings could be affected. Additionally, in certain areas, a single supplier provides more than 50% of AmeriGas Propane’s propane requirements. Disruptions in supply in these areas could also have an adverse impact on our earnings. Antargaz and Flaga are similarly dependent upon their suppliers. There is no assurance that Antargaz and Flaga will be able to continue to acquire sufficient supplies of LPG to meet demand at prices or within time periods that would allow them to remain competitive.

Changes in commodity market prices may have a negative effect on our liquidity.

Depending on the terms of our contracts with suppliers and some large customers, as well as our use of financial instruments to reduce volatility in the cost of LPG, electricity or natural gas, and for all of our contracts with the NYMEX, changes in the market price of LPG, electricity and natural gas can create margin payment obligations for the Company or one of its subsidiaries and expose us to an increased liquidity risk.

Our operations may be adversely affected by competition from other energy sources.

Our energy products and services face competition from other energy sources, some of which are less costly for equivalent energy value. In addition, we cannot predict the effect that the development of alternative energy sources might have on our operations.

Our propane businesses compete for customers against suppliers of electricity, fuel oil and natural gas. Electricity is a major competitor of propane. In the United States, propane generally enjoys a competitive price advantage over electricity for space heating, water heating and cooking. Fuel oil is also a major competitor of propane and is generally less expensive than propane. Furnaces and appliances that burn propane will not operate on fuel oil and vice versa, and, therefore, a conversion from one fuel to the other requires the installation of new equipment. Our customers generally have an incentive to switch to fuel oil only if fuel oil becomes significantly less expensive than propane. Except for certain industrial and commercial applications, propane is generally not competitive with natural gas in areas where natural gas pipelines already exist because natural gas is generally a less expensive source of energy than propane. The gradual expansion of natural gas distribution systems in our service areas has resulted, and may continue to result, in the availability of natural gas in some areas that previously depended upon propane. As long as natural gas remains a less expensive energy source than propane, our propane business will lose customers in each region into which natural gas distribution systems are expanded. In France, the state-owned natural gas monopoly, Gaz de France, has in the past extended France's natural gas grid. In addition, due to the prevalence of nuclear electric generation in France, the cost of electricity is generally less expensive than that of LPG.

Our natural gas businesses compete primarily with electricity and fuel oil, and, to a lesser extent, with propane and coal. Competition among these fuels is primarily a function of their comparative price and the relative cost and efficiency of fuel utilization equipment. There can be no assurance that our natural gas revenues will not be adversely affected by this competition.

Our ability to increase revenues is adversely affected by the maturity of the retail LPG industry.

The retail LPG distribution industry in the U.S., France, Austria and Denmark is mature, with no growth, or modest declines in total demand foreseen. Given this forecast, we expect that year-to-year industry volumes will be principally affected by weather patterns. Therefore, our ability to grow within the LPG industry is dependent on our ability to acquire other retail distributors and to achieve internal growth, which includes expansion of the domestic ACE and Strategic Accounts programs in the U.S., as well as the success of our sales and marketing programs designed to attract and retain customers. Any failure to retain and grow our customer base would have an adverse effect on our results.

Our ability to grow our businesses will be adversely affected if we are not successful in making acquisitions or integrating the acquisitions we have made.

One of our strategies is to grow through acquisitions in the United States and in international markets. We may choose to finance future acquisitions with debt, equity, cash or a combination of the three. We can give no assurances that we will find attractive acquisition candidates in the future, that we will be able to acquire such candidates on economically acceptable terms, that we will be able to finance acquisitions on economically acceptable terms, that any acquisitions will not be dilutive to earnings or that any additional debt incurred to finance an acquisition will not affect our ability to pay dividends.

In addition, the restructuring of the energy markets in the United States and internationally, including the privatization of government-owned utilities and the sale of utility-owned assets, is creating opportunities for, and competition from, well-capitalized competitors, which may affect our ability to achieve our business strategy.

To the extent we are successful in making acquisitions, such acquisitions involve a number of risks, including, but not limited to, the assumption of material liabilities, the diversion of management's attention from the management of daily operations to the integration of operations, difficulties in the assimilation and retention of employees and difficulties in the assimilation of different cultures and practices, as well as in the assimilation of broad and geographically dispersed personnel and operations. The failure to successfully integrate acquisitions could have an adverse effect on our business, financial condition and results of operations.

Expanding our midstream asset business by constructing new facilities subjects us to risks.

One of the ways we seek to grow our midstream asset business is by constructing new pipelines and gathering systems, expanding our LNG facility and improving our gas storage facilities. These construction projects involve numerous regulatory, environmental, political and legal uncertainties beyond our control and require the expenditure of significant amounts of capital. These projects may not be completed on schedule, or at all, or at the anticipated costs. Moreover, our revenues may not increase immediately upon the expenditure of funds on a particular project. We may construct facilities to capture anticipated future growth in production and demand in an area in which anticipated growth and demand does not materialize. As a result, there is the risk that new and expanded facilities may not be able to attract enough customers to achieve our expected investment returns, which could have a material adverse effect on our business, results of operations or financial condition.

Our need to comply with comprehensive, complex, and sometimes unpredictable government regulations may increase our costs and limit our revenue growth, which may result in reduced earnings.

While we generally refer to our Gas Utility and Electric Utility segments as our "regulated segments," there are many governmental regulations that have an impact on our businesses. Existing statutes and regulations may be revised or reinterpreted and new laws and regulations may be adopted or become applicable to the Company which may affect our businesses in ways that we cannot predict.

Regulators may not allow timely recovery of costs for UGI Utilities in the future, which may adversely affect our results of operations.

In our Gas Utility and Electric Utility segments, our operations are subject to regulation by the PUC. The PUC, among other things, approves the rates that UGI Utilities and its subsidiaries, PNG and CPG, may charge their utility customers, thus impacting the returns that UGI Utilities may earn on the assets that are dedicated to those operations. We expect that PNG and CPG will periodically file requests with the PUC to increase base rates that each company charges customers. If UGI Utilities is required in a rate proceeding to reduce the rates it charges its utility customers, or if UGI Utilities is unable to obtain approval for timely rate increases from the PUC, particularly when necessary to cover increased costs, UGI Utilities' revenue growth will be limited and earnings may decrease.

Our operations, capital expenditures and financial results may be affected by regulatory changes and/or market responses to global climate change.

There continues to be concern, both nationally and internationally, about climate change and the contribution of greenhouse gas ("GHG") emissions, most notably carbon dioxide, to global warming. In addition to carbon dioxide, greenhouse gases include, among others, methane, a component of natural gas. While some states have adopted laws regulating the emission of GHGs for some industry sectors, there is currently no federal regulation mandating the reduction of GHG emissions in the United States. In June of 2009, the United States House of Representatives passed the American Clean Energy and Security Act ("ACES Act"). The ACES Act would establish an economy-wide GHG cap-and-trade system to reduce GHG emissions over time. The United States Senate has been considering a number of related proposals, ranging from "energy only" bills to proposals that place an economy-wide cap on greenhouse gas emissions. No legislation can be enacted until a final reconciled bill is approved by both the House of Representatives and the Senate and signed by the President.

Even if Congress does not pass legislation mandating GHG emissions reductions, there continue to be regulatory developments under the Clean Air Act applicable to GHGs. In September 2009, the Environmental Protection Agency ('EPA') issued a final rule establishing a system for mandatory reporting of GHG emissions. In November 2010, the EPA expanded the reach of its GHG reporting requirements to include the petroleum and natural gas industries. Petroleum and natural gas facilities subject to the rule, which include facilities of our natural gas distribution and electricity generation businesses, are required to begin emissions monitoring in January 2011 and to submit detailed annual reports beginning in March 2012. The rule does not require affected facilities to implement GHG emission controls or reductions. In December 2009, the EPA published its findings that emissions of GHGs constitute an endangerment to public health and the environment. These findings allow the EPA to adopt and implement regulations that would restrict emissions of GHGs under existing provisions of the Clean Air Act. Accordingly, the EPA has proposed two sets of regulations that would limit GHG emissions from new motor vehicles and that would impose permit requirements for GHG emissions from certain stationary sources. Legal challenges have been filed against many of EPA's rulemakings, and we are unable to predict the results of those challenges.

It is expected that climate change legislation will continue to be part of the legislative and regulatory discussion for the foreseeable future. Increased regulation of GHG emissions, especially in the transportation sector, could impose significant additional costs on us and our customers. The impact of legislation and regulations on us will depend on a number of factors, including (i) what industry sectors would be impacted, (ii) the timing of required compliance, (iii) the overall GHG emissions cap level, (iv) the allocation of emission allowances to specific sources, and (v) the costs and opportunities associated with compliance. At this time, we cannot predict the effect that climate change regulation may have on our business, financial condition or results of operations in the future.

We are subject to operating and litigation risks that may not be covered by insurance.

Our business operations in the U.S. and other countries are subject to all of the operating hazards and risks normally incidental to the handling, storage and distribution of combustible products, such as LPG, propane and natural gas, and the generation of electricity. As a result, we are sometimes a defendant in legal proceedings and litigation arising in the ordinary course of business. There can be no assurance that our insurance will be adequate to protect us from all material expenses related to pending and future claims or that such levels of insurance will be available in the future at economical prices.

We may be unable to respond effectively to competition, which may adversely affect our operating results.

We may be unable to timely respond to changes within the energy and utility sectors that may result from regulatory initiatives to further increase competition within our industry. Such regulatory initiatives may create opportunities for additional competitors to enter our markets and, as a result, we may be unable to maintain our revenues or continue to pursue our current business strategy.

Our net income will decrease if we are required to incur additional costs to comply with new governmental safety, health, transportation, tax and environmental regulations.

We are subject to extensive and changing international, federal, state and local safety, health, transportation, tax and environmental laws and regulations governing the storage, distribution and transportation of our energy products.

New regulations, or a change in the interpretation of existing regulations, could result in increased expenditures. In addition, for many of our operations, we are required to obtain permits from regulatory authorities. Failure to obtain or comply with these permits or applicable laws could result in civil and criminal fines or the cessation of the operations in violation. Governmental regulations and policies in the United States and Europe may provide for subsidies or incentives to customers who use alternative fuels instead of carbon fuels. These subsidies and incentives may result in reduced demand for our energy products and services.

We are investigating and remediating contamination at a number of present and former operating sites in the U.S., including former sites where we or our former subsidiaries operated manufactured gas plants. We have also received claims from third parties that allege that we are responsible for costs to clean up properties where we or our former subsidiaries operated a manufactured gas plant or conducted other operations. Costs we incur to remediate sites outside of Pennsylvania cannot currently be recovered in PUC rate proceedings, and insurance may not cover all or even part of these costs. Our actual costs to clean up these sites may exceed our current estimates due to factors beyond our control, such as:

- the discovery of presently unknown conditions;
- changes in environmental laws and regulations;
- judicial rejection of our legal defenses to the third-party claims; or
- the insolvency of other responsible parties at the sites at which we are involved.

In addition, if we discover additional contaminated sites, we could be required to incur material costs, which would reduce our net income.

Our international operations could result in increased risks which may negatively affect our business results.

We currently operate LPG distribution businesses in Europe through our subsidiaries, Antargaz, Flaga and Kosan Gas and we continue to explore the expansion of our international businesses. As a result, we face risks in doing business abroad that we do not face domestically. Certain aspects inherent in transacting business internationally could negatively impact our operating results, including:

- costs and difficulties in staffing and managing international operations;
- tariffs and other trade barriers;
- difficulties in enforcing contractual rights;
- longer payment cycles;
- local political and economic conditions;
- potentially adverse tax consequences, including restrictions on repatriating earnings and the threat of “double taxation;”
- fluctuations in currency exchange rates, which can affect demand and increase our costs;
- internal control and risk management practices and policies;
- regulatory requirements and changes in regulatory requirements, including French, Austrian, Danish and EU competition laws that may adversely affect the terms of contracts with customers, and stricter regulations applicable to the storage and handling of LPG; and
- new and inconsistently enforced LPG industry regulatory requirements, which can have an adverse effect on our competitive position.

Unforeseen difficulties with the implementation or operation of our information systems could adversely affect our internal controls and our businesses.

We contracted with third-party consultants to assist us with the design and implementation of an information system that supports the AmeriGas Order-to-Cash business processes. The efficient execution of AmeriGas’ business is dependent upon the proper functioning of its internal systems. Any significant failure or malfunction of AmeriGas’ or our other business units’ information systems may result in disruptions of their operations. Our results of operations could be adversely affected if we encounter unforeseen problems with respect to the operation of our information systems.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 3. LEGAL PROCEEDINGS

Antargaz Competition Authority Matter. On July 21, 2009, Antargaz received a Statement of Objections from France's Autorité de la concurrence ("Competition Authority") with respect to the investigation of Antargaz by the General Division of Competition, Consumption and Fraud Punishment ("DGCCRF"). A Statement of Objections ("Statement") is part of French competition proceedings and generally follows an investigation under French competition laws. The Statement sets forth the Competition Authority's findings; it is not a judgment or final decision. The Statement alleges that Antargaz engaged in certain anti-competitive practices in violation of French and European Union civil competition laws related to the cylinder market during the period from 1999 through 2004. The alleged violations occurred principally during periods prior to March 31, 2004, when UGI first obtained a controlling interest in Antargaz.

We filed our written response to the Statement of Objections with the Competition Authority on October 21, 2009. The Competition Authority completed its review of Antargaz' response and issued its report on April 26, 2010 ("Report"). The Report is the third pleading typically filed in a competition proceeding, preceded first by a Statement of Objections filed by the Competition Authority, and then the Answer to the Statement filed by the defendant in the proceeding. The Report is, in essence, a revised version of the Statement which takes into consideration both the evidence and arguments made by a defendant in its Answer to the Statement. Similarly, in response to the Report, a defendant has the opportunity to file an Answer to the Report. Following submission of the two rounds of pleadings, a hearing is scheduled to allow the respective parties to present oral argument on the allegations contained in the Statement and Report.

In its Report, the Competition Authority stated its intent to prosecute two of the alleged violations of French competition (antitrust) law. The alleged violations were that Antargaz abused its collective dominant position by: (i) refusing to provide a new competitor with access to liquid petroleum gas filling centers; and (ii) exerting pressure on a cylinder manufacturer not to do business with that competitor. The Report also recommended the abandonment of the third and final alleged violation, which involved an alleged illegal sharing of pricing information by Antargaz. The Report did not contain any new allegations. Although the Report and the Statement did not specify the nature or amount of relief being sought by the Competition Authority, the applicable statutes provide for maximum penalties of up to 10% of a company's or parent company's consolidated annual revenues, levied on the highest annual revenue beginning with the fiscal year immediately preceding the year in which the alleged violations first occurred. Based on our understanding of cases of this nature, we have recorded a reserve of $10 million, which we based on the revenues of Antargaz, rather than on the consolidated revenues of UGI, because UGI has not been named as a party to these proceedings.

Antargaz filed its Answer to the Report on June 28, 2010 and a hearing before the Competition Authority was held on September 21, 2010 ("Hearing"). Based on our review of the Report and participation in oral argument at the Hearing, we continue to believe that the $10 million reserve previously established by management is adequate. Notwithstanding our view, the final resolution could result in payment of an amount significantly different from the amount we have recorded. The relief to be awarded in this matter, if any, will not be known until a decision on the action has been issued.

With the exception of the matter described above, and those matters set forth in Note 15 to Consolidated Financial Statements included in Item 8 of this Report, no material legal proceedings are pending involving UGI, any of its subsidiaries, or any of their properties, and no such proceedings are known to be contemplated by governmental authorities other than claims arising in the ordinary course of business.

ITEM 4. (REMOVED AND RESERVED)

EXECUTIVE OFFICERS

Information regarding our executive officers is included in Part III of this Report and is incorporated in Part I by reference.

PART II:

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Common Stock is traded on the New York Stock Exchange under the symbol "UGI." The following table sets forth the high and low sales prices for the Common Stock on the New York Stock Exchange Composite Transactions tape as reported in The Wall Street Journal for each full quarterly period within the two most recent fiscal years:

2010 Fiscal Year	High	Low
4th Quarter	$ 29.00	$ 24.90
3rd Quarter	27.88	24.30
2nd Quarter	26.95	23.83
1st Quarter	25.65	23.18

2009 Fiscal Year	High	Low
4th Quarter	$ 26.99	$ 24.32
3rd Quarter	26.04	22.11
2nd Quarter	27.38	21.135
1st Quarter	26.68	18.69

Dividends

Quarterly dividends on our Common Stock were paid in Fiscal 2010 and Fiscal 2009 as follows:

2010 Fiscal Year	Amount
4th Quarter	$ 0.25000
3rd Quarter	0.20000
2nd Quarter	0.20000
1st Quarter	0.20000

2009 Fiscal Year	Amount
4th Quarter	$ 0.20000
3rd Quarter	0.19250
2nd Quarter	0.19250
1st Quarter	0.19250

Record Holders

On November 15, 2010, UGI had 7,780 holders of record of Common Stock.

ITEM 6. SELECTED FINANCIAL DATA

(Millions of dollars, except per share amounts)	Year Ended September 30, 2010	2009	2008	2007	2006
FOR THE PERIOD:					
Income statement data:					
Revenues	$ 5,591.4	$ 5,737.8	$ 6,648.2	$ 5,476.9	$ 5,221.0
Net income	$ 355.7	$ 382.0(a)	$ 305.3(a)	$ 311.2(a)	$ 224.9(a)
Less: net income attributable to noncontrolling interests, principally in AmeriGas Partners	(94.7)	(123.5)(a)	(89.8)(a)	(106.9)(a)	(48.7)(a)
Net income attributable to UGI Corporation	$ 261.0	$ 258.5(a)	$ 215.5(a)	$ 204.3(a)	$ 176.2(a)
Earnings per common share attributable to UGI stockholders:					
Basic	$ 2.38	$ 2.38	$ 2.01	$ 1.92	$ 1.67
Diluted	$ 2.36	$ 2.36	$ 1.99	$ 1.89	$ 1.65
Cash dividends declared per common share	$ 0.90	$ 0.785	$ 0.755	$ 0.723	$ 0.690
AT PERIOD END:					
Balance sheet data:					
Total assets	$ 6,374.3	$ 6,042.6	$ 5,685.0	$ 5,502.7	$ 5,080.5
Capitalization:					
Debt:					
Bank loans — UGI Utilities	$ 17.0	$ 154.0	$ 57.0	$ 190.0	$ 216.0
Bank loans — AmeriGas Propane	91.0	—	—	—	—
Bank loans — Antargaz	68.2	—	70.4	—	—
Bank loans — other	24.2	9.1	9.0	8.9	9.4
Long-term debt (including current maturities):					
AmeriGas Propane	791.4	865.6	933.4	933.1	933.7
Antargaz	519.1	557.7	537.4	544.9	483.5
UGI Utilities	640.0	640.0	532.0	512.0	512.0
Other	55.3	69.8	66.3	63.5	67.7
Total debt	2,206.2	2,296.2	2,205.5	2,252.4	2,222.3
UGI Corporation stockholders' equity	1,824.5	1,591.4	1,417.7	1,321.9	1,099.6
Noncontrolling interests, principally in AmeriGas Partners	237.1	225.4	159.2	192.2	139.5
Total capitalization	$ 4,267.8	$ 4,113.0	$ 3,782.4	$ 3,766.5	$ 3,461.4
Ratio of capitalization:					
Total debt	51.7%	55.8%	58.3%	59.8%	64.2%
UGI Corporation stockholders' equity	42.8%	38.7%	37.5%	35.1%	31.8%
Noncontrolling interests, principally in AmeriGas Partners	5.5%	5.5%	4.2%	5.1%	4.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

(a) As adjusted in accordance with the transition provisions for accounting for and presentation of noncontrolling interests in consolidated subsidiaries (see Note 3 to Consolidated Financial Statements).

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") discusses our results of operations and our financial condition. MD&A should be read in conjunction with our Items 1 & 2, "Business and Properties," our Item 1A, "Risk Factors" and our Consolidated Financial Statements in Item 8 below including "Segment Information" included in Note 21 to Consolidated Financial Statements. The business segment comprising Energy Services and its consolidated subsidiaries is referred to as "Midstream & Marketing" below.

Executive Overview

We recorded net income attributable to UGI Corporation of $261.0 million, equal to $2.36 per diluted share, in Fiscal 2010 compared to net income attributable to UGI Corporation of $258.5 million, equal to $2.36 per diluted share, in Fiscal 2009. Although Fiscal 2010 net income attributable to UGI Corporation and earnings per diluted share were comparable to those items in Fiscal 2009, the contribution to net earnings by business segment was significantly different.

Midstream & Marketing net income increased $30.1 million in Fiscal 2010 reflecting a $17.2 million gain from the sale of Energy Services' Atlantic Energy, LLC ("Atlantic Energy") subsidiary and the benefits of higher natural gas and electricity marketing total margin. Gas Utility's contribution to net income attributable to UGI Corporation increased $12.8 million in Fiscal 2010 reflecting the full-year effects of the PNG Gas and CPG Gas August 2009 base rate increases and lower operating and administrative expenses. Substantially offsetting the increases in Midstream & Marketing and Gas Utility Fiscal 2010 results were lower contributions principally from our International Propane and AmeriGas Propane business segments. International Propane's Fiscal 2010 contribution to net income attributable to UGI Corporation was significantly lower than in Fiscal 2009 as the prior-year's results benefited from unit margins at Antargaz that were significantly higher than normal following a precipitous decline in LPG commodity costs that occurred as Antargaz entered the Fiscal 2009 winter heating season. AmeriGas Propane's contribution to earnings was $17.7 million lower in Fiscal 2010 principally reflecting the absence of an after-tax gain from the sale of the Partnership's California storage facility recorded in Fiscal 2009 ($10.4 million), the impact of after-tax losses on interest rate protection agreements recorded in Fiscal 2010 ($3.3 million) and the effects of lower Partnership total margin.

Looking ahead, we expect our results in Fiscal 2011 to be influenced by a number of factors including, among others, heating-season temperatures in our business units' service territories; the strength of the economic recovery in the United States and Europe; declining LPG usage resulting from competition from other types of energy and ongoing customer conservation; and the level and volatility of commodity prices for natural gas, LPG and electricity.

We believe that each of our business units has sufficient liquidity in the form of revolving credit facilities and, in the case of Energy Services, an accounts receivable securitization facility to fund business operations in Fiscal 2011. We have €380 million of Antargaz term loans and €25.4 million of Flaga term loans maturing in Fiscal 2011. We intend to refinance this maturing debt on a long-term basis. Additionally, UGI Utilities expects to renew its revolving credit agreement prior to its expiration in August 2011 and AmeriGas OLP expects to renew its credit facilities, which are scheduled to expire in June 2011 and October 2011, during the second half of Fiscal 2011. Energy Services intends to extend its receivables securitization facility prior to its expiration in April 2011.

As further described in Note 3 to Consolidated Financial Statements, effective October 1, 2009, we adopted guidance regarding the accounting for and presentation of noncontrolling interests in consolidated financial statements. The new guidance significantly changed the accounting and reporting relating to noncontrolling interests in a consolidated subsidiary. Noncontrolling interests are now classified as a component of equity on the Consolidated Balance Sheets, a change from their prior classification between liabilities and stockholders' equity. Earnings attributable to noncontrolling interests are now included in net income and deducted from net income to determine net income attributable to UGI Corporation. In accordance with the new guidance, prior-year periods have been adjusted. The new guidance had no effect on our basic or diluted earnings per share.

Results of Operations

The following analyses compare the Company's results of operations for (1) Fiscal 2010 with Fiscal 2009 and (2) Fiscal 2009 with the year ended September 30, 2008 ("Fiscal 2008"). As previously mentioned, our consolidated results of operations for Fiscal 2009 and Fiscal 2008 reflect the retroactive effects of the Financial Accounting Standards Board's ("FASB's") accounting guidance for the presentation of noncontrolling interests in consolidated financial statements.

Fiscal 2010 Compared with Fiscal 2009
Consolidated Results

Net Income (Loss) Attributable to UGI Corporation by Business Unit:

	2010		2009		Variance - Favorable Unfavorable	
(Millions of dollars)	Amount	% of Total	Amount	% of Total	Amount	% of Total
AmeriGas Propane	$ 47.3	18.1%	$ 65.0	25.1%	$ (17.7)	(27.2)%
International Propane	58.8	22.5%	78.3	30.3%	(19.5)	(24.9)%
Gas Utility	83.1	31.8%	70.3	27.2%	12.8	18.2%
Electric Utility	6.8	2.6%	8.0	3.1%	(1.2)	(15.0)%
Midstream & Marketing	68.2	26.1%	38.1	14.7%	30.1	79.0%
Corporate & Other	(3.2)	(1.1)%	(1.2)	(0.4)%	(2.0)	N.M.
Net income attributable to UGI Corporation	$ 261.0	100.0%	$ 258.5	100.0%	$ 2.5	1.0%

N.M. — Variance is not meaningful.

Highlights — Fiscal 2010 versus Fiscal 2009

- Gas Utility results in Fiscal 2010 reflect the full-year impact of the PNG Gas and CPG Gas August 2009 base rate revenue increases.
- Midstream & Marketing's Fiscal 2010 net income includes a $17.2 million after-tax gain on the sale of Midstream & Marketing's Atlantic Energy subsidiary.
- AmeriGas Propane Fiscal 2010 results include a $3.3 million after-tax loss on interest rate hedges while Fiscal 2009 results include a $10.4 million after-tax gain from the sale of its California LPG storage terminal.
- Fiscal 2010 International Propane results reflect lower average unit margins compared with the higher than normal unit margins in Fiscal 2009.
- Midstream & Marketing's Fiscal 2010 results benefited from greater natural gas and retail power margin.
- The lingering effects of the global economic recession continued to impact overall business activity in all of our business units.

AmeriGas Propane (Millions of dollars)	2010	2009	Increase (Decrease)	
Revenues	$ 2,320.3	$ 2,260.1	$ 60.2	2.7%
Total margin (a)	$ 925.2	$ 943.6	$ (18.4)	(1.9)%
Partnership EBITDA (b)	$ 321.0	$ 381.4	$ (60.4)	(15.8)%
Operating income	$ 235.8	$ 300.5	$ (64.7)	(21.5)%
Retail gallons sold (millions)	893.4	928.2	(34.8)	(3.7)%
Degree days — % (warmer) than normal (c)	(2.2)%	(3.1)%	—	—

(a) Total margin represents total revenues less total cost of sales.

(b) Partnership EBITDA (earnings before interest expense, income taxes and depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States of America. Management uses Partnership EBITDA as the primary measure of segment profitability for the AmeriGas Propane segment (see Note 21 to Consolidated Financial Statements). Partnership EBITDA (and operating income) in Fiscal 2010 includes a pre-tax loss of $12.2 million associated with the discontinuance of interest rate hedges and a loss of $7 million associated with an increase in a litigation accrual. Partnership EBITDA (and operating income) in Fiscal 2009 includes a pre-tax gain of $39.9 million associated with the sale of the Partnership's California LPG storage facility.

(c) Deviation from average heating degree-days for the 30-year period 1971-2000 based upon national weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for 335 airports in the United States, excluding Alaska. Fiscal 2009 data has been adjusted to correct a NOAA error.

Based upon heating degree-day data, average temperatures in our service territories were 2.2% warmer than normal during Fiscal 2010 compared with temperatures in the prior year that were 3.1% warmer than normal. Fiscal 2010 retail gallons sold were lower reflecting, among other things, the lingering effects of the economic recession, customer conservation and customer attrition partially offset by volumes acquired through business acquisitions.

Retail propane revenues increased $20.2 million during Fiscal 2010 reflecting an increase as a result of higher average retail sales prices ($94.3 million) partially offset by lower retail volumes sold ($74.1 million). Wholesale propane revenues increased $46.7 million principally reflecting higher year-over-year wholesale selling prices ($37.5 million) and, to a lesser extent, higher wholesale volumes sold ($9.2 million). Average wholesale propane prices at Mont Belvieu, Texas, were approximately 47% higher during Fiscal 2010 compared with average wholesale propane prices during Fiscal 2009. The lower average wholesale propane prices in Fiscal 2009 principally resulted from a precipitous decline in prices that occurred during the first quarter of Fiscal 2009. Other revenues decreased $6.7 million in Fiscal 2010 compared with Fiscal 2009. Total cost of sales increased $78.6 million, to $1,395.1 million, principally reflecting the higher 2010 wholesale propane product costs.

Total margin was $18.4 million lower in Fiscal 2010 primarily due to lower total retail margin ($21.9 million). The lower total retail margin reflects the effects of the lower retail volumes sold ($31.4 million) partially offset by the effects of slightly higher average retail unit margins ($9.5 million) including higher unit margins in our AmeriGas Cylinder Exchange program.

The $60.4 million decrease in Partnership EBITDA during Fiscal 2010 reflects (1) the absence of a pre-tax gain recorded in Fiscal 2009 associated with the November 2008 sale of the Partnership's California LPG storage facility ($39.9 million); (2) the previously mentioned decline in Fiscal 2010 total margin ($18.4 million); and (3) a loss from the discontinuance of interest rate hedges ($12.2 million). During the three months ended March 31, 2010, the Partnership's management determined that it was likely that it would not issue a previously anticipated $150 million of long-term debt during the summer of 2010. As a result, the Partnership discontinued cash flow hedge accounting treatment for interest rate protection agreements associated with this previously anticipated debt issuance and recorded a $12.2 million loss which is reflected in other (income) expense, net on the Fiscal 2010 Consolidated Statement of Income. These previously mentioned declines in EBITDA were partially offset by a decrease in operating and administrative expenses ($5.4 million) largely due to lower self-insured liability and casualty expenses ($9.2 million) and lower compensation and benefits expense ($4.7 million) partially offset by an increase in a litigation accrual recorded during the fourth quarter of Fiscal 2010 ($7.0 million).

Operating income in Fiscal 2010 decreased $64.7 million reflecting the previously mentioned decrease in Partnership EBITDA ($60.4 million) and slightly higher depreciation and amortization expense associated with fixed assets acquired during the past year ($3.6 million). Partnership interest expense was $5.2 million lower in Fiscal 2010 principally reflecting lower interest expense on lower long-term debt outstanding.

International Propane	2010	2009	Increase (Decrease)	
(Millions of euros) (a)				
Revenues	€ 763.1	€ 712.7	€ 50.4	7.1%
Total margin (b)	€ 345.8	€ 392.7	€ (46.9)	(11.9)%
Operating income	€ 82.4	€ 116.3	€ (33.9)	(29.1)%
Income before income taxes	€ 62.2	€ 95.3	€ (33.1)	(34.7)%
(Millions of dollars) (a)				
Revenues	$ 1,059.5	$ 955.3	$ 104.2	10.9%
Total margin (b)	$ 477.4	$ 525.8	$ (48.4)	(9.2)%
Operating income	$ 117.0	$ 151.4	$ (34.4)	(22.7)%
Income before income taxes	$ 89.5	$ 122.0	$ (32.5)	(26.6)%
Antargaz retail gallons sold	279.9	289.3	(9.4)	(3.2)%
Degree days — % (warmer) than normal (c)	(0.5)%	(2.9)%	—	—

(a) Euro amounts represent amounts for Antargaz and Flaga. U.S. dollar amounts include Antargaz and Flaga as well as our operations in China and certain non-operating entities associated with our International Propane segment.

(b) Total margin represents total revenues less total cost of sales.

(c) Deviation from average heating degree days for the 30-year period 1971-2000 at more than 30 locations in our French service territory.

International Propane operating results in Fiscal 2010 reflect the full-year consolidation of Zentraleuropa LPG Holdings GmbH (“ZLH”). In January 2009, Flaga purchased for cash consideration the 50% equity interest in ZLH it did not already own. International Propane acquisitions completed during Fiscal 2010 did not have a material effect on results of operations.

Based upon heating degree day data, temperatures in Antargaz’ service territory were 0.5% warmer than normal during Fiscal 2010 compared with temperatures that were 2.9% warmer than normal during Fiscal 2009. Temperatures in Flaga’s service territory were slightly colder than the prior year. The average wholesale commodity price for propane and butane in northwest Europe during Fiscal 2010 was approximately 48% higher than prices during Fiscal 2009. The lower average LPG wholesale prices in the prior-year period reflect precipitous declines in propane and butane wholesale prices principally during the first quarter of Fiscal 2009. Antargaz’ Fiscal 2010 retail propane volumes were lower than in the prior-year period principally as a result of reduced demand for crop drying earlier in Fiscal 2010 which was the result of an exceptionally dry 2009 summer, the effects of customer conservation and the lingering effects of the economic recession in France.

Our International Propane base-currency results are translated into U.S. dollars based upon exchange rates experienced during each of the reporting periods. During Fiscal 2010, the un-weighted average currency translation rate was $1.36 per euro compared to a rate of $1.35 per euro during Fiscal 2009, although the dollar was generally weaker than the euro during the peak earnings months of October to March in Fiscal 2010. The differences in exchange rates did not have a material impact on International Propane net income.

International Propane euro-based revenues increased €50.4 million or 7.1%. The higher Fiscal 2010 revenues principally resulted from the higher Fiscal 2010 wholesale LPG product costs. U.S. dollar revenues increased $104.2 million or 10.9% principally reflecting the higher euro-based revenues. International Propane's euro-based total cost of sales increased to €417.3 million in Fiscal 2010 from €320.0 million in the prior year, an increase of 30.4%, reflecting the higher per-unit LPG commodity costs. U.S. dollar cost of sales increased to $582.1 million in Fiscal 2010 from $429.5 million in Fiscal 2009, an increase of 35.5%, principally reflecting the higher euro base-currency cost of sales.

International Propane euro-denominated total margin decreased €46.9 million or 11.9% in Fiscal 2010 principally reflecting lower Antargaz total margin (€49.7 million) reflecting the effects of lower average Antargaz retail unit margins (€37.8 million) and, to a much lesser extent, the lower Antargaz retail gallons sold (€10.3 million). Antargaz' euro-denominated retail unit margins were lower in Fiscal 2010 compared with Fiscal 2009 as the prior-year unit margins were higher than normal due to the rapid and sharp decline in LPG commodity costs that occurred as Antargaz entered the Fiscal 2009 winter heating season. U.S. dollar total margin decreased $48.4 million or 9.2% principally reflecting the lower euro-denominated total margin.

International Propane euro base-currency operating income decreased €33.9 million or 29.1% in Fiscal 2010 principally reflecting the previously mentioned decrease in euro-based International Propane total margin (€46.9 million) offset by the absence of a charge associated with the Antargaz Competition Authority Matter recorded in the prior year (€7.1 million) and lower total Fiscal 2010 operating and administrative expenses (€10.5 million). On a U.S. dollar basis, operating income decreased $34.4 million or 22.7% reflecting the previously mentioned decrease in U.S. dollar-denominated total margin ($48.4 million) and higher depreciation expense ($3.9 million) partially offset by the absence of the charge for the Antargaz Competition Authority Matter recorded in the prior-year period ($10.0 million) and lower total operating and administrative expenses ($9.5 million). Euro base-currency income before income taxes was €33.1 million or 34.7% lower than in the prior-year period primarily reflecting the decline in operating income (€33.9 million). U.S. dollar income before income taxes decreased $32.5 million or 26.6%.

Gas Utility	2010	2009	Increase (Decrease)	
(Millions of dollars)				
Revenues	$ 1,047.5	$ 1,241.0	$ (193.5)	(15.6)%
Total margin (a)	$ 394.1	$ 387.8	$ 6.3	1.6%
Operating income	$ 175.3	$ 153.5	$ 21.8	14.2%
Income before income taxes	$ 134.8	$ 111.3	$ 23.5	21.1%
System throughput — billions of cubic feet ("bcf")	153.9	149.7	4.2	2.8%
Degree days — % (warmer) colder than normal (b)	(5.3)%	4.1%	—	—

(a) Total margin represents total revenues less total cost of sales.

(b) Deviation from average heating degree days for the 15-year period 1990-2004 based upon weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for airports located within Gas Utility's service territory.

Temperatures in the Gas Utility service territory based upon heating degree days were 5.3% warmer than normal in Fiscal 2010 compared with temperatures that were 4.1% colder than normal in Fiscal 2009. Total distribution system throughput increased 4.2 bcf in Fiscal 2010, despite the warmer weather, principally reflecting an 8.5 bcf increase in low margin interruptible delivery service volumes. Gas Utility's core market volumes decreased 6.2 bcf (9.0%) due to the previously mentioned warmer weather and to a lesser extent the sluggish economy and customer conservation. Gas Utility's core-market customers are comprised of firm- residential, commercial and industrial ("retail core-market") customers who purchase their gas from Gas Utility and, to a much lesser extent, residential and small commercial customers who purchase their gas from alternate suppliers.

Gas Utility revenues decreased $193.5 million during Fiscal 2010 principally reflecting a decline in revenues from retail core-market customers ($232.3 million) partially offset by a $29.4 million increase in revenues from low-margin off-system sales. The decrease in retail core-market revenues principally resulted from the effects of lower average PGC rates ($135.0 million) and the lower retail core-market volumes ($125.5 million). These decreases in revenues were partially offset by the effects of the PNG Gas and CPG Gas base operating revenue increases that became effective August 28, 2009. Increases or decreases in retail core-market revenues and cost of sales principally result from changes in retail core-market volumes and the level of gas costs collected through the PGC recovery mechanism. Under the PGC recovery mechanism, Gas Utility records the cost of gas associated with sales to retail core-market customers at amounts included in PGC rates. The difference between actual gas costs and the amounts included in rates is deferred on the balance sheet as a regulatory asset or liability and represents amounts to be collected from or refunded to customers in a future period. As a result of this PGC recovery mechanism, increases or decreases in the cost of gas associated with retail core-market customers have no direct effect on retail core-market margin. Gas Utility's cost of gas was $653.4 million in Fiscal 2010 compared with $853.2 million in Fiscal 2009 principally reflecting the previously mentioned lower retail core-market sales and average PGC rates ($227.8 million) due to lower natural gas commodity prices.

Notwithstanding the decrease in distribution system volumes, Gas Utility total margin increased $6.3 million in Fiscal 2010. The increase is principally the result of the PNG Gas and CPG Gas base operating revenue increases ($28.2 million) substantially offset by the effect on total margin from the lower core-market volumes.

Gas Utility operating income in Fiscal 2010 increased $21.8 million principally reflecting lower operating and administrative costs ($15.6 million) and the previously mentioned increase in total margin ($6.3 million). Fiscal 2010 operating and administrative costs include, among other things, lower uncollectible accounts and customer assistance expenses ($11.5 million) and lower costs associated with environmental matters ($6.6 million). These decreases were partially offset by higher depreciation expense ($2.2 million) and higher pension expense ($2.1 million). The increase in income before income taxes reflects the previously mentioned higher operating income ($21.8 million) and lower interest expense ($1.6 million) due to lower average bank loan borrowings.

Electric Utility	2010	2009	Increase (Decrease)	
(Millions of dollars)				
Revenues	$ 120.2	$ 138.5	$ (18.3)	(13.2)%
Total margin (a)	$ 36.5	$ 39.3	$ (2.8)	(7.1)%
Operating income	$ 13.7	$ 15.4	$ (1.7)	(11.0)%
Income before income taxes	$ 11.9	$ 13.7	$ (1.8)	(13.1)%
Distribution sales — millions of kilowatt hours ("gwh")	972.6	965.7	6.9	0.7%

(a) Total margin represents total revenues less total cost of sales and revenue-related taxes, i.e. Electric Utility gross receipts taxes, of $6.6 million and $7.6 million during Fiscal 2010 and Fiscal 2009, respectively. For financial statement purposes, revenue-related taxes are included in "Utility taxes other than income taxes" on the Consolidated Statements of Income.

Temperatures based upon heating degree days in Fiscal 2010 were approximately 6.8% warmer than in Fiscal 2009. The impact on kilowatt-hour sales from the warmer heating-season weather was more than offset by higher air-conditioning related sales from significantly warmer 2010 late spring and summer weather.

Electric Utility revenues decreased $18.3 million principally as a result of certain commercial and industrial customers switching to an alternate supplier for the generation portion of their service and, to a lesser extent, lower default service ("DS") rates effective January 1, 2010. Electric Utility decreased its DS rates effective January 1, 2010 pursuant to a January 22, 2009 settlement of its DS rate filing with the PUC. This reduced average costs to a residential general and residential heating customer by nearly 10% and 4%, respectively, over such costs in Fiscal 2009 and also reduced rates to commercial and industrial customers. Under DS rates, Electric Utility is no longer subject to electric generation price and congestion cost risk as it is permitted to pass these costs through to its customers using a reconcilable cost recovery mechanism. Differences between actual costs and amounts recovered in DS rates are deferred for future recovery from or refund to customers. Beginning January 1, 2010, Electric Utility can no longer recover revenues in excess of actual costs of electricity as was possible under previous Provider of Last Resort ("POLR") rates in effect prior to January 1, 2010. Electric Utility cost of sales declined to $77.1 million in Fiscal 2010 compared to $91.6 million in Fiscal 2009 principally reflecting the effects of the previously mentioned generation supplier customer switching and lower purchased power costs. For additional information on Electric Utility DS and POLR service, see Note 8 to Consolidated Financial Statements.

Electric Utility total margin declined $2.8 million in Fiscal 2010 principally reflecting the reduction in margin resulting from the implementation of lower DS rates effective January 1, 2010.

Electric Utility operating income and income before income taxes in Fiscal 2010 were $1.7 million and $1.8 million lower, respectively, than in Fiscal 2009 reflecting the lower total margin ($2.8 million) partially offset by lower operating and administrative expenses ($1.1 million).

Midstream & Marketing	2010	2009	Increase Decrease	
(Millions of dollars)				
Revenues	$ 1,145.9	$ 1,224.7	$ (78.8)	(6.4)%
Total margin (a)	$ 135.2	$ 126.2	$ 9.0	7.1%
Operating income	$ 120.0	$ 64.8	$ 55.2	85.2%
Income before income taxes	$ 119.8	$ 64.8	$ 55.0	84.9%

(a) Total margin represents total revenues less total cost of sales.

Midstream & Marketing total revenues decreased $78.8 million in Fiscal 2010 due to lower gas marketing revenues ($114.1 million) principally from lower average natural gas prices partially offset by the effects of higher retail power sales revenues ($36.8 million).

Total margin from Midstream & Marketing increased $9.0 million principally reflecting (1) higher natural gas marketing margin ($10.5 million) due to higher natural gas marketing unit margins and (2) higher total retail power marketing margin ($7.7 million) on higher volumes sold and larger average unit margins. These increases in margin were partially offset by a decrease in electric generation total margin ($6.9 million) principally from lower average unit margins. The increase in natural gas marketing total margin includes the impact of marketing initiatives focused on the small commercial customer segment. The increases in Midstream & Marketing's operating income and income before income taxes principally reflects a pre-tax gain from the sale of its Atlantic Energy subsidiary ($36.5 million), the previously mentioned increase in total margin ($9.0 million) and lower operating and administrative costs ($4.8 million), principally from lower total electric generation operating and maintenance costs ($5.1 million) primarily costs associated with the Hunlock generating station which ceased operating in May 2010 as it transitions to a gas-fired generating station.

Interest Expense and Income Taxes. Consolidated interest expense decreased modestly to $133.8 million in Fiscal 2010 from $141.1 million in Fiscal 2009 principally due to lower interest expense on AmeriGas Propane debt ($5.2 million) and lower interest on UGI Utilities revolving credit agreement borrowings ($1.6 million). Our effective income tax rate was modestly higher in Fiscal 2010 principally reflecting the effects of a lower percentage of pretax income from noncontrolling interests, principally in AmeriGas Partners, generally not subject to income taxes.

Fiscal 2009 Compared with Fiscal 2008 Consolidated Results

Net Income (Loss) Attributable to UGI Corporation by Business Unit:

(Millions of dollars)	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total	Variance - Favorable Unfavorable Amount	Variance - Favorable Unfavorable % of Total
AmeriGas Propane	$ 65.0	25.1%	$ 43.9	20.4%	$ 21.1	48.1%
International Propane	78.3	30.3%	52.3	24.3%	26.0	49.7%
Gas Utility	70.3	27.2%	60.3	28.0%	10.0	16.6%
Electric Utility	8.0	3.1%	13.1	6.1%	(5.1)	(38.9)%
Midstream & Marketing	38.1	14.7%	45.3	21.0%	(7.2)	(15.9)%
Corporate & Other	(1.2)	(0.4)%	0.6	0.2%	(1.8)	N.M.
Net income attributable to UGI Corporation	$ 258.5	100.0%	$ 215.5	100.0%	$ 43.0	20.0%

N.M. — Variance is not meaningful.

Highlights — Fiscal 2009 versus Fiscal 2008

- Higher unit margins at AmeriGas Propane and Antargaz in Fiscal 2009 reflect significant declines in LPG commodity prices entering our critical heating season.
- Most of our business units experienced Fiscal 2009 heating-season temperatures that were to varying degrees colder than in Fiscal 2008.
- Fiscal 2009 Gas Utility results include the benefit of the CPG Acquisition on October 1, 2008.
- AmeriGas Partners' sale of its California LPG storage terminal generated net income of $10.4 million in Fiscal 2009.
- The global economic recession reduced overall business activity in all of our business units.
- International Propane Fiscal 2009 results reflect a $10.0 million charge for the Antargaz Competition Authority Matter.
- Midstream & Marketing's Fiscal 2009 results were adversely impacted by lower income from electricity generation.
- Electric Utility Fiscal 2009 results were lower reflecting the effects of higher cost of sales and lower demand as a result of the recession.

AmeriGas Propane (Millions of dollars)	**2009**	2008	Increase (Decrease)	
Revenues	**$ 2,260.1**	$ 2,815.2	$ (555.1)	(19.7)%
Total margin (a)	**$ 943.6**	$ 906.9	$ 36.7	4.0%
Partnership EBITDA (b)	**$ 381.4**	$ 313.0	$ 68.4	21.9%
Operating income	**$ 300.5**	$ 235.0	$ 65.5	27.9%
Retail gallons sold (millions)	**928.2**	993.2	(65.0)	(6.5)%
Degree days — % (warmer) than normal (c)	**(3.1)%**	(3.0)%	—	—

(a) Total margin represents total revenues less total cost of sales.

(b) Partnership EBITDA (earnings before interest expense, income taxes and depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States of America. Management uses Partnership EBITDA as the primary measure of segment profitability for the AmeriGas Propane segment (see Note 21 to Consolidated Financial Statements). Partnership EBITDA and operating income in Fiscal 2009 includes a pre-tax gain of $39.9 million associated with the sale of the Partnership's California LPG storage facility.

(c) Deviation from average heating degree-days for the 30-year period 1971-2000 based upon national weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for 335 airports in the United States, excluding Alaska. Fiscal 2009 data has been adjusted to correct a NOAA error.

Based upon heating degree-day data, average temperatures in our service territories during Fiscal 2009 were 3.1% warmer than normal compared with temperatures in the prior year that were 3.0% warmer than normal. Fiscal 2009 retail gallons sold were 6.5% lower than Fiscal 2008 reflecting, among other things, the adverse effects of the significant deterioration in general economic activity which occurred over the last year and continued customer conservation. During Fiscal 2009, average wholesale propane commodity prices at Mont Belvieu, Texas, one of the major supply points in the U.S., were more than 50% lower than such prices in Fiscal 2008. The decrease in the average wholesale commodity prices in Fiscal 2009 reflects the effects of a precipitous decline in commodity propane prices principally during the first quarter of Fiscal 2009 following a substantial increase in prices during most of the second half of Fiscal 2008. Although wholesale propane prices in Fiscal 2009 rebounded modestly from prices experienced earlier in the year, at September 30, 2009 such prices remained approximately 35% lower than at September 30, 2008.

Retail propane revenues declined $463.2 million in Fiscal 2009 reflecting a decrease as a result of the lower retail volumes sold ($303.6 million) and a decrease due to lower average selling prices ($159.6 million). Wholesale propane revenues declined $69.5 million reflecting a decrease from lower wholesale selling prices ($83.7 million) partially offset by an increase from higher wholesale volumes sold ($14.2 million). Total cost of sales decreased $591.8 million to $1,316.5 million principally reflecting the effects of the previously mentioned lower propane commodity prices.

Total margin was $36.7 million greater in Fiscal 2009 reflecting the beneficial impact of higher than normal retail unit margins resulting from the previously mentioned rapid decline in propane commodity costs that occurred primarily as we entered the critical winter heating season in the first quarter of Fiscal 2009.

The $68.4 million increase in Fiscal 2009 Partnership EBITDA reflects the effects of a pre-tax gain from the November 2008 sale of the Partnership's California LPG storage facility ($39.9 million) and the previously mentioned increase in total margin ($36.7 million). These increases were partially offset by slightly higher operating and administrative expenses ($4.7 million) and slightly lower other income ($2.8 million). The slightly higher operating and administrative expenses reflects, in large part, an increase in compensation and benefit expenses ($9.1 million) and higher costs associated with facility maintenance projects ($6.4 million) offset principally by lower vehicle fuel expenses ($14.2 million) due to lower propane, diesel and gasoline prices.

Operating income increased $65.5 million in Fiscal 2009 reflecting the previously mentioned increase in EBITDA ($68.4 million) partially offset by slightly higher depreciation and amortization expense ($3.4 million) reflecting acquisitions and plant and equipment expenditures made since the prior year.

International Propane	2009 (a)	2008	Increase (Decrease)	
(Millions of euros) (a)				
Revenues	**€ 712.7**	€ 749.8	€ (37.1)	(4.9)%
Total margin (b)	**€ 392.7**	€ 314.9	€ 77.8	24.7%
Operating income	**€ 116.3**	€ 70.4	€ 45.9	65.2%
Income before income taxes	**€ 95.3**	€ 48.8	€ 46.5	95.3%
(Millions of dollars) (a)				
Revenues	**$ 955.3**	$ 1,124.8	$ (169.5)	(15.1)%
Total margin (b)	**$ 525.8**	$ 472.9	$ 52.9	11.2%
Operating income	**$ 151.4**	$ 106.8	$ 44.6	41.8%
Income before income taxes	**$ 122.0**	$ 73.0	$ 49.0	67.1%
Antargaz retail gallons sold	**289.3**	292.6	(3.3)	(1.1)%
Degree days — % (warmer) than normal (c)	**(2.9)%**	(4.1)%	—	—

(a) Euro amounts represent amounts for Antargaz and Flaga. U.S. dollar amounts include Antargaz and Flaga as well as our operations in China and certain non-operating entities associated with our International Propane segment.

(b) Total margin represents total revenues less total cost of sales.

(c) Deviation from average heating degree days for the 30-year period 1971-2000 at more than 30 locations in our French service territory.

Based upon heating degree day data, temperatures in Antargaz' service territory were approximately 2.9% warmer than normal during Fiscal 2009 compared with temperatures that were approximately 4.1% warmer than normal during Fiscal 2008. Temperatures in Flaga's service territory were warmer than normal and warmer than Fiscal 2008. Wholesale propane product costs declined significantly during late Fiscal 2008 and the first quarter of Fiscal 2009 as we entered the critical winter heating season. As a result, the average wholesale commodity price for propane in northwest Europe in Fiscal 2009 was approximately 41% lower than such price in Fiscal 2008. Similar declines in average wholesale butane prices were experienced in Fiscal 2009. Antargaz' Fiscal 2009 retail LPG volumes were slightly lower than in Fiscal 2008 reflecting the colder Fiscal 2009 weather offset by the effects of the deterioration of general economic conditions in France, customer conservation and competition from alternate energy sources.

During Fiscal 2009, the average currency translation rate was $1.35 per euro compared to a rate of $1.51 per euro during Fiscal 2008. Although the stronger dollar resulted in lower translated International Propane operating results, the effects of the stronger dollar on reported International Propane net income attributable to UGI Corporation were substantially offset by gains on forward currency contracts used to hedge purchases of dollar-denominated LPG.

International Propane euro-based revenues decreased €37.1 million or 4.9% in Fiscal 2009 reflecting a decline in revenues from Antargaz (€82.2 million), principally lower retail propane revenues (€61.9 million) from lower average selling prices, and lower Antargaz wholesale revenues (€20.4 million). Partially offsetting the decline in revenues from Antargaz was an increase in Flaga revenues (€45.1 million) resulting from the consolidation of ZLH beginning in January 2009. The lower average selling prices reflect the previously mentioned year-over-year decrease in wholesale LPG product costs. In U.S. dollars, revenues declined $169.5 million or 15.1% reflecting the previously mentioned total lower euro-based revenues and the effects of the stronger U.S. dollar. International Propane's total cost of sales decreased to €320.0 million in Fiscal 2009 from €434.9 million in Fiscal 2008, a 26.4% decline, principally reflecting the lower per-unit LPG commodity costs. On a U.S. dollar basis, cost of sales decreased $222.4 million or 34.1%.

International Propane euro-based total margin increased €77.8 million or 24.7% in Fiscal 2009 largely the result of higher total margin at Antargaz (€57.9 million) reflecting the beneficial impact of higher than normal retail unit margins resulting from the rapid and sharp decline in LPG commodity costs that occurred as Antargaz entered the winter heating season in the first quarter of Fiscal 2009 and, to lesser extent, incremental total margin at Flaga from the consolidation of ZLH beginning in January 2009 ($25.5 million). Also affecting the year-over-year comparison was the fact that Antargaz was adversely affected by lower unit margins in Fiscal 2008 as a result of the rapid increase in LPG product costs which occurred in Fiscal 2008. In U.S. dollars, total margin increased $52.9 million or 11.2% reflecting the effects of the stronger dollar on translated euro base-currency revenues and cost of sales.

International Propane euro-based operating income increased €45.9 million or 65.2% in Fiscal 2009 principally reflecting the previously mentioned increase in total margin (€77.8 million) reduced by a charge related to a French Competition Authority Matter (€7.1 million) and an increase in operating and administrative costs (€21.4 million). The higher operating and administrative costs principally reflect higher operating and administrative costs at Flaga (€14.4 million) resulting from the consolidation of the operations of ZLH and, to lesser extent, higher operating expenses at Antargaz (€7.0 million). On a U.S. dollar basis, operating income increased $44.6 million or 41.8% principally reflecting the previously mentioned increase in U.S. dollar-denominated total margin ($52.9 million) partially offset by the charge related to the Antargaz Competition Authority Matter ($10.0 million). Euro-based income before income taxes was €46.5 million (95.3%) greater than in the prior year principally reflecting the higher operating income. In U.S. dollars, income before income taxes increased $49.0 million (67.1%) principally reflecting the benefit of the higher dollar-denominated operating income. Loss from International Propane equity investees was higher in Fiscal 2009 due to expenditures associated with the anticipated closure of an LPG storage facility.

Gas Utility	**2009**	2008	Increase	
(Millions of dollars)				
Revenues	**$ 1,241.0**	$ 1,138.3	$ 102.7	9.0%
Total margin (a)	**$ 387.8**	$ 307.2	$ 80.6	26.2%
Operating income	**$ 153.5**	$ 137.6	$ 15.9	11.6%
Income before income taxes	**$ 111.3**	$ 100.5	$ 10.8	10.7%
System throughput — billions of cubic feet (“bcf”)	**149.7**	133.7	16.0	12.0%
Degree days — % colder (warmer) than normal (b)	**4.1%**	(2.7)%	—	—

(a) Total margin represents total revenues less total cost of sales.

(b) Deviation from average heating degree days for the 15-year period 1990–2004 based upon weather statistics provided by the National Oceanic and Atmospheric Administration (“NOAA”) for airports located within Gas Utility’s service territory.

Temperatures in the Gas Utility service territory based upon heating degree days were 4.1% colder than normal in Fiscal 2009 compared with temperatures that were 2.7% warmer than normal in Fiscal 2008. Total distribution system throughput increased 16.0 bcf in Fiscal 2009 principally reflecting the effects of the October 1, 2008 CPG Acquisition (22.2 bcf) and increases in core-market volumes resulting from the colder Fiscal 2009 weather and year-over-year customer growth. These increases in system throughput were partially offset by the effects on volumes sold and transported due to lower demand from commercial and industrial customers as a result of the deterioration in general economic activity and customer conservation.

Gas Utility revenues increased $102.7 million in Fiscal 2009 principally reflecting incremental revenues from CPG Gas ($187.4 million) somewhat offset by lower revenues from low-margin off-system sales ($90.3 million). Gas Utility’s cost of gas was $853.2 million in Fiscal 2009 compared with $831.1 million in Fiscal 2008 principally reflecting incremental cost of sales associated with CPG Gas ($117.0 million) partially offset principally by the cost of sales effect of the lower off-system revenues ($89.1 million).

Gas Utility total margin increased $80.6 million in Fiscal 2009 principally reflecting incremental margin from CPG Gas ($70.4 million) and higher total core-market margin from UGI Gas and PNG Gas ($11.3 million) resulting principally from the higher core-market volumes sold.

The increase in Gas Utility operating income during Fiscal 2009 principally reflects the previously mentioned greater total margin ($80.6 million) partially offset by higher operating and administrative and depreciation expenses ($59.3 million), principally incremental expenses associated with CPG Gas ($47.2 million), higher costs associated with environmental matters ($4.1 million) and, to a lesser extent, higher pension and distribution system maintenance expenses. Income before income taxes also increased reflecting the previously mentioned higher operating income partially offset by higher interest expense associated with $108 million Senior Notes issued to finance a portion of the CPG Acquisition ($7.2 million).

Electric Utility	**2009**	2008	Decrease	
(Millions of dollars)				
Revenues	**$ 138.5**	$ 139.2	$ (0.7)	(0.5)%
Total margin (a)	**$ 39.3**	$ 47.0	$ (7.7)	(16.4)%
Operating income	**$ 15.4**	$ 24.4	$ (9.0)	(36.9)%
Income before income taxes	**$ 13.7**	$ 22.4	$ (8.7)	(38.8)%
Distribution sales — millions of kilowatt hours (“gwh”)	**965.7**	1,004.4	(38.7)	(3.9)%

(a) Total margin represents total revenues less total cost of sales and revenue-related taxes, i.e. Electric Utility gross receipts taxes, of $7.6 million and $7.9 million during Fiscal 2009 and Fiscal 2008, respectively. For financial statement purposes, revenue-related taxes are included in “Utility taxes other than income taxes” on the Consolidated Statements of Income.

Electric Utility’s kilowatt-hour sales in Fiscal 2009 were lower than in Fiscal 2008. Temperatures based upon heating degree days in Electric Utility’s service territory were approximately 5.0% colder than last year resulting in greater sales to Electric Utility’s residential heating customers. These greater sales were more than offset, however, by lower sales to commercial and industrial customers as a result of the deterioration in general economic activity and lower weather-related air-conditioning sales during the summer of Fiscal 2009. Notwithstanding the lower sales, Electric Utility revenues were about equal with last year as a result of higher POLR rates and greater revenues from spot market sales of electricity. Electric Utility cost of sales increased to $91.6 million in Fiscal 2009 from $84.3 million in Fiscal 2008 principally reflecting greater purchased power costs.

Electric Utility total margin decreased $7.7 million during Fiscal 2009 principally reflecting the higher cost of sales and, to a much lesser extent, the effects of the lower sales volumes.

Electric Utility operating income and income before income taxes in Fiscal 2009 were $9.0 million and $8.7 million lower than in Fiscal 2008, respectively, principally reflecting the previously mentioned lower total margin ($7.7 million) and higher operating and administrative costs ($0.9 million).

Midstream & Marketing	**2009**	2008	Increase (Decrease)	
(Millions of dollars)				
Revenues	**$ 1,224.7**	$ 1,619.5	$ (394.8)	(24.4)%
Total margin (a)	**$ 126.2**	$ 124.1	$ 2.1	1.7%
Operating income	**$ 64.8**	$ 77.3	$ (12.5)	(16.2)%
Income before income taxes	**$ 64.8**	$ 77.3	$ (12.5)	(16.2)%

(a) Total margin represents total revenues less total cost of sales.

Midstream & Marketing total revenues declined $394.8 million or 24.4% in Fiscal 2009 principally reflecting the effects on revenues of lower unit prices for natural gas, electricity and propane due to year-over-year declines in such energy commodity prices.

Total margin from Midstream & Marketing increased $2.1 million in Fiscal 2009 reflecting greater total margin principally from peaking supply services ($4.4 million) and retail electricity sales ($2.8 million) partially offset by lower electric generation total margin ($4.6 million). The decrease in electric generation total margin reflects lower spot-market prices for electricity and, to a much lesser extent, lower volumes generated due in large part to electricity generation facility outages. The decreases in Midstream & Marketing operating income and income before income taxes in Fiscal 2009 largely reflects the previously mentioned increase in total margin ($2.1 million) more than offset by higher electric generation operating and maintenance costs ($5.9 million) including charges related to obligations associated with its ongoing Hunlock Station repowering project and an increase in asset management costs ($3.4 million). The decrease in operating income and income before income taxes also reflects greater costs associated with Energy Service’s receivables securitization facility ($1.4 million) as a result of higher amounts needed to fund futures brokerage account margin calls and greater facility fees subsequent to the renewal of the securitization facility in April 2009.

Interest Expense and Income Taxes. Consolidated interest expense decreased slightly to $141.1 million in Fiscal 2009 from $142.5 million in Fiscal 2008 principally due to a decline in International Propane interest expense ($3.1 million), principally attributable to lower effective interest rates and the stronger U.S. dollar, a decline in interest on UGI Utilities revolving credit agreement borrowings ($2.4 million) and lower interest expense on AmeriGas Propane long-term debt ($2.3 million). These decreases were largely offset by incremental interest expense on CPG Acquisition debt ($7.2 million). Our effective income tax rate was slightly lower in Fiscal 2009 principally reflecting the effects of a higher percentage of pretax income from noncontrolling interests, principally in AmeriGas Partners, not subject to income taxes.

Financial Condition and Liquidity

We depend on both internal and external sources of liquidity to provide funds for working capital and to fund capital requirements. Our short-term cash requirements not met by cash from operations are generally satisfied with borrowings under credit facilities and, in the case of Midstream & Marketing, also from a receivables purchase facility. Long-term cash needs are generally met through issuance of long-term debt or equity securities.

Our cash and cash equivalents, excluding cash included in commodity futures brokerage accounts that is restricted from withdrawal, totaled $260.7 million at September 30, 2010 compared with $280.1 million at September 30, 2009. Excluding cash and cash equivalents that reside at UGI's operating subsidiaries, at September 30, 2010 and 2009 UGI had $111.6 million and $102.7 million, respectively, of cash and cash equivalents. Such cash is available to pay dividends on UGI Common Stock and for investment purposes.

The primary sources of UGI's cash and cash equivalents are the dividends and other cash payments made to UGI or its corporate subsidiaries by its principal business units.

AmeriGas Propane's ability to pay dividends to UGI is dependent upon distributions it receives from AmeriGas Partners. At September 30, 2010, our 44% effective ownership interest in the Partnership consisted of approximately 24.7 million Common Units and combined 2% general partner interests. Approximately 45 days after the end of each fiscal quarter, the Partnership distributes all of its Available Cash (as defined in the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, the "Partnership Agreement") relating to such fiscal quarter. AmeriGas Propane, as general partner of AmeriGas Partners, L.P., is entitled to receive incentive distributions when AmeriGas Partners, L.P.'s quarterly distribution exceeds $0.605 per limited partner unit (see Note 14 to Consolidated Financial Statements).

During Fiscal 2010, Fiscal 2009 and Fiscal 2008, our principal business units paid cash dividends and made other cash payments to UGI and its subsidiaries as follows:

Year Ended September 30,	2010	2009	2008
(Millions of dollars)			
AmeriGas Propane	$ 44.4	$ 39.3	$ 38.6
UGI Utilities	74.0	61.2	68.8
International Propane	38.8	39.0	45.8
Midstream & Marketing	32.5	—	18.4
Total	$ 189.7	$ 139.5	$ 171.6

Dividends in Fiscal 2010 from Midstream & Marketing resulted from the sale of Atlantic Energy LLC. Dividends from AmeriGas Propane in Fiscal 2009 include the benefit of a one-time $0.17 increase in the August 2009 quarterly distribution resulting from the Partnership's Fiscal 2009 sale of its California LPG storage facility (see below and Note 4 to Consolidated Financial Statements). In Fiscal 2010 and 2009, Midstream & Marketing received capital contributions from UGI totaling $51.0 million and $46.8 million, respectively, to fund major LNG storage and electric generation capital projects.

On April 27, 2010, UGI's Board of Directors approved a 25% increase in the quarterly dividend rate on UGI Common Stock to $0.25 per common share or $1.00 per common share on an annual basis. The new quarterly dividend rate was effective with the dividend payable on July 1, 2010 to shareholders of record on June 15, 2010. The higher than normal percentage dividend increase in Fiscal 2010 reflects our confidence in UGI's future prospects and strong cash flows. We expect that the increase in the UGI dividend rate in Fiscal 2011 will be closer to UGI's long-term goal of increasing the dividend by approximately 4% a year.

On April 26, 2010, the General Partner's Board of Directors approved a quarterly distribution of $0.705 per Common Unit equal to an annual rate of $2.82 per Common Unit. This distribution reflects an approximate 5% increase from the previous quarterly rate of $0.67 per Common Unit. The new quarterly rate was effective with the distribution payable on May 18, 2010 to unitholders of record on May 10, 2010. Our targeted annual distribution increase is approximately 5%.

Long-term Debt and Credit Facilities

The Company's total debt outstanding at September 30, 2010 totaled $2,206.2 million (including current maturities of long-term debt of $573.6 million and bank loan borrowings of $200.4 million) compared to $2,296.2 million of total debt outstanding at September 30, 2009 (including current maturities of long-term debt of $94.5 million and bank loan borrowings of $163.1 million). The significantly higher current maturities of long-term debt at September 30, 2010 primarily reflects the scheduled maturity of Antargaz' €380 million term loan ($518.1 million) in March 2011 and Fiscal 2011 scheduled repayments under Flaga's two term loans ($34.6 million). Total debt outstanding at September 30, 2010 principally consists of $882.4 million of Partnership debt, $653.6 million (€479.4 million) of International Propane debt, $657 million of UGI Utilities' debt, and $13.2 million of other debt. For a detailed description of the Company's debt, see below and Note 5 to Consolidated Financial Statements.

Due to the seasonal nature of the Company's businesses, operating cash flows are generally strongest during the second and third fiscal quarters when customers pay for natural gas, LPG, electricity and other energy products consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the first and fourth fiscal quarters when the Company's investment in working capital, principally inventories and accounts receivable, is generally greatest. AmeriGas Propane and UGI Utilities primarily use bank loans to satisfy their seasonal operating cash flow needs. Energy Services historically has used its Receivables Facility to satisfy its operating cash flow needs. Energy Services also has a three-year $170 million credit facility, entered into in August 2010, which it can use for working capital and general corporate purposes of it and its subsidiaries. There were no borrowings under this facility during Fiscal 2010. During Fiscal 2010, Fiscal 2009 and Fiscal 2008, Antargaz generally funded its operating cash flow needs without using its revolving credit facility.

AmeriGas Partners. AmeriGas Partners' total debt at September 30, 2010 includes $779.7 million of AmeriGas Partners' Senior Notes, $11.7 million of other long-term debt and $91 million of AmeriGas OLP bank loan borrowings.

AmeriGas OLP's short-term borrowing needs are seasonal and are typically greatest during the fall and winter heating-season months due to the need to fund higher levels of working capital. In order to meet its short-term cash needs, AmeriGas OLP has a $200 million unsecured credit agreement ("Credit Agreement") which expires on October 15, 2011. AmeriGas OLP also has a $75 million unsecured revolving credit facility ("2009 Supplemental Credit Agreement") which expires on June 30, 2011. AmeriGas OLP expects to renew these credit agreements prior to their expiration. AmeriGas OLP's Credit Agreement consists of (1) a $125 million Revolving Credit Facility and (2) a $75 million Acquisition Facility. The Revolving Credit Facility may be used for working capital and general purposes of AmeriGas OLP. The Acquisition Facility provides AmeriGas OLP with the ability to borrow up to $75 million to finance the purchase of propane businesses or propane business assets or, to the extent it is not so used, for working capital and general purposes. The 2009 Supplemental Credit Agreement permits AmeriGas OLP to borrow up to $75 million for working capital and general purposes.

At September 30, 2010, there were $91 million of borrowings outstanding under the Credit Agreement at an average interest rate of 1.31% and there were no amounts outstanding under the 2009 Supplemental Credit Agreement. There were no borrowings under AmeriGas OLP's credit agreements at September 30, 2009. Borrowings under AmeriGas OLP credit agreements are classified as bank loans on the Consolidated Balance Sheets. Issued and outstanding letters of credit under the Revolving Credit Facility, which reduce the amount available for borrowings, totaled $35.7 million at September 30, 2010 and $37.0 million at September 30, 2009. The average daily and peak bank loan borrowings outstanding under the credit agreements during Fiscal 2010 were $43.9 million and $135 million, respectively. The average daily and peak bank loan borrowings outstanding under the credit agreements during Fiscal 2009 were $43.8 million and $184.5 million, respectively. The higher peak bank loan borrowings in Fiscal 2009 resulted from amounts borrowed to fund counterparty cash collateral obligations associated with derivative financial instruments used by the Partnership to manage propane price risk associated with fixed sales price commitments to customers. These collateral obligations resulted from the precipitous decline in propane commodity prices that occurred early in Fiscal 2009. At September 30, 2010, the Partnership's available borrowing capacity under the credit agreements was $148.3 million.

Based upon existing cash balances, cash expected to be generated from operations and borrowings available under AmeriGas OLP's credit agreements, the Partnership's management believes that the Partnership will be able to meet its anticipated contractual commitments and projected cash needs during Fiscal 2011.

International Propane. International Propane's total debt at September 30, 2010 includes $518.1 million (€380 million) outstanding under Antargaz' Senior Facilities term loan and a combined $40.4 million (€29.6 million) outstanding under Flaga's two term loans. Total International Propane debt outstanding at September 30, 2010 also includes (1) $68.2 million (€50.0 million) outstanding under Antargaz' revolving credit facility; (2) combined borrowings of $24.2 million (€17.8 million) outstanding under Flaga's working capital facilities and (3) $2.7 million (€2.0 million) of other long-term debt.

Antargaz. Antargaz has a Senior Facilities Agreement that expires on March 31, 2011. The Senior Facilities Agreement consists of (1) a €380 million variable-rate term loan and (2) a €50 million revolving credit facility. The Senior Facilities Agreement also provides Antargaz a €50 million letter of credit guarantee agreement. Antargaz has executed interest rate swap agreements to fix the underlying euribor rate for the duration of the term loan. The €380 million variable-rate term loan matures on March 31, 2011. Antargaz intends to refinance this maturing debt. Antargaz has entered into forward-starting interest rate swaps to hedge the underlying euribor rate of interest relating to 4 1/2 years of quarterly interest payments on €300 million notional amount of long-term debt commencing March 31, 2011 associated with the anticipated refinancing. In order to minimize the interest margin it pays on Senior Facilities Agreement borrowings, on September 23, 2010, Antargaz borrowed €50 million ($68.2 million), the total amount available under its revolving credit facility, which amount remained outstanding at September 30, 2010. This borrowing was repaid by Antargaz on October 25, 2010.

Antargaz' management believes that it will be able to meet its anticipated contractual commitments and projected cash needs during Fiscal 2011 with cash generated from operations, borrowings under its existing or new revolving credit facilities and guarantees under letter of credit facilities.

Flaga. Flaga has two euro-based, amortizing variable-rate term loans. The principal outstanding on the first term loan was €24.0 million ($32.7 million) at September 30, 2010. Flaga has effectively fixed the euribor component of its interest rate on this term loan through September 2011 at 3.91% by entering into an interest rate swap agreement. The effective interest rate on this term loan at September 30, 2010 was 4.21%. The second term loan, executed in August 2009, had an outstanding principal balance of €5.6 million ($7.6 million) on September 30, 2010. This term loan matures through June 2014. Flaga has effectively fixed the euribor component of its interest rate on this term loan at 2.16% by entering into an interest rate swap agreement. The effective interest rate on this term loan at September 30, 2010 was 5.03%.

Flaga has two working capital facilities totaling €24 million. Flaga has a multi-currency working capital facility that provides for borrowings and issuances of guarantees totaling €16 million of which €9.8 million ($13.4 million) was outstanding at September 30, 2010 at an average interest rate of 3.64%. Flaga also has an €8 million euro-denominated working capital facility of which €7.9 million ($10.8 million) was outstanding at September 30, 2010 at an average interest rate of 2.01%. Issued and outstanding guarantees, which reduce available borrowings under the working capital facilities, totaled €5.4 million ($7.4 million) at September 30, 2010. Amounts outstanding under the working capital facilities are classified as bank loans. During Fiscal 2010, average and peak bank loan borrowings totaled €12.7 million and €17.8 million, respectively. During Fiscal 2009, average and peak bank loan borrowings totaled €11.5 million and €18.6 million, respectively. For a more detailed discussion of Flaga's debt, see Note 5 to Consolidated Financial Statements. In order to provide for additional borrowing capacity, in November 2010, Flaga entered into an additional €8 million multi-currency working capital facility and an additional €4 million euro-denominated working capital facility both of which expire in June 2011. Flaga expects to combine and extend these new facilities along with the other working capital facilities described above prior to their expiration in June 2011.

Based upon cash generated from operations, borrowings under its working capital facilities and capital contributions from UGI, Flaga's management believes it will be able to meet its anticipated contractual commitments and projected cash needs during Fiscal 2011.

UGI Utilities. UGI Utilities' total debt at September 30, 2010 includes long-term debt comprising $383 million of Senior Notes and $257 million of Medium-Term Notes. Total debt outstanding at September 30, 2010 also includes $17 million outstanding under UGI Utilities' Revolving Credit Agreement.

UGI Utilities may borrow up to a total of $350 million under its Revolving Credit Agreement which expires in August 2011. UGI Utilities expects to renew this facility before its expiration. At September 30, 2010 and 2009, there were $17 million and $154 million of borrowings outstanding under the Revolving Credit Agreement having average interest rates of 3.25% and 0.59%, respectively. The higher average interest rate at September 30, 2010 is the result of a prime rate borrowing compared to LIBOR borrowings at September 30, 2009. Borrowings under the Revolving Credit Agreement are classified as bank loans on the Consolidated Balance Sheets. During Fiscal 2010 and Fiscal 2009, average daily bank loan borrowings were $69.9 million and $180.0 million, respectively, and peak bank loan borrowings totaled $203 million and $312 million, respectively. Peak bank loan borrowings typically occur during the heating season months of December and January. During Fiscal 2009, average daily and peak bank loan borrowings were higher than during Fiscal 2010 due in large part to higher margin deposits associated with natural gas futures accounts as a result of declines in wholesale natural gas prices and higher Fiscal 2009 borrowings needed to fund working capital.

Based upon cash expected to be generated from Gas Utility and Electric Utility operations and borrowings available under the Revolving Credit Agreement, UGI Utilities' management believes that it will be able to meet its anticipated contractual and projected cash commitments during Fiscal 2011.

Midstream & Marketing. In August 2010, Energy Services entered into an unsecured credit agreement ("Energy Services Credit Agreement") with a group of lenders providing for borrowings of up to $170 million (including a $50 million sublimit for letters of credit) which expires in August 2013. The Energy Services Credit Agreement can be used for general corporate purposes of Energy Services and its subsidiaries and to fund dividend payments provided that, after giving effect to such dividend payments, the ratio of Consolidated Total Indebtedness to EBITDA, each as defined in the Energy Services Credit Agreement, does not exceed 2.00 to 1.00. There were no borrowings under this facility during Fiscal 2010.

Energy Services also has a $200 million receivables purchase facility ("Receivables Facility") with an issuer of receivables-backed commercial paper. The Receivables Facility expires in April 2011, although the Receivables Facility may terminate prior to such date due to the termination of commitments of the Receivables Facility's back-up purchasers. Energy Services uses the Receivables Facility to fund working capital, margin calls under commodity futures contracts and capital expenditures. Energy Services intends to extend its Receivables Facility prior to its scheduled expiration in April 2011.

Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special purpose subsidiary, Energy Services Funding Corporation ("ESFC"), which is consolidated for financial statement purposes. ESFC, in turn, has sold, and subject to certain conditions, may from time to time sell, an undivided interest in some or all of the receivables to a commercial paper conduit of a major bank. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. Through September 30, 2010, this two-step transaction was accounted for as a sale of receivables following GAAP for accounting for transfers and servicing of financial assets and extinguishments of liabilities. At September 30, 2010, the outstanding balance of ESFC trade receivables was $44.0 million which is net of $12.1 million that was sold to the commercial paper conduit and removed from the balance sheet. At September 30, 2009, the outstanding balance of ESFC trade receivables was $38.2 million which is net of $31.3 million that was sold to the commercial paper conduit and removed from the balance sheet. During Fiscal 2010 and Fiscal 2009, peak sales of receivables were $45.7 million and $139.7 million, respectively.

Effective October 1, 2010, the Company will adopt a new accounting standard that will change the accounting for the Receivables Facility. Beginning October 1, 2010, trade receivables transferred to the commercial paper conduit will remain on the Company's balance sheet and the Company will reflect a liability equal to the amount advanced by the commercial paper conduit. Additionally, the Company will record interest expense on amounts owed to the commercial paper conduit. For further information on the effects of the accounting change, see Note 3 to Consolidated Financial Statements.

Based upon cash expected to be generated from operations, borrowings available under the Energy Services Credit Agreement and Receivables Facility, and capital contributions from UGI, management believes that Energy Services will be able to meet its anticipated contractual and projected cash needs during Fiscal 2011.

Cash Flows

Operating Activities. Year-to-year variations in cash flow from operations can be significantly affected by changes in operating working capital especially during periods of volatile energy commodity prices. During Fiscal 2010, commodity prices for LPG rose compared with LPG commodity price declines experienced in Fiscal 2009. During Fiscal 2009, commodity prices of LPG and natural gas decreased significantly compared with significant price increases experienced during most of the second half of Fiscal 2008. The increase in Fiscal 2010 LPG prices resulted in increased cash invested in accounts receivable and LPG inventories. The decline in Fiscal 2009 commodity prices compared with Fiscal 2008 resulted in reduced investments in accounts receivable and LPG inventories which had the effect of significantly increasing cash flow from operating activities in Fiscal 2009 compared to Fiscal 2008.

Cash flow provided by operating activities was $598.8 million in Fiscal 2010, $665.0 million in Fiscal 2009 and $464.4 million in Fiscal 2008. Cash flow from operating activities before changes in operating working capital was $663.8 million in Fiscal 2010, $611.7 million in Fiscal 2009 and $525.3 million in Fiscal 2008. The increase in the Fiscal 2010 amount reflects in large part higher noncash charges for deferred income taxes ($35.8 million) due primarily to a change in tax accounting for distribution system repair and maintenance costs at UGI Utilities (see below and Note 6 to Consolidate Financial Statements). The increase in Fiscal 2009 cash flow from operating activities before changes in working capital compared with Fiscal 2008 reflects the improved operating results. Changes in operating working capital (used) provided operating cash flow of $(65.0) million in Fiscal 2010, $53.3 million in Fiscal 2009 and $(60.9) million in Fiscal 2008. Cash flow from changes in operating working capital principally reflects the impacts of changes in LPG and natural gas prices on cash receipts from customers as reflected in changes in accounts receivable and accrued utility revenues; the timing of purchases and changes in LPG and natural gas prices on our investments in inventories; the timing of natural gas cost recoveries through Gas Utility's PGC recovery mechanism; and the effects of the timing of payments and changes in purchase price per gallon of LPG and natural gas on accounts payable. The lower Fiscal 2010 cash provided by changes in working capital compared to Fiscal 2009 reflects in large part the effects on operating working capital of an increase in LPG commodity prices in Fiscal 2010 compared to the effects on operating working capital of a significant decrease in LPG commodity prices in Fiscal 2009. The greater Fiscal 2009 cash provided by changes in operating working capital compared with cash provided by such changes in Fiscal 2008 principally reflects the effects on net cash receipts from customers and cash expenditures for purchases of inventories resulting from significantly lower Fiscal 2009 LPG commodity prices compared with Fiscal 2008.

Investing Activities. Investing activity cash flow is principally affected by expenditures for property, plant and equipment; cash paid for acquisitions of businesses; changes in restricted cash balances and proceeds from sales of assets. Net cash flow used in investing activities was $399.3 million in Fiscal 2010, $519.9 million in Fiscal 2009 and $289.5 million in Fiscal 2008. Fiscal 2010 expenditures for property, plant and equipment were greater than in Fiscal 2009 primarily due to higher Midstream & Marketing cash capital expenditures (an increase of $45.1 million) principally associated with natural gas storage and electric generation projects. Acquisitions in Fiscal 2010 include $48.7 million of expenditures associated with our International Propane businesses and $34.3 million of acquisition capital expenditures at the Partnership. The primary reasons for the increase in cash used by investing activities in Fiscal 2009 compared to Fiscal 2008 were the acquisition of CPG ($292.6 million) and greater cash expenditures for property, plant and equipment ($69.6 million). Fiscal 2010, Fiscal 2009 and Fiscal 2008 investing activity cash flows also reflect cash (used for) provided by changes in restricted cash in natural gas futures brokerage accounts of $(27.8) million, $63.3 million and $(57.5) million, respectively. Changes in restricted cash in futures and options brokerage accounts are the result of the timing of settlement of natural gas futures contracts and changes in natural gas prices. During Fiscal 2010 and Fiscal 2009, we received $66.6 million and $42.4 million in cash proceeds from the sale of Atlantic Energy and the sale of the Partnership's California LPG storage facility, respectively.

Financing Activities. Cash flow used by financing activities was $213.6 million, $114.6 million and $180.1 million in Fiscal 2010, Fiscal 2009 and Fiscal 2008, respectively. Changes in cash flow from financing activities are primarily due to issuances and repayments of long-term debt; net bank loan borrowings; dividends and distributions on UGI Common Stock and AmeriGas Partners Common Units and issuances of UGI and AmeriGas Partners equity instruments.

During Fiscal 2010, AmeriGas OLP repaid $80 million of maturing First Mortgage Notes using borrowings under its revolving credit facilities and cash from operations and Flaga made scheduled payments on its term loans of €7.4 million ($10.4 million) using cash from operations, UGI cash contributions and borrowings under working capital facilities. Changes in bank loans during Fiscal 2010 principally reflect €50 million ($67.7 million) borrowed by Antargaz in September 2010 (repaid in October 2010) in order to minimize the interest margin it pays on its Senior Facilities Agreement; Partnership revolving credit facility borrowings of $91 million; and higher revolving credit facility borrowings at Flaga ($16.2 million). These increases were largely offset by a $137 million decrease in bank loan borrowings at UGI Utilities due primarily to cash flow generated from changes in operating working capital.

Capital Expenditures

In the following table, we present capital expenditures (which exclude acquisitions but include capital leases) by our business segments for Fiscal 2010, Fiscal 2009 and Fiscal 2008. We also provide amounts we expect to spend in Fiscal 2011. We expect to finance Fiscal 2011 capital expenditures principally from cash generated by operations, borrowings under credit facilities and cash on hand.

Year Ended September 30,	2011	2010	2009	2008
(Millions of dollars)	(estimate)			
AmeriGas Propane	$ 79.9	$ 83.2	$ 78.7	$ 62.8
International Propane	60.5	59.0	76.3	75.0
Gas Utility	76.7	73.5	73.8	58.3
Electric Utility	9.5	8.1	5.3	6.0
Midstream & Marketing	177.8	116.4	66.2	30.7
Other	1.2	12.7	1.4	1.4
Total	$ 405.6	$ 352.9	$ 301.7	$ 234.2

AmeriGas Propane capital expenditures in Fiscal 2010 and Fiscal 2009 include expenditures associated with a system software replacement. The decline in International Propane capital expenditures in Fiscal 2010 is principally due to lower expenditures for cylinders. The increases in Midstream & Marketing's capital expenditures in Fiscal 2010 and Fiscal 2009 principally reflect capital expenditures related to natural gas storage and electric generation projects. These Midstream & Marketing capital expenditures were financed in large part by capital contributions from UGI and cash from operations. The higher "other" capital expenditures in Fiscal 2010 principally reflects capital improvements at UGI Corporation's headquarters' facility following a fire. Midstream & Marketing's estimated expenditures in Fiscal 2011, principally relating to the completion of its Hunlock Station repowering project, the continued expansion of its LNG storage assets and Marcellus Shale projects, are expected to be financed principally from capital contributions from UGI and credit agreement borrowings.

In August 2010, the Company announced that it plans to invest approximately $300 million over the next two years on infrastructure projects to support the development of natural gas in the Marcellus Shale region. This anticipated investment includes Midstream & Marketing's potential participation in the Pennsylvania natural gas pipeline project being jointly developed with NiSource Gas Transmission and Storage Company ("NiSource") described below under "Contractual Cash Obligations and Commitments." In addition the Company plans to pursue the enhancement of its existing underground storage fields located in north-central Pennsylvania, as well as to pursue additional projects to acquire and construct gas gathering facilities that would make locally produced gas available to Pennsylvania and interstate markets. The timing and extent of the Company's investment in Marcellus infrastructure will depend on a number of factors including the timing of development of Marcellus gas production, market competition, any required regulatory approvals and construction schedules. Such investment is expected to be financed with a combination of debt and UGI equity.

Contractual Cash Obligations and Commitments

The Company has contractual cash obligations that extend beyond Fiscal 2010. Such obligations include scheduled repayments of long-term debt, interest on long-term fixed-rate debt, operating lease payments, unconditional purchase obligations for pipeline capacity, pipeline transportation and natural gas storage services and commitments to purchase natural gas, LPG and electricity, capital expenditures and derivative financial instruments. The following table presents contractual cash obligations under agreements existing as of September 30, 2010:

	Payments Due by Period				
(Millions of dollars)	Total	Fiscal 2011	Fiscal 2012 - 2013	Fiscal 2014 - 2015	Thereafter
Long-term debt (a)	$ 2,005.8	$ 573.6	$ 183.9	$ 440.6	$ 807.7
Interest on long-term fixed rate debt (b)	678.3	107.2	183.6	163.4	224.1
Operating leases	197.1	57.4	78.9	41.1	19.7
AmeriGas Propane supply contracts	50.5	50.5	—	—	—
International Propane supply contracts	5.4	5.4	—	—	—
Midstream & Marketing supply contracts	391.6	277.7	113.9	—	—
Gas Utility and Electric Utility supply, storage and transportation contracts	598.4	225.2	190.2	92.8	90.2
Derivative financial instruments (c)	72.6	50.2	20.0	2.4	—
Other purchase obligations (d)	36.1	36.1	—	—	—
Total	$ 4,035.8	$ 1,383.3	$ 770.5	$ 740.3	$ 1,141.7

(a) Based upon stated maturity dates.

(b) Based upon stated interest rates adjusted for the effects of interest rate swaps.

(c) Represents the sum of amounts due from us if derivative financial instrument liabilities were settled at the September 30, 2010 amounts reflected in the Consolidated Balance Sheet (but excluding amounts associated with interest rate swaps).

(d) Includes material capital expenditure obligations.

Other noncurrent liabilities included in our Consolidated Balance Sheet at September 30, 2010 principally comprise refundable tank and cylinder deposits (as further described in Note 2 to Consolidated Financial Statements under the caption "Refundable Tank and Cylinder Deposits"); litigation, property and casualty liabilities and obligations under environmental remediation agreements (see Note 15 to Consolidated Financial Statements); pension and other postretirement benefit liabilities recorded in accordance with accounting guidance relating to employee retirement plans (see Note 7 to Consolidated Financial Statements); and liabilities associated with executive compensation plans (see Note 13 to Consolidated Financial Statements). These liabilities are not included in the table of Contractual Cash Obligations and Commitments because they are estimates of future payments and not contractually fixed as to timing or amount. We believe we will be required to make contributions to the UGI Utilities' pension plans in Fiscal 2011 of approximately $20 million. Contributions to the pension plans in years beyond Fiscal 2011 will depend in large part on future returns on pension plans assets. In addition, at September 30, 2010 we were committed to invest over the next several years an additional $9.6 million in a limited partnership that focuses on investments in the alternative energy sector.

In August 2010, Energy Services entered into a Joint Marketing and Development Agreement with NiSource to evaluate the feasibility of constructing a natural gas pipeline in the Marcellus Shale gas production region of north-central Pennsylvania. The parties are currently working cooperatively and sharing preliminary costs in developing a route, engineering design and cost estimate for the pipeline and in marketing the project to potential customers.

Significant Dispositions and Acquisitions

On July 30, 2010, Energy Services sold all of its interest in its second-tier, wholly owned subsidiary Atlantic Energy to DCP Midstream Partners, L.P. for $49.0 million cash plus an amount for inventory and other working capital. Atlantic Energy owns and operates a 20 million gallon marine import and transshipment facility located in the port of Chesapeake, Virginia. The Company recorded a $36.5 million pre-tax gain on the sale which amount is included in "Other income, net" in the Fiscal 2010 Consolidated Statement of Income. The gain increased Fiscal 2010 net income attributable to UGI Corporation by $17.2 million or $0.16 per diluted share.

On October 1, 2008, UGI Utilities acquired all of the issued and outstanding stock of PPL Gas Utilities Corporation (now named UGI Central Penn Gas, Inc., "CPG"), the natural gas distribution utility of PPL (the "CPG Acquisition"), for cash consideration of $303.0 million less a final working capital adjustment of $9.7 million. Immediately after the closing of the CPG Acquisition, CPG's wholly owned subsidiary Penn Fuel Propane, LLC (now named UGI Central Penn, LLC, "CPP"), its retail propane distributor, sold its assets to AmeriGas OLP for cash consideration of $33.6 million less a final working capital adjustment of $1.4 million (the "Penn Fuels Acquisition"). CPG distributes natural gas to approximately 76,000 customers in eastern and central Pennsylvania, and also distributes natural gas to several hundred customers in portions of one Maryland county. CPP sold propane to customers principally in eastern Pennsylvania. UGI Utilities funded the CPG Acquisition with a combination of $120 million cash contributed by UGI on September 25, 2008, proceeds from the issuance of $108 million principal amount of 6.375% Senior Notes due 2013 and approximately $75.0 million of borrowings under UGI Utilities' Revolving Credit Agreement. AmeriGas OLP funded the acquisition of the assets of CPP with borrowings under the AmeriGas Credit Agreement, and UGI Utilities used the $33.6 million of cash proceeds from the sale of the assets of CPP to reduce its revolving credit agreement borrowings.

On November 13, 2008, AmeriGas OLP sold its 600,000 barrel refrigerated above-ground LPG storage facility located on leased property in California for net cash proceeds of $42.4 million. The gain from the sale increased net income attributable to UGI Corporation by $10.4 million or $0.10 per diluted share.

Antargaz Competition Authority Matter

On July 21, 2009, Antargaz received a Statement of Objections from France's Autorité de la concurrence ("Competition Authority") with respect to the investigation of Antargaz by the General Division of Competition, Consumption and Fraud Punishment ("DGCCRF"). A Statement of Objections ("Statement") is part of French competition proceedings and generally follows an investigation under French competition laws. The Statement sets forth the Competition Authority's findings; it is not a judgment or final decision. The Statement alleges that Antargaz engaged in certain anti-competitive practices in violation of French competition laws related to the cylinder market during the period from 1999 through 2004. The alleged violations occurred principally during periods prior to March 31, 2004, when UGI first obtained a controlling interest in Antargaz. Based on an assessment of the information contained in the Statement, during the quarter ended June 30, 2009 we recorded a provision of $10.0 million (€7.1 million) related to this matter which amount is reflected in "Other income, net" on the Fiscal 2009 Consolidated Statement of Income.

We filed our written response to the Statement of Objections with the Competition Authority on October 21, 2009. The Competition Authority completed its review of Antargaz' response and issued its report on April 26, 2010. Antargaz filed its response to this report on June 28, 2010. A hearing before the Competition Authority was held on September 21, 2010 and a decision is not expected before the end of 2010. Based on our assessment of the information contained in the report and the hearing, we believe that we have good defenses to the objections and that the reserve established by management for this matter is adequate. However, the final resolution could result in payment of an amount significantly different from the amount we have recorded (see Note 15 to Consolidated Financial Statements).

Pension Plans

As of September 30, 2010, we sponsor two defined benefit pension plans ("Pension Plans") for employees hired prior to January 1, 2009 of UGI, UGI Utilities, PNG, CPG and certain of UGI's other domestic wholly owned subsidiaries. In addition, Antargaz employees are covered by certain defined benefit pension and postretirement plans. The Antargaz plans' assets and benefit obligations are not material.

The fair value of Pension Plans' assets totaled $287.9 million and $276.4 million at September 30, 2010 and 2009, respectively. At September 30, 2010 and 2009, the underfunded position of Pension Plans, defined as the excess of the projected benefit obligations ("PBOs") over the Pension Plans' assets, was $177.1 million and $145.6 million, respectively.

We believe we are in compliance with regulations governing defined benefit pension plans, including Employee Retirement Income Security Act of 1974 ("ERISA") rules and regulations. We anticipate that we will be required to make contributions to Pension Plans during Fiscal 2011 of approximately $20 million. Pre-tax pension cost associated with Pension Plans in Fiscal 2010 was $11.5 million. Pre-tax pension cost associated with Pension Plans in Fiscal 2011 is expected to be approximately $14.9 million.

GAAP guidance associated with pension and other postretirement plans generally requires recognition of an asset or liability in the statement of financial position reflecting the funded status of pension and other postretirement benefit plans with current year changes recognized in shareholders' equity unless such amounts are subject to regulatory recovery. Based upon an August 2010 PUC order issued in response to UGI Utilities' and PNG's joint petition regarding the regulatory treatment of the funded status of their combined pension plan, effective September 30, 2010, UGI Utilities recorded a regulatory asset of $142.4 million associated with the underfunded position of the combined pension plan (see below and Note 8 to Consolidated Financial Statements). Previously, the effects of such underfunded position were reflected in accumulated other comprehensive income. Through September 30, 2010, we have recorded cumulative after-tax charges to UGI Corporation's stockholders' equity of $12.8 million and recorded regulatory assets totaling $159.2 million in order to reflect the funded status of our pension and other postretirement benefit plans. For a more detailed discussion of the Pension Plans and other postretirement benefit plans, see Note 7 to Consolidated Financial Statements.

Change in Tax Method of Accounting

The Company received Internal Revenue Service ("IRS") consent to change its tax method of accounting for capitalizing certain repair and maintenance costs associated with its Gas Utility and Electric Utility assets beginning with the tax year ended September 30, 2009. The filing of the Company's Fiscal 2009 tax returns using the new tax method resulted in federal and state income tax benefits totaling approximately $30.2 million which was used to offset Fiscal 2010 federal and state income tax liabilities. The filing of UGI Utilities' Fiscal 2009 stand alone Pennsylvania income tax return also produced a $43.4 million state net operating loss ("NOL") carryforward. Under current Pennsylvania state income tax law, the NOL stated above can be carried forward by UGI Utilities for 20 years and used to reduce future Pennsylvania taxable income. Because the Company believes that it is more likely than not that it will fully utilize this state NOL prior to its expiration, no valuation allowance has been recorded. For more information on the change in tax method of accounting, see Note 6 to Consolidated Financial Statements.

Related Party Transactions

During Fiscal 2010, Fiscal 2009 and Fiscal 2008, we did not enter into any related-party transactions that had a material effect on our financial condition, results of operations or cash flows.

Off-Balance Sheet Arrangements

UGI primarily enters into guarantee arrangements on behalf of its consolidated subsidiaries. These arrangements are not subject to the recognition and measurement guidance relating to guarantees under accounting principles generally accepted in the United States of America "GAAP."

We do not have any off-balance sheet arrangements that are expected to have a material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Utility Matters

Gas Utility

On January 28, 2009, PNG and CPG filed separate requests with the PUC to increase base operating revenues by $38.1 million annually for PNG and $19.6 million annually for CPG to fund system improvements and operations necessary to maintain safe and reliable natural gas service and energy assistance for low income customers as well as energy conservation programs for all customers. On July 2, 2009, PNG and CPG each filed joint settlement petitions with the PUC based on agreements with the opposing parties regarding the requested base operating revenue increases. On August 27, 2009, the PUC approved the settlement agreements which resulted in a $19.8 million base operating revenue increase for PNG Gas and a $10.0 million base operating revenue increase for CPG Gas. The increases became effective August 28, 2009. The full-year effects of these rate increases are reflected in Gas Utility's Fiscal 2010 results.

Electric Utility

As a result of Pennsylvania's ECC Act, all of Electric Utility's customers are permitted to acquire their electricity from entities other than Electric Utility. Electric Utility remains the default service provider for its customers that are not served by an alternate electric generation provider.

On July 17, 2008, the PUC approved Electric Utility's DS procurement, implementation and contingency plans, as modified by the terms of a May 2, 2008 settlement, filed in accordance with the PUC's DS regulations. The approved plans specify how Electric Utility will solicit and acquire DS supplies for residential customers for the period January 1, 2010 through May 31, 2014, and for commercial and industrial customers for the period January 1, 2010 through May 31, 2011 (collectively, the "Settlement Term"). UGI Utilities filed a rate plan on August 29, 2008 for the Settlement Term. On January 22, 2009, the PUC approved a settlement of the rate filing that provides for Electric Utility to fully recover its DS costs. On October 1, 2009, UGI Utilities filed a DS plan to establish procurement rules applicable to the period after May 31, 2011 for its commercial and industrial customers. Because Electric Utility is assured the recovery of prudently incurred costs during the Settlement Term, beginning January 1, 2010 Electric Utility is no longer subject to the risk that actual costs for purchased power will exceed POLR revenues. However, beginning January 1, 2010, Electric Utility no longer has the opportunity to recover revenues in excess of actual costs. On May 6, 2010, the PUC approved the plan, as modified by the terms of a March 2010 settlement.

Prior to January 1, 2010, the terms and conditions under which Electric Utility provided POLR service, and rules governing the rates that could be charged for such service through December 31, 2009, were established in a series of PUC approved settlements (collectively, the "POLR Settlement"), the latest of which became effective June 23, 2006. In accordance with the POLR Settlement, Electric Utility could increase its POLR rates up to certain limits through December 31, 2009. Consistent with the terms of the POLR Settlement, Electric Utility increased its POLR rates effective January 1, 2009, which increased the average cost to a residential heating customer by approximately 1.5% over such costs in effect during calendar year 2008. Effective January 1, 2008, Electric Utility increased its POLR rates which increased the average cost to a residential heating customer by approximately 5.5% over such costs in effect during calendar year 2007.

Regulatory Asset — UGI Utilities Pension Plan

On April 14, 2010, UGI Utilities, Inc. and PNG filed a petition with the PUC requesting permission to record a regulatory asset or liability for amounts relating to their combined pension plan that otherwise would be recorded to accumulated other comprehensive income under the FASB's Accounting Standards Codification ("ASC") 715, "Compensation — Retirement Benefits." On August 23, 2010, the PUC issued an order permitting UGI Utilities and PNG to establish regulatory assets for such amounts relating to their regulated operations. Effective September 30, 2010, UGI Utilities recorded a regulatory asset totaling $142.4 million associated with the underfunded position of the combined pension plan.

Subsequent Event — Approval of Transfer of CPG Storage Assets

On October 21, 2010, the Federal Energy Regulatory Commission ("FERC") approved CPG's application to abandon a storage service and approved the transfer of its Tioga, Meeker and Wharton natural gas storage facilities, along with related assets, to a special purpose entity, UGI Storage Company, a subsidiary of Energy Services. CPG will transfer the natural gas storage facilities on or before April 1, 2011. The net book value of the storage facility assets was approximately $11.0 million as of September 30, 2010.

Manufactured Gas Plants

UGI Utilities

CPG is party to a Consent Order and Agreement ("CPG-COA") with the Pennsylvania Department of Environmental Protection ("DEP") requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant ("MGP") related facilities were operated ("CPG MGP Properties") and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement ("PNG-COA") with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated ("PNG MGP Properties"). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at $1.8 million and $1.1 million, respectively, in any calendar year. The CPG-COA terminates at the end of 2011 for the MGP Properties and at the end of 2013 for well plugging activities. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two-year period beginning with the original effective date in March 2004. At September 30, 2010 and 2009, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled $21.4 million and $25.0 million, respectively. In accordance with GAAP related to rate-regulated entities, we have recorded associated regulatory assets in equal amounts.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of manufactured gas plants ("MGPs") prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas and Electric Utility.

UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs. At September 30, 2010, neither UGI Gas' undiscounted nor its accrued liability for environmental investigation and cleanup costs was material.

UGI Utilities has been notified of several sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by it or owned or operated by its former subsidiaries. Such parties are investigating the extent of environmental contamination or performing environmental remediation. UGI Utilities is currently litigating three claims against it relating to out-of-state sites.

Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities if a court were to conclude that (1) the subsidiary's separate corporate form should be disregarded or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary's MGP.

For additional information on the MGP sites outside of Pennsylvania currently subject to third-party claims or litigation, see Note 15 to Consolidated Financial Statements.

AmeriGas OLP

By letter dated March 6, 2008, the New York State Department of Environmental Conservation ("DEC") notified AmeriGas OLP that DEC had placed property owned by the Partnership in Saranac Lake, New York on its Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by DEC disclosed contamination related to former MGP operations on the site. DEC has classified the site as a significant threat to public health or environment with further action required. The Partnership has researched the history of the site and its ownership interest in the site. The Partnership has reviewed the preliminary site characterization study prepared by the DEC, the extent of contamination and the possible existence of other potentially responsible parties. The Partnership has communicated the results of its research to DEC and is awaiting a response before doing any additional investigation. Because of the preliminary nature of available environmental information, the ultimate amount of expected clean up costs cannot be reasonably estimated.

We cannot predict with certainty the final results of any of the MGP actions described above. However, it is reasonably possible that some of them could be resolved unfavorably to us and result in losses in excess of recorded amounts. We are unable to estimate any possible losses in excess of recorded amounts. Although we currently believe, after consultation with counsel, that damages or settlements, if any, recovered by the plaintiffs in such claims or actions will not have a material adverse effect on our financial position, damages or settlements could be material to our operating results or cash flows in future periods depending on the nature and timing of future developments with respect to these matters and the amounts of future operating results and cash flows.

Market Risk Disclosures

Our primary market risk exposures are (1) commodity price risk; (2) interest rate risk; and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Commodity Price Risk

The risk associated with fluctuations in the prices the Partnership and our International Propane operations pay for LPG is principally a result of market forces reflecting changes in supply and demand for propane and other energy commodities. Their profitability is sensitive to changes in LPG supply costs. Increases in supply costs are generally passed on to customers. The Partnership and International Propane may not, however, always be able to pass through product cost increases fully or on a timely basis, particularly when product costs rise rapidly. In order to reduce the volatility of LPG market price risk, the Partnership uses contracts for the forward purchase or sale of propane, propane fixed-price supply agreements and over-the-counter derivative commodity instruments including price swap and option contracts. In addition, Antargaz hedges a portion of its future U.S. dollar denominated LPG product purchases through the use of forward foreign exchange contracts. Antargaz has used over-the-counter derivative commodity instruments and may from time-to-time enter into other derivative contracts, similar to those used by the Partnership. Flaga has used and may use derivative commodity instruments to reduce market risk associated with a portion of its LPG purchases. Over-the-counter derivative commodity instruments utilized to hedge forecasted purchases of propane are generally settled at expiration of the contract.

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to its customers. The recovery clauses provide for a periodic adjustment for the difference between the total amounts actually collected from customers through PGC rates and the recoverable costs incurred. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Gas Utility operations. Gas Utility uses derivative financial instruments including natural gas futures and option contracts traded on the New York Mercantile Exchange ("NYMEX") to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these derivative financial instruments, net of any associated gains or losses, is included in Gas Utility's PGC recovery mechanism. At September 30, 2010, the net fair value of Gas Utility's natural gas futures and option contracts was a loss of $1.4 million. There were no gains or losses at September 30, 2009.

Beginning January 1, 2010, Electric Utility's DS tariffs contain clauses which permit recovery of all prudently incurred power costs through the application of DS rates. The clauses provide for periodic adjustments to DS rates for differences between the total amount of power costs collected from customers and recoverable power costs incurred. Because of this ratemaking mechanism, beginning January 1, 2010 there is limited power cost risk, including the cost of financial transmission rights ("FTRs"), associated with our Electric Utility operations. FTRs are financial instruments that entitle the holder to receive compensation for electricity transmission congestion charges that result when there is insufficient electricity transmission capacity on the electricity transmission grid. Electric Utility obtains FTRs through an annual PJM Interconnection ("PJM") auction process and, to a lesser extent, through purchases at monthly PJM auctions. PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 14 eastern and midwestern states.

Gas Utility and Electric Utility from time to time enter into exchange-traded gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in their operations. These gasoline futures and swap contracts are recorded at fair value with changes in fair value reflected in other income. The amount of unrealized gains on these contracts and associated volumes under contract at September 30, 2010 were not material.

Midstream & Marketing purchases FTRs to economically hedge certain transmission costs that may be associated with its fixed-price electricity sales contracts. Although Midstream & Marketing's FTRs are economically effective as hedges of congestion charges, they do not currently qualify for hedge accounting treatment.

In order to manage market price risk relating to substantially all of Midstream & Marketing's fixed-price sales contracts for natural gas and electricity, Midstream & Marketing purchases over-the-counter as well as exchange-traded natural gas and electricity futures contracts or enters into fixed-price supply arrangements. Midstream & Marketing's exchange-traded natural gas and electricity futures contracts are traded on the NYMEX and have nominal credit risk. Although Midstream & Marketing's fixed-price supply arrangements mitigate most risks associated with its fixed-price sales contracts, should any of the suppliers under these arrangements fail to perform, increases, if any, in the cost of replacement natural gas or electricity would adversely impact Midstream & Marketing's results. In order to reduce this risk of supplier nonperformance, Midstream & Marketing has diversified its purchases across a number of suppliers. Midstream & Marketing has entered into and may continue to enter into fixed-price sales agreements for a portion of its propane sales. In order to manage the market price risk relating to substantially all of its fixed-price sales contracts for propane, Midstream & Marketing enters into price swap and option contracts.

UGID has entered into fixed-price sales agreements for a portion of the electricity expected to be generated by its electric generation assets. In the event that these generation assets would not be able to produce all of the electricity needed to supply electricity under these agreements, UGID would be required to purchase such electricity on the spot market or under contract with other electricity suppliers. Accordingly, increases in the cost of replacement power could negatively impact the Company's results.

Interest Rate Risk

We have both fixed-rate and variable-rate debt. Changes in interest rates impact the cash flows of variable-rate debt but generally do not impact their fair value. Conversely, changes in interest rates impact the fair value of fixed-rate debt but do not impact their cash flows.

Our variable-rate debt currently includes borrowings under AmeriGas OLP's credit agreements, UGI Utilities' Revolving Credit Agreement and a substantial portion of Antargaz' and Flaga's debt. These debt agreements have interest rates that are generally indexed to short-term market interest rates. Antargaz has effectively fixed the underlying euribor interest rate on its variable-rate debt through its March 2011 maturity date and Flaga has fixed the underlying euribor interest rate on a substantial portion of its term loans through their scheduled maturity dates through the use of interest rate swaps. At September 30, 2010 combined borrowings outstanding under these agreements, excluding Antargaz' and Flaga's effectively fixed-rate debt, totaled $200.4 million. Excluding the fixed portions of Antargaz' and Flaga's variable-rate debt, and based upon weighted average borrowings outstanding under variable-rate agreements during Fiscal 2010 and Fiscal 2009, an increase in short-term interest rates of 100 basis points (1%) would have increased our Fiscal 2010 and Fiscal 2009 interest expense by $1.3 million and $2.3 million, respectively. The remainder of our debt outstanding is subject to fixed rates of interest. A 100 basis point increase in market interest rates would result in decreases in the fair value of this fixed-rate debt of $94.7 million and $91.0 million at September 30, 2010 and 2009, respectively. A 100 basis point decrease in market interest rates would result in increases in the fair value of this fixed-rate debt of $104.8 million and $100.7 million at September 30, 2010 and 2009, respectively.

Antargaz intends to refinance its variable-rate term loan maturing debt, subject to market conditions, on a long-term basis by March 2011. As of September 30, 2010, Antargaz has entered into forward-starting interest rate swaps to hedge the underlying euribor rate of interest relating to 4 1/2 years of quarterly interest payments on €300 million notional amount of long-term debt commencing March 31, 2011.

Our long-term debt associated with our domestic businesses is typically issued at fixed rates of interest based upon market rates for debt having similar terms and credit ratings. As these long-term debt issues mature, we may refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce interest rate risk associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs").

Foreign Currency Exchange Rate Risk

Our primary currency exchange rate risk is associated with the U.S. dollar versus the euro. The U.S. dollar value of our foreign-denominated assets and liabilities will fluctuate with changes in the associated foreign currency exchange rates. We use derivative instruments to hedge portions of our net investments in foreign subsidiaries ("net investment hedges"). Realized gains or losses on net investment hedges remain in accumulated other comprehensive income until such foreign operations are liquidated. At September 30, 2010, the fair value of unsettled net investment hedges was a gain of $0.8 million which is included in foreign currency exchange rate risk in the table below. With respect to our net investments in our International Propane operations, a 10% decline in the value of the associated foreign currencies versus the U.S. dollar, excluding the effects of any net investment hedges, would reduce their aggregate net book value by approximately $65.8 million, which amount would be reflected in other comprehensive income.

In addition, in order to reduce volatility, Antargaz hedges a portion of its anticipated U.S. dollar denominated LPG product purchases during the months of October through March through the use of forward foreign exchange contracts. The amount of dollar-denominated purchases of LPG represents approximately 20%-30% of estimated dollar-denominated purchases to occur during the heating-season months of October to March.

Derivative Financial Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative financial instrument counterparties. Our derivative financial instrument counterparties principally comprise major energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Company in the form of letters of credit, parental guarantees or cash. Additionally, our natural gas and electricity exchange-traded futures contracts which are guaranteed by the NYMEX generally require cash deposits in margin accounts. Declines in natural gas, LPG and electricity product costs can require our business units to post collateral with counterparties or make margin deposits to brokerage accounts. At September 30, 2010 and 2009, restricted cash in brokerage accounts totaled $34.8 million and $7.0 million, respectively.

The following table summarizes the fair values of unsettled market risk sensitive derivative instruments assets and (liabilities) held at September 30, 2010 and 2009. The table also includes the changes in fair value that would result if there were a 10% adverse change in (1) the market prices of commodity derivative instruments including the market prices of LPG, gasoline, natural gas, electricity and electricity transmission congestion charges; (2) the three-month LIBOR and the three- and nine-month Euribor; and (3) the value of the euro versus the U.S. dollar. Gas Utility's and Electric Utility's derivative instruments are excluded from the table below because any associated net gains or losses are refundable to or recoverable from customers in accordance with Gas Utility and Electric Utility ratemaking.

(Millions of dollars)	Asset (Liability) Fair Value	Change in Fair Value
September 30, 2010:		
Commodity price risk	$ (37.2)	$ (40.2)
Interest rate risk	(18.5)	(3.7)
Foreign currency exchange rate risk	(2.2)	(12.5)
September 30, 2009:		
Commodity price risk	$ 11.4	$ (30.2)
Interest rate risk	(34.4)	(6.0)
Foreign currency exchange rate risk	(5.7)	(18.2)

Because substantially all of our derivative instruments qualify as hedges under GAAP, we expect that changes in the fair value of derivative instruments used to manage commodity, currency or interest rate market risk would be substantially offset by gains or losses on the associated anticipated transactions.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in compliance with GAAP requires the selection and application of accounting principles appropriate to the relevant facts and circumstances of the Company's operations and the use of estimates made by management. The Company has identified the following critical accounting policies and estimates that are most important to the portrayal of the Company's financial condition and results of operations. Changes in these policies and estimates could have a material effect on the financial statements. The application of these accounting policies and estimates necessarily requires management's most subjective or complex judgments regarding estimates and projected outcomes of future events which could have a material impact on the financial statements. Management has reviewed these critical accounting policies, and the estimates and assumptions associated with them, with the Company's Audit Committee. In addition, management has reviewed the following disclosures regarding the application of these critical accounting policies and estimates with the Audit Committee.

Litigation Accruals and Environmental Remediation Liabilities. We are involved in litigation regarding pending claims and legal actions that arise in the normal course of our businesses. In addition, UGI Utilities and its former subsidiaries owned and operated a number of MGPs in Pennsylvania and elsewhere, and PNG Gas and CPG Gas owned and operated a number of MGP sites located in Pennsylvania, at which hazardous substances may be present. In accordance with accounting principles generally accepted in the United States of America, the Company establishes reserves for pending claims and legal actions or environmental remediation obligations when it is probable that a liability exists and the amount or range of amounts can be reasonably estimated. Reasonable estimates involve management judgments based on a broad range of information and prior experience. These judgments are reviewed quarterly as more information is received and the amounts reserved are updated as necessary. Such estimated reserves may differ materially from the actual liability and such reserves may change materially as more information becomes available and estimated reserves are adjusted.

Regulatory Assets and Liabilities. Gas Utility and Electric Utility are subject to regulation by the PUC. In accordance with accounting guidance associated with rate-regulated entities, we record the effects of rate regulation in our financial statements as regulatory assets or regulatory liabilities. We continually assess whether the regulatory assets are probable of future recovery by evaluating the regulatory environment, recent rate orders and public statements issued by the PUC, and the status of any pending deregulation legislation. If future recovery of regulatory assets ceases to be probable, the elimination of those regulatory assets would adversely impact our results of operations and cash flows. Based upon GAAP related to rate-regulated entities and an August 2010 PUC order issued in response to UGI Utilities' and PNG's April 2010 joint petition regarding the regulatory treatment of their combined pension plan, effective September 30, 2010, UGI Utilities recorded a $142.4 million regulatory asset associated with amounts that would otherwise be recorded in accumulated other comprehensive income under GAAP. As of September 30, 2010, our regulatory assets totaled $306.7 million. See Notes 2 and 8 to the Consolidated Financial Statements.

Depreciation and Amortization of Long-Lived Assets. We compute depreciation on UGI Utilities' property, plant and equipment on a straight-line basis over the average remaining lives of its various classes of depreciable property and on our other property, plant and equipment on a straight-line basis over estimated useful lives generally ranging from 2 to 40 years. We also use amortization methods and determine asset values of intangible assets other than goodwill using reasonable assumptions and projections. Changes in the estimated useful lives of property, plant and equipment and changes in intangible asset amortization methods or values could have a material effect on our results of operations. As of September 30, 2010, our net property, plant and equipment totaled $3,053.2 million and we recorded depreciation expense of $187.6 million during Fiscal 2010. As of September 30, 2010, our net intangible assets other than goodwill totaled $150.1 million and we recorded amortization expense on intangible assets of $19.9 million during Fiscal 2010.

Purchase Price Allocations. From time to time, the Company enters into material business combinations. In accordance with accounting guidance associated with business combinations, the purchase price is allocated to the various assets acquired and liabilities assumed at their estimated fair value. Fair values of assets acquired and liabilities assumed are based upon available information and we may involve an independent third party to perform appraisals. Estimating fair values can be complex and subject to significant business judgment and most commonly impacts property, plant and equipment and intangible assets, including those with indefinite lives. Generally, we have, if necessary, up to one year from the acquisition date to finalize the purchase price allocation.

Impairment of Goodwill. Certain of the Company's business units have goodwill resulting from purchase business combinations. In accordance with GAAP, each of our reporting units with goodwill is required to perform impairment tests annually or whenever events or circumstances indicate that the value of goodwill may be impaired. In order to perform these impairment tests, management must determine the reporting unit's fair value using quoted market prices or, in the absence of quoted market prices, valuation techniques which use discounted estimates of future cash flows to be generated by the reporting unit. These cash flow estimates involve management judgments based on a broad range of information and historical results. To the extent estimated cash flows are revised downward, the reporting unit may be required to write down all or a portion of its goodwill which would adversely impact our results of operations. As of September 30, 2010, our goodwill totaled $1,562.7 million. We did not record any impairments of goodwill in Fiscal 2010, Fiscal 2009 and Fiscal 2008.

Pension Plan Assumptions. The cost of providing benefits under our Pension Plans is dependent on historical information such as employee age, length of service, level of compensation and the actual rate of return on plan assets. In addition, certain assumptions relating to the future are used to determine pension expense including the discount rate applied to benefit obligations, the expected rate of return on plan assets and the rate of compensation increase, among others. Assets of the Pension Plans are held in trust and consist principally of equity and fixed income mutual funds. Changes in plan assumptions as well as fluctuations in actual equity or fixed income market returns could have a material impact on future pension costs. We believe the two most critical assumptions are (1) the expected rate of return on plan assets and (2) the discount rate. A decrease in the expected rate of return on Pension Plans assets of 50 basis points to a rate of 8.0% would result in an increase in pre-tax pension cost of approximately $1.5 million in Fiscal 2011. A decrease in the discount rate of 50 basis points to a rate of 4.5% would result in an increase in pre-tax pension cost of approximately $2.5 million in Fiscal 2011.

Income Taxes. We use the asset and liability method of accounting for income taxes. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year and for deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. In Fiscal 2008, we adopted new guidance which establishes standards for recognition and measurement of positions taken or expected to be taken by an entity in its tax returns. Positions taken by an entity in its tax returns must satisfy a more-likely-than-not recognition threshold assuming the position will be examined by tax authorities with full knowledge of relevant information. We use assumptions, judgments and estimates to determine our current provision for income taxes. We also use assumptions, judgments and estimates to determine our deferred tax assets and liabilities and any valuation allowance to be recorded against a deferred tax asset. Our assumptions, judgments and estimates relative to the current provision for income tax give consideration to current tax laws, our interpretation of current tax laws and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. Changes in tax law or our interpretation of such and the resolution of current and future tax audits could significantly impact the amounts provided for income taxes in our consolidated financial statements. Our assumptions, judgments and estimates relative to the amount of deferred income taxes take into account estimates of the amount of future taxable income. Actual taxable income or future estimates of taxable income could render our current assumptions, judgments and estimates inaccurate. Changes in the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ significantly from our estimates. As of September 30, 2010, our net deferred tax liabilities totaled $568.8 million.

Newly Adopted and Recently Issued Accounting Pronouncements

See Note 3 to Consolidated Financial Statements for a discussion of the effects of accounting guidance we adopted in Fiscal 2010 as well as recently issued accounting guidance not yet adopted.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

"Quantitative and Qualitative Disclosures About Market Risk" are contained in Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Market Risk Disclosures" and are incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Annual Report on Internal Control Over Financial Reporting and the financial statements and financial statement schedules referred to in the Index contained on page F-2 of this Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Report, were effective at the reasonable assurance level.

(b) For "Management's Report on Internal Control over Financial Reporting" see Item 8 of this Report (which information is incorporated herein by reference).

(c) No change in the Company's internal control over financial reporting occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III:

ITEMS 10 THROUGH 14.

In accordance with General Instruction G(3), and except as set forth below, the information required by Items 10, 11, 12, 13 and 14 is incorporated in this Report by reference to the following portions of UGI's Proxy Statement, which will be filed with the Securities and Exchange Commission by December 31, 2010.

	Information	Captions of Proxy Statement Incorporated by Reference
Item 10.	Directors, Executive Officers and Corporate Governance	Election of Directors — Nominees; Corporate Governance; Board Independence; Board Committees; Communications with the Board; Audit Committee; Securities Ownership of Management — Section 16(a) — Beneficial Ownership Reporting Compliance; Report of the Audit Committee of the Board of Directors
	The Code of Ethics for the Chief Executive Officer and Senior Financial Officers of UGI Corporation is available without charge on the Company's website, www.ugicorp.com or by writing to Hugh J. Gallagher, Director, Treasury Services and Investor Relations, UGI Corporation, P. O. Box 858, Valley Forge, PA 19482.	
Item 11.	Executive Compensation	Compensation of Directors; Report of the Compensation and Management Development Committee of the Board of Directors; Compensation Discussion and Analysis; Compensation of Executive Officers; Compensation Committee Interlocks and Insider Participation
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	Securities Ownership of Certain Beneficial Owners; Securities Ownership of Management
Item 13.	Certain Relationships and Related Transactions, and Director Independence	Election of Directors — Board Independence and -Board Committees; Policy for Approval of Related Person Transactions
Item 14.	Principal Accounting Fees and Services	The Independent Registered Public Accountants

Equity Compensation Table

The following table sets forth information as of the end of Fiscal 2010 with respect to compensation plans under which our equity securities are authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	7,392,720(1)	$ 24.07	4,076,522
	930,493(2)	$ 0	
Equity compensation plans not approved by security holders	164,325(3)	$ 12.06	0
Total	8,487,538	$ 23.81(4)	4,076,522

(1) Represents 7,392,720 stock options under the 1997 Stock Option and Dividend Equivalent Plan, the 2000 Directors' Stock Option Plan, the 2000 Stock Incentive Plan and the UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006.

(2) Represents 930,493 phantom share units under the UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006.

(3) Column (a) represents 164,325 stock options under the 1992 and 2002 Non-Qualified Stock Option Plans. Under the 1992 and 2002 Non-Qualified Stock Option Plans, the option exercise price is not less than 100% of the fair market value of the Company's common stock on the date of grant. Generally, options become exercisable in three equal annual installments beginning on the first anniversary of the grant date. All options are non-transferable and generally exercisable only while the holder is employed by the Company or an affiliate, with exceptions for exercise following retirement, disability and death. Options are subject to adjustment in the event of recapitalization, stock splits, mergers and other similar corporate transactions affecting the Company's common stock.

(4) Weighted-average exercise price of outstanding options; excludes phantom share units.

The information concerning the Company's executive officers required by Item 10 is set forth below.

EXECUTIVE OFFICERS

Name	Age	Position
Lon R. Greenberg	60	Chairman and Chief Executive Officer
John L. Walsh	55	President and Chief Operating Officer
Davinder S. Athwal	43	Vice President — Accounting and Financial Control and Chief Risk Officer
Eugene V.N. Bissell	57	President and Chief Executive Officer, AmeriGas Propane, Inc.
Bradley C. Hall	57	Vice President — New Business Development
Peter Kelly	53	Vice President — Finance and Chief Financial Officer
Robert H. Knauss	57	Vice President and General Counsel and Assistant Secretary
François Varagne	55	Chairman of the Board and Chief Executive Officer of Antargaz

All officers, except Mr. Varagne, are elected for a one-year term at the organizational meetings of the respective Boards of Directors held each year. Mr. Varagne was re-appointed as Chairman of the Board of Antargaz on April 1, 2010. His term of office is five years.

There are no family relationships between any of the officers or between any of the officers and any of the directors.

Lon R. Greenberg

Mr. Greenberg was elected Chairman of the Board of Directors of UGI effective August 1, 1996, having been elected Chief Executive Officer effective August 1, 1995. He held the office of President of UGI from 1994 to 2005. He was elected Director of UGI and UGI Utilities in July 1994. He was elected a Director of AmeriGas Propane, Inc. in 1994 and has been Chairman since 1996. He also served as President and Chief Executive Officer of AmeriGas Propane (1996 to 2000). Mr. Greenberg was Senior Vice President — Legal and Corporate Development (1989 to 1994). He joined the Company in 1980 as Corporate Development Counsel. Mr. Greenberg also serves on the board of directors and the audit and compensation committees of Aqua America, Inc.

John L. Walsh

Mr. Walsh is President and Chief Operating Officer and a Director (since April 2005). He is also Vice Chairman and Director of AmeriGas Propane, Inc., and Director, Vice Chairman, (since April 2005), President and Chief Executive Officer (since July 2009) of UGI Utilities, Inc. He previously served as Chief Executive of the Industrial and Special Products division and executive director of BOC Group PLC, an industrial gases company (2001 to 2005). From 1986 to 2001, he held various senior management positions with the BOC Group. Prior to joining BOC Group, Mr. Walsh was a Vice President of UGI's industrial gas division prior to its sale to BOC Group in 1989. From 1981 until 1986, Mr. Walsh held several management positions with affiliates of UGI.

Davinder S. Athwal

Mr. Athwal is Vice President — Accounting and Financial Control and Chief Risk Officer (since January 2009). He previously served as the Global Mergers & Acquisitions Controller of Nortel Networks, Inc., a global supplier of telecommunications equipment and solutions, a position in which he served since 2007. Mr. Athwal served as Director, Global Revenue Governance for Nortel Networks, Inc. from 2006 through 2007. Mr. Athwal served in both accounting and risk management roles for IBM Corporation, a globally integrated innovation and technology company (2003 to 2006).

Eugene V.N. Bissell

Mr. Bissell is President, Chief Executive Officer and a Director of AmeriGas Propane, Inc. (since July 2000), having served as Senior Vice President — Sales and Marketing (1999 to 2000) and Vice President — Sales and Operations (1995 to 1999). Previously, he was Vice President — Distributors and Fabrication, BOC Gases (1995), having been Vice President — National Sales (1993 to 1995) and Regional Vice President (Southern Region) for Distributor and Cylinder Gases Division, BOC Gases (1989 to 1993). From 1981 to 1987, Mr. Bissell held various positions with the Company and its subsidiaries, including Director, Corporate Development. Mr. Bissell is a member of the Board of Directors of the National Propane Gas Association and a member of the Kalamazoo College Board of Trustees.

Bradley C. Hall

Mr. Hall is Vice President — New Business Development (since October 1994). He also serves as President of UGI Enterprises, Inc. (since 1994) and UGI Energy Services, Inc. (since 1995). He joined the Company in 1982 and held various positions in UGI Utilities, Inc., including Vice President — Marketing and Rates.

Peter Kelly

Mr. Kelly is Vice President — Finance and Chief Financial Officer (since September 2007). He previously served as Executive Vice President and Chief Financial Officer of Agere Systems, Inc., a global manufacturer of semiconductors, a position in which he served from 2005 to 2007. Mr. Kelly served as Executive Vice President-Global Operations for Agere Systems, Inc. (2001 to 2005). Mr. Kelly currently serves on the board of directors and the audit and compensation and leadership development committees of Plexus Corp., an electronics manufacturing services company. Mr. Kelly is planning to retire in early 2011.

Robert H. Knauss

Mr. Knauss was elected Vice President and General Counsel and Assistant Secretary on September 30, 2003. He previously served as Vice President — Law and Associate General Counsel of AmeriGas Propane, Inc. (1996 to 2003), and Group Counsel — Propane of UGI (1989 to 1996). He joined the Company in 1985. Previously, Mr. Knauss was an associate at the firm of Ballard, Spahr, Andrews & Ingersoll in Philadelphia.

François Varagne

Mr. Varagne is Chairman of the Board and Chief Executive Officer of Antargaz (since 2001). Before joining Antargaz, Mr. Varagne was Chairman of the Board and Chief Executive Officer of VIA GTI, a common carrier in France (1998 to 2001). Prior to that, Mr. Varagne was Chairman of the Board and Chief Executive Officer of Brink's France, a funds carrier (1997 to 1998).

PART IV:

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) Financial Statements:

Included under Item 8 are the following financial statements and supplementary data:

Management's Report on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of September 30, 2010 and 2009

Consolidated Statements of Income for the years ended September 30, 2010, 2009 and 2008

Consolidated Statements of Comprehensive Income for the years ended September 30, 2010, 2009 and 2008

Consolidated Statements of Cash Flows for the years ended September 30, 2010, 2009 and 2008

Consolidated Statements of Changes in Equity for the years ended September 30, 2010, 2009 and 2008

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

I — Condensed Financial Information of Registrant (Parent Company)

II — Valuation and Qualifying Accounts for the years ended September 30, 2010, 2009 and 2008

We have omitted all other financial statement schedules because the required information is (1) not present; (2) not present in amounts sufficient to require submission of the schedule; or (3) included elsewhere in the financial statements or related notes.

(3) List of Exhibits:

The exhibits filed as part of this report are as follows (exhibits incorporated by reference are set forth with the name of the registrant, the type of report and registration number or last date of the period for which it was filed, and the exhibit number in such filing):

		Incorporation by Reference		
Exhibit No.	**Exhibit**	**Registrant**	**Filing**	**Exhibit**
3.1	(Second) Amended and Restated Articles of Incorporation of the Company as amended through June 6, 2005	UGI	Form 10-Q (6/30/05)	3.1
3.2	Bylaws of UGI as amended through September 28, 2004	UGI	Form 8-K (9/28/04)	3.2
4	Instruments defining the rights of security holders, including indentures. (The Company agrees to furnish to the Commission upon request a copy of any instrument defining the rights of holders of long-term debt not required to be filed pursuant to Item 601(b)(4) of Regulation S-K)			
4.1	The description of the Company's Common Stock contained in the Company's registration statement filed under the Securities Exchange Act of 1934, as amended	UGI	Form 8-B/A (4/17/96)	3.(4)
4.2	UGI's (Second) Amended and Restated Articles of Incorporation and Bylaws referred to in 3.1 and 3.2 above			
4.3	Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. dated as of July 27, 2009	AmeriGas Partners, L.P.	Form 10-Q (6/30/09)	3.1
4.4	Indenture, dated May 3, 2005, by and among AmeriGas Partners, L.P., a Delaware limited partnership, AmeriGas Finance Corp., a Delaware corporation, and Wachovia Bank, National Association, as trustee	AmeriGas Partners, L.P.	Form 8-K (5/3/05)	4.1
4.5	Indenture, dated January 26, 2006, by and among AmeriGas Partners, L.P., a Delaware limited partnership, AP Eagle Finance Corp., a Delaware corporation, and U.S. Bank National Association, as trustee	AmeriGas Partners, L.P.	Form 8-K (1/26/06)	4.1

Exhibit No.	Exhibit	Incorporation by Reference		
		Registrant	Filing	Exhibit
4.6	Indenture, dated as of August 1, 1993, by and between UGI Utilities, Inc., as Issuer, and U.S. Bank National Association, as successor trustee, incorporated by reference to the Registration Statement on Form S-3 filed on April 8, 1994	Utilities	Registration Statement No. 33-77514 (4/8/94)	4(c)
4.7	Supplemental Indenture, dated as of September 15, 2006, by and between UGI Utilities, Inc., as Issuer, and U.S. Bank National Association, successor trustee to Wachovia Bank, National Association	Utilities	Form 8-K (9/12/06)	4.2
4.8	Form of Fixed Rate Medium-Term Note	Utilities	Form 8-K (8/26/94)	4(i)
4.9	Form of Fixed Rate Series B Medium-Term Note	Utilities	Form 8-K (8/1/96)	4(i)
4.10	Form of Floating Rate Series B Medium-Term Note	Utilities	Form 8-K (8/1/96)	4(ii)
4.11	Officer’s Certificate establishing Medium-Term Notes Series	Utilities	Form 8-K (8/26/94)	4(iv)
4.12	Form of Officer’s Certificate establishing Series B Medium-Term Notes under the Indenture	Utilities	Form 8-K (8/1/96)	4(iv)
4.13	Form of Officers’ Certificate establishing Series C Medium-Term Notes under the Indenture	Utilities	Form 8-K (5/21/02)	4.2
4.14	Forms of Floating Rate and Fixed Rate Series C Medium-Term Notes	Utilities	Form 8-K (5/21/02)	4.1
10.1**	UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006	UGI	Form 8-K (3/27/07)	10.1
10.2**	UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 — Terms and Conditions as amended and restated effective January 1, 2009	UGI	Form 10-K (9/30/09)	10.2
10.3**	UGI Corporation 2004 Omnibus Equity Compensation Plan Sub-Plan for French Employees effective December 6, 2005	UGI	Form 10-K (9/30/06)	10.66

		Incorporation by Reference		
Exhibit No.	**Exhibit**	**Registrant**	**Filing**	**Exhibit**
10.4**	UGI Corporation Amended and Restated 2004 Omnibus Equity Compensation Plan Sub-Plan for French Employees and Corporate Officers effective May 20, 2008	UGI	Form 10-Q (6/30/08)	10.1
*10.5**	UGI Corporation Amended and Restated Directors' Deferred Compensation Plan as of January 1, 2005			
10.6**	UGI Corporation 2000 Directors' Stock Option Plan Amended and Restated as of May 24, 2005	UGI	Form 10-K (9/30/06)	10.13
*10.7**	UGI Corporation 1997 Stock Option and Dividend Equivalent Plan Amended and Restated as of May 24, 2005			
10.8**	UGI Corporation 2000 Stock Incentive Plan Amended and Restated as of May 24, 2005	UGI	Form 10-K (9/30/06)	10.14
10.9**	UGI Corporation 2009 Deferral Plan As Amended and Restated Effective June 1, 2010	UGI	Form 10-Q (6/30/10)	10.1
10.10**	UGI Corporation Senior Executive Employee Severance Plan as in effect as of January 1, 2008	UGI	Form 10-Q (3/31/08)	10.1
10.11a**	UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan, as Amended and Restated effective January 1, 2009	UGI	Form 10-K (9/30/09)	10.11
10.11b**	Amendment 2009-1 to the UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan as Amended and Restated effective January 1, 2009	UGI	Form 10-Q (12/31/09)	10.1
10.11c**	UGI Corporation 2009 Supplemental Executive Retirement Plan For New Employees	UGI	Form 10-Q (12/31/09)	10.2
10.12**	UGI Corporation Executive Annual Bonus Plan effective as of October 1, 2006	UGI	Form 10-K (9/30/07)	10.8

Exhibit No.	Exhibit	Incorporation by Reference		
		Registrant	Filing	Exhibit
10.13**	AmeriGas Propane, Inc. 2000 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., as amended and restated effective January 1, 2005	AmeriGas Partners, L.P.	Form 10-K (9/30/08)	10.7
10.14a**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Effective July 30, 2010	AmeriGas Partners, L.P.	Form 8-K (7/30/10)	10.2
10.14b**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. — Terms and Conditions	AmeriGas Partners, L.P.	Form 10-K (9/30/10)	10.10a
10.15**	AmeriGas Propane, Inc. Non-Qualified Deferred Compensation Plan, as amended and restated effective January 1, 2009	AmeriGas Partners, L.P.	Form 10-K (9/30/08)	10.44
10.16**	AmeriGas Propane, Inc. Senior Executive Employee Severance Plan, as in effect January 1, 2008	AmeriGas Partners, L.P.	Form 10-K (9/30/09)	10.12
10.17**	AmeriGas Propane, Inc. Executive Employee Severance Plan, as in effect January 1, 2008	AmeriGas Partners, L.P.	Form 10-K (9/30/08)	10.4
10.18**	AmeriGas Propane, Inc. Supplemental Executive Retirement Plan, as Amended and Restated Effective January 1, 2009	AmeriGas Partners, L.P.	Form 10-Q (12/31/09)	10.1
10.19**	AmeriGas Propane, Inc. Executive Annual Bonus Plan, effective as of October 1, 2006	AmeriGas Partners, L.P.	Form 10-K (9/30/07)	10.19
10.20**	Summary of Antargaz Supplemental Retirement Plans effective as of September 1, 2009	UGI	Form 10-K (9/30/09)	10.20
10.21**	UGI Corporation 2004 Omnibus Equity Compensation Plan Stock Unit Grant Letter for Non Employee Directors, dated January 8, 2010	UGI	Form 10-Q (3/31/10)	10.7
10.22**	UGI Corporation 2004 Omnibus Equity Compensation Plan Stock Unit Grant Letter for UGI Employees, dated January 1, 2009	UGI	Form 10-Q (3/31/09)	10.8
10.23**	UGI Corporation 2004 Omnibus Equity Compensation Plan Stock Unit Grant Letter for Utilities Employees, dated January 1, 2009	UGI	Form 10-K (9/30/09)	10.23

		Incorporation by Reference		
Exhibit No.	**Exhibit**	**Registrant**	**Filing**	**Exhibit**
10.24**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for Non Employee Directors, dated January 8, 2010	UGI	Form 10-Q (3/31/10)	10.4
10.25**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for UGI Employees, dated January 1, 2010	UGI	Form 10-Q (3/31/10)	10.5
10.26**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for AmeriGas Employees, dated January 1, 2010	UGI	Form 10-Q (3/31/10)	10.3
10.27**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for Utilities Employees, dated January 1, 2010	UGI	Form 10-Q (3/31/10)	10.6
10.28**	UGI Corporation 2004 Omnibus Equity Compensation Plan Performance Unit Grant Letter for UGI Employees, dated January 1, 2010	UGI	Form 10-Q (3/31/10)	10.1
10.29**	UGI Corporation 2004 Omnibus Equity Compensation Plan Performance Unit Grant Letter for UGI Utilities Employees, dated January 1, 2010	UGI	Form 10-Q (3/31/10)	10.2
10.30**	AmeriGas Propane, Inc. 2000 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., as amended and restated effective January 1, 2005, Restricted Unit Grant Letter dated as of December 31, 2009	AmeriGas Partners, L.P.	Form 10-Q (3/31/10)	10.2
*10.31a**	Amended and Restated UGI Corporation 2004 Omnibus Equity Compensation Plan Sub-Plan for French Employees and Corporate Officers Stock Option Grant Letter effective January 1, 2010			

Exhibit No.	Exhibit	Incorporation by Reference		
		Registrant	Filing	Exhibit
*10.31b**	Amended and Restated UGI Corporation 2004 Omnibus Equity Compensation Plan Sub-Plan for French Employees and Corporate Officers Performance Unit Grant Letter effective January 1, 2010			
*10.32a**	Description of oral compensation arrangements for Messrs. Greenberg, Kelly, Varagne and Walsh			
10.32b**	Description of oral compensation arrangement for Mr. Bissell	AmeriGas Partners, L.P.	Form 10-K (9/30/10)	10.22b
*10.33**	Summary of Director Compensation as of October 1, 2010			
10.34**	Form of Change in Control Agreement Amended and Restated as of May 12, 2008 for Messrs. Greenberg, Hall, Kelly, Knauss and Walsh	UGI	Form 10-Q (6/30/08)	10.3
10.35**	Form of Change in Control Agreement Amended and Restated as of May 12, 2008 for Mr. Bissell	AmeriGas Partners, L.P.	Form 10-Q (6/30/08)	10.1
10.36**	Form of Confidentiality and Post-Employment Activities Agreement with AmeriGas Propane, Inc. for Mr. Bissell	AmeriGas Partners, L.P.	Form 10-Q (3/31/05)	10.3
*10.37	Trademark License Agreement dated April 19, 1995 among UGI Corporation, AmeriGas, Inc., AmeriGas Propane, Inc., AmeriGas Partners, L.P. and AmeriGas Propane, L.P.			
10.38	Trademark License Agreement, dated April 19, 1995 among AmeriGas Propane, Inc., AmeriGas Partners, L.P. and AmeriGas Propane, L.P.	AmeriGas Partners, L.P.	Form 10-Q (3/31/95)	10.7
*10.39	Credit Agreement, dated as of April 17, 2009, among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, Citizens Bank of Pennsylvania, as Syndication Agent, JPMorgan Chase, N.A., as Documentation Agent and Wachovia Bank, National Association, as Administrative Agent			

Exhibit No.	Exhibit	Incorporation by Reference Registrant	Filing	Exhibit
10.40	Amendment No. 1 to Credit Agreement, dated as of July 1, 2010, among the Partnership, as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, Citizens Bank of Pennsylvania, as Syndication Agent, JPMorgan Chase Bank, N.A., as Documentation Agent and Wells Fargo Bank, N.A., as Administrative Agent	AmeriGas Partners, L.P.	Form 8-K (7/1/10)	10.1
10.41	Restricted Subsidiary Guarantee by the Restricted Subsidiaries of AmeriGas Propane, L.P., as Guarantors, for the benefit of Wachovia Bank, National Association and the Banks, dated as of April 17, 2009	AmeriGas Partners, L.P.	Form 8-K (7/20/09)	10.3
*10.42	Credit Agreement dated as of November 6, 2006 among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, Citigroup Global Markets Inc., as Syndication Agent, J.P. Morgan Securities Inc. and Credit Suisse Securities (USA) LLC, as Co-Documentation Agents, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank, and the other financial institutions party thereto			
10.43	Restricted Subsidiary Guarantee by the Restricted Subsidiaries of AmeriGas Propane, L.P., as Guarantors, for the benefit of Wachovia Bank, National Association and the Banks dated as of November 6, 2006	AmeriGas Partners, L.P.	Form 10-K (9/30/06)	10.2
10.44	Release of Liens and Termination of Security Documents dated as of November 6, 2006 by and among AmeriGas Propane, Inc., Petrolane Incorporated, AmeriGas Propane, L.P., AmeriGas Propane Parts & Service, Inc. and Wachovia Bank, National Association, as Collateral Agent for the Secured Creditors, pursuant to the Intercreditor and Agency Agreement dated as of April 19, 1995	AmeriGas Partners, L.P.	Form 10-K (9/30/06)	10.3

Exhibit No.	Exhibit	Incorporation by Reference Registrant	Filing	Exhibit
10.45	Credit Agreement, dated as of August 11, 2006, among UGI Utilities, Inc., as borrower, and Citibank, N.A., as agent, Wachovia Bank, National Association, as syndication agent, and Citizens Bank of Pennsylvania, Credit Suisse, Cayman Islands Branch, Deutsche Bank AG New York Branch, JPMorgan Chase Bank, N.A., Mellon Bank, N.A., PNC Bank, National Association, and the other financial institutions from time to time parties thereto	Utilities	Form 8-K (8/11/06)	10.1
*10.46	Receivables Purchase Agreement, dated as of November 30, 2001, as amended through and including Amendment No. 8 thereto dated April 22, 2010 and Amendment No. 9 thereto dated August 26, 2010, by and among UGI Energy Services, Inc., as servicer, Energy Services Funding Corporation, as seller, Market Street Funding, LLC, as issuer, and PNC Bank, National Association, as administrator			
*10.47	Purchase and Sale Agreement, dated as of November 30, 2001, as amended through and including Amendment No. 3 thereto dated August 26, 2010, by and between UGI Energy Services, Inc. and Energy Services Funding Corporation			
*10.48	Credit Agreement, dated as of August 26, 2010, among UGI Energy Services, Inc., as borrower, and JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent, and Wells Fargo Bank, National Association and Credit Suisse AG, Cayman Islands Branch, as co-documentation agents			
10.49	Senior Facilities Agreement dated December 7, 2005 by and among AGZ Holding, as Borrower and Guarantor, Antargaz, as Borrower and Guarantor, Calyon, as Mandated Lead Arranger, Facility Agent and Security Agent and the Financial Institutions named therein	UGI	Form 10-Q (12/31/05)	10.1

Exhibit No.	Exhibit	Incorporation by Reference		
		Registrant	Filing	Exhibit
10.50	Amendment Agreement dated October 6, 2008 to Senior Facilities Agreement dated December 7, 2005 by and among AGZ Holding, Antargaz, Calyon and the Financial Institutions named therein	UGI	Form 10-K (9/30/08)	10.67(a)
*10.51	Pledge of Financial Instruments Account relating to Financial Instruments held by AGZ Holding in Antargaz, dated December 7, 2005, by and among AGZ Holding, as Pledgor, Calyon, as Security Agent, and the Lenders			
*10.52	Pledge of Financial Instruments Account relating to Financial Instruments held by Antargaz in certain subsidiary companies, dated December 7, 2005, by and among Antargaz, as Pledgor, Calyon, as Security Agent, and the Revolving Lenders			
10.53	Letter of Undertakings dated December 7, 2005, by UGI Bordeaux Holding to AGZ Holding, the Parent of Antargaz, and Calyon, the Facility Agent, acting on behalf of the Lenders, (as defined within the Senior Facilities Agreement)	UGI	Form 10-Q (12/31/05)	10.4
10.54	Security Agreement for the Assignment of Receivables dated as of December 7, 2005 by and among AGZ Holding, as Assignor, Calyon, as Security Agent, and the Lenders named therein	UGI	Form 10-Q (12/31/05)	10.7
10.55	Security Agreement for the Assignment of Receivables dated as of December 7, 2005 by and among Antargaz, as Assignor, Calyon, as Security Agent, and the Lenders named therein	UGI	Form 10-Q (12/31/05)	10.8
10.56	Seller’s Guarantee dated February 16, 2001 among Elf Antar France, Elf Aquitaine and AGZ Holding	UGI	Form 10-Q (3/31/04)	10.5
10.57**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. Effective July 30, 2010	AmeriGas Partners, L.P.	Form 8-K (7/30/10)	10.2

		Incorporation by Reference		
Exhibit No.	**Exhibit**	**Registrant**	**Filing**	**Exhibit**
10.58**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. Effective July 30, 2010 — Terms and Conditions	AmeriGas Partners, L.P.	Form 10-K (9/30/10)	10.10
10.59	Gas Supply and Delivery Service Agreement between UGI Utilities, Inc. and UGI Energy Services, Inc. effective as of May 1, 2007	Utilities	Form 10-Q (6/30/10)	10.1
*10.60	Amendment No. 1 dated November 1, 2004, to the Service Agreement (Rate FSS) dated as of November 1, 1989 between Utilities and Columbia, as modified pursuant to the orders of the Federal Energy Regulatory Commission at Docket No. RS92-5-000 reported at Columbia Gas Transmission Corp., 64 FERC ¶61,060 (1993), order on rehearing, 64 FERC ¶61,365 (1993)			
10.61	Firm Storage and Delivery Service Agreement (Rate GSS) dated July 1, 1996 between Transcontinental Gas Pipe Line Corporation and PG Energy	Utilities	Form 8-K (8/24/06)	10.8
10.62	SST Service Agreement No. 79133 dated November 1, 2004 between Columbia Gas Transmission Corporation and UGI Utilities, Inc.	Utilities	Form 10-Q (6/30/10)	10.2
14	Code of Ethics for principal executive, financial and accounting officers	UGI	Form 10-K (9/30/03)	14
*21	Subsidiaries of the Registrant			
*23	Consent of PricewaterhouseCoopers LLP			

Exhibit No.	Exhibit	Incorporation by Reference		
		Registrant	Filing	Exhibit
*31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2010 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
*31.2	Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2010 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
*32	Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2010, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
*101	The following materials from UGI Corporation's Annual Report on Form 10-K for the year ended September 30, 2010, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Cash Flows; (v) the Consolidated Statements of Changes in Equity; and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text. This Exhibit 101 is deemed not filed for purposes of Section 11 or 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.			

* Filed herewith.

** As required by Item 14(a)(3), this exhibit is identified as a compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

UGI CORPORATION

Date: November 19, 2010

By: /s/ Peter Kelly
Peter Kelly
Vice President — Finance and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on November 19, 2010, by the following persons on behalf of the Registrant in the capacities indicated.

Signature	Title
/s/ Lon R. Greenberg Lon R. Greenberg	Chairman and Chief Executive Officer (Principal Executive Officer) and Director
/s/ John L. Walsh John L. Walsh	President and Chief Operating Officer (Principal Operating Officer) and Director
/s/ Peter Kelly Peter Kelly	Vice President — Finance, Chief Financial Officer (Principal Financial Officer)
/s/ Davinder S. Athwal Davinder S. Athwal	Vice President — Accounting and Financial Control, Chief Risk Officer (Principal Accounting Officer)
/s/ Stephen D. Ban Stephen D. Ban	Director
/s/ Richard C. Gozon Richard C. Gozon	Director
/s/ Ernest E. Jones Ernest E. Jones	Director
/s/ Anne Pol Anne Pol	Director
/s/ M. Shawn Puccio M. Shawn Puccio	Director
/s/ Marvin O. Schlanger Marvin O. Schlanger	Director
/s/ Roger B. Vincent Roger B. Vincent	Director

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UGI CORPORATION AND SUBSIDIARIES

FINANCIAL INFORMATION

FOR INCLUSION IN ANNUAL REPORT ON FORM 10-K

YEAR ENDED SEPTEMBER 30, 2010

UGI CORPORATION

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

We have omitted all other financial statement schedules because the required information is either (1) not present; (2) not present in amounts sufficient to require submission of the schedule; or (3) included elsewhere in the financial statements or related notes.

Report of Management

Financial Statements

The Company's consolidated financial statements and other financial information contained in this Annual Report are prepared by management, which is responsible for their fairness, integrity and objectivity. The consolidated financial statements and related information were prepared in accordance with accounting principles generally accepted in the United States of America and include amounts that are based on management's best judgments and estimates.

The Audit Committee of the Board of Directors is composed of three members, none of whom is an employee of the Company. This Committee is responsible for (i) overseeing the financial reporting process and the adequacy of internal control and (ii) monitoring the independence and performance of the Company's independent registered public accounting firm and internal auditors. The Committee is also responsible for maintaining direct channels of communication among the Board of Directors, management, and both the independent registered public accounting firm and the internal auditors.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, is engaged to perform audits of our consolidated financial statements. These audits are performed in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our independent registered public accounting firm was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and committees of the Board. The Company believes that all representations made to the independent registered public accounting firm during their audits were valid and appropriate.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002, management has conducted an assessment, including testing, of the Company's internal control over financial reporting, using the criteria in Internal Control — Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework").

Internal control over financial reporting refers to the process, designed under the supervision and participation of management including our Chief Executive Officer and our Chief Financial Officer, to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes policies and procedures that, among other things, provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded to permit the preparation of reliable financial information. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changing conditions, or the degree of compliance with the policies or procedures may deteriorate.

Based on its assessment, management has concluded that the Company's internal control over financial reporting was effective as of September 30, 2010, based on the COSO Framework. PricewaterhouseCoopers LLP, our independent registered public accounting firm, audited the effectiveness of the Company's internal control over financial reporting as of September 30, 2010, as stated in their report, which appears herein.

/s/ Lon R. Greenberg
Chief Executive Officer

/s/ Peter Kelly
Chief Financial Officer

/s/ Davinder S. Athwal
Chief Accounting Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of UGI Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, changes in equity and cash flows present fairly, in all material respects, the financial position of UGI Corporation and its subsidiaries at September 30, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2010 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15 (a)(2) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2010 based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedules and the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 3 to the consolidated financial statements, the Company adopted new accounting guidance regarding the accounting for and presentation of noncontrolling interests effective October 1, 2009.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers
Philadelphia, Pennsylvania
November 19, 2010

UGI CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Millions of dollars)

	September 30, 2010	September 30, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 260.7	$ 280.1
Restricted cash	34.8	7.0
Accounts receivable (less allowances for doubtful accounts of $34.6 and $38.3, respectively)	467.8	405.9
Accrued utility revenues	14.0	21.0
Inventories	314.0	363.2
Deferred income taxes	32.6	34.5
Utility regulatory assets	26.1	19.6
Derivative financial instruments	11.3	20.3
Prepaid expenses and other current assets	58.8	33.5
Total current assets	1,220.1	1,185.1
Property, plant and equipment		
Utilities	2,129.3	2,056.9
Non-utility	2,840.4	2,635.5
	4,969.7	4,692.4
Accumulated depreciation and amortization	(1,916.5)	(1,788.8)
Net property, plant, and equipment	3,053.2	2,903.6
Goodwill	1,562.7	1,582.3
Intangible assets, net	150.1	165.5
Other assets	388.2	206.1
Total assets	$ 6,374.3	$ 6,042.6
LIABILITIES AND EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 573.6	$ 94.5
Bank loans	200.4	163.1
Accounts payable	372.6	334.9
Employee compensation and benefits accrued	86.3	89.9
Deposits and advances	165.3	159.6
Derivative financial instruments	58.0	37.5
Other current liabilities	218.5	217.8
Total current liabilities	1,674.7	1,097.3
Debt and other liabilities		
Long-term debt	1,432.2	2,038.6
Deferred income taxes	601.4	504.9
Deferred investment tax credits	5.3	5.7
Other noncurrent liabilities	599.1	579.3
Total liabilities	4,312.7	4,225.8
Commitments and contingencies (note 15)		
Equity:		
UGI Corporation stockholders' equity:		
UGI Common Stock, without par value (authorized - 300,000,000 shares; issued - 115,400,294 and 115,261,294 shares, respectively)	906.1	875.6
Retained earnings	966.7	804.3
Accumulated other comprehensive loss	(10.1)	(38.9)
Treasury stock, at cost	(38.2)	(49.6)
Total UGI Corporation stockholders' equity	1,824.5	1,591.4
Noncontrolling interests, principally in AmeriGas Partners	237.1	225.4(1)
Total equity	2,061.6	1,816.8(1)
Total liabilities and equity	$ 6,374.3	$ 6,042.6

(1) As adjusted in accordance with the transition provisions for accounting for noncontrolling interests in consolidated subsidiaries (Note 3).

See accompanying notes to consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Millions of dollars, except per share amounts)

	Year Ended September 30,		
	2010	2009	2008
Revenues			
Utilities	$ 1,167.7	$ 1,379.5	$ 1,277.5
Non-utility and other	4,423.7	4,358.3	5,370.7
	5,591.4	5,737.8	6,648.2
Costs and Expenses			
Cost of sales (excluding depreciation shown below):			
Utilities	730.5	944.8	915.4
Non-utility and other	2,853.5	2,725.8	3,829.2
Operating and administrative expenses	1,177.4	1,220.0	1,157.3
Utility taxes other than income taxes	18.6	16.9	18.3
Depreciation	187.6	180.2	163.8
Amortization	22.6	20.7	20.6
Other income, net	(58.0)	(55.9)	(41.6)
	4,932.2	5,052.5	6,063.0
Operating income	659.2	685.3	585.2
Loss from equity investees	(2.1)	(3.1)	(2.9)
Interest expense	(133.8)	(141.1)	(142.5)
Income before income taxes	523.3	541.1	439.8
Income taxes	(167.6)	(159.1)	(134.5)
Net income	355.7	382.0(1)	305.3(1)
Less: net income attributable to noncontrolling interests, principally in AmeriGas Partners	(94.7)	(123.5)(1)	(89.8)(1)
Net income attributable to UGI Corporation	$ 261.0	$ 258.5(1)	$ 215.5(1)
Earnings per common share attributable to UGI Corporation stockholders:			
Basic	$ 2.38	$ 2.38	$ 2.01
Diluted	$ 2.36	$ 2.36	$ 1.99
Average common shares outstanding (thousands):			
Basic	109,588	108,523	107,396
Diluted	110,511	109,339	108,521

(1) As adjusted in accordance with the transition provisions for accounting for noncontrolling interests in consolidated subsidiaries (Note 3).

See accompanying notes to consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Millions of dollars)

	Year Ended September 30,		
	2010	2009	2008
Net income	$ 355.7	$ 382.0(1)	$ 305.3(1)
Net losses on derivative instruments (net of tax of $(29.2), $82.1 and $21.6, respectively)	(16.8)	(204.1)	(49.4)
Reclassifications of net losses (gains) on derivative instruments (net of tax of $(25.3), $(78.6) and $2.1, respectively)	22.9	225.0	(32.9)
Foreign currency translation adjustments (net of tax of $7.9, $(8.4) and $1.2, respectively)	(39.4)	29.5	(6.6)
Benefit plans (net of tax of $12.7, $31.1 and $20.3, respectively)	(18.7)	(44.4)	(28.5)
Reclassification of benefit plans actuarial losses and prior service costs (net of tax of $(2.9), $(1.6) and $(0.1), respectively) to net income	4.2	2.3	0.2
Reclassification of pension plans actuarial losses and prior service costs (net of tax of $(59.1)) to regulatory assets	83.3	—	—
Cumulative effect from initial adoption of new accounting for uncertain tax positions	—	—	(1.2)
Comprehensive income	391.2	390.3	186.9
Less: comprehensive income attributable to noncontrolling interests, principally in AmeriGas Partners	(101.4)	(155.5)	(45.5)
Comprehensive income attributable to UGI Corporation	$ 289.8	$ 234.8	$ 141.4

(1) As adjusted in accordance with the transition provisions for accounting for noncontrolling interests in consolidated subsidiaries (Note 3).

See accompanying notes to consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of dollars)

	Year Ended September 30,		
	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 355.7	$ 382.0(1)	$ 305.3(1)
Reconcile to net cash provided by operating activities:			
Depreciation and amortization	210.2	200.9	184.4
Gains on sales of LPG storage facilities	(36.5)	(39.9)	—
Deferred income taxes, net	62.6	26.8	(0.9)
Provision for uncollectible accounts	27.1	34.1	37.1
Stock-based compensation expense	13.2	11.4	11.8
Net change in realized gains and losses deferred as cash flow hedges	23.8	(21.0)	(3.8)
Other, net	7.7	17.4	(8.6)
Net change in:			
Accounts receivable and accrued utility revenues	(94.6)	79.5	(22.2)
Inventories	34.3	67.0	(42.3)
Utility deferred fuel costs, net of changes in unsettled derivatives	(18.5)	10.3	21.5
Accounts payable	47.1	(146.1)	(6.0)
Other current assets	(9.4)	30.3	(28.5)
Other current liabilities	(23.9)	12.3	16.6
Net cash provided by operating activities	598.8	665.0	464.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(347.3)	(301.7)	(232.1)
Acquisitions of businesses, net of cash acquired	(83.0)	(322.6)	(1.3)
Net proceeds from sale of Partnership LPG storage facility	—	42.4	—
Net proceeds from sale of Atlantic Energy, LLC	66.6	—	—
(Increase) decrease in restricted cash	(27.8)	63.3	(57.5)
Other, net	(7.8)	(1.3)	1.4
Net cash used by investing activities	(399.3)	(519.9)	(289.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends on UGI Common Stock	(98.6)	(85.1)	(80.9)
Distributions on AmeriGas Partners publicly held Common Units	(89.1)	(90.4)	(80.9)
Issuances of debt	—	118.0	34.0
Repayments of debt	(94.8)	(82.2)	(15.7)
Increase (decrease) in bank loans	37.9	13.1	(60.9)
Issuances of UGI Common Stock	27.5	10.8	20.9
Other	3.5	1.2	3.4
Net cash used by financing activities	(213.6)	(114.6)	(180.1)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(5.3)	4.4	(1.4)
Cash and cash equivalents (decrease) increase	$ (19.4)	$ 34.9	$ (6.6)
Cash and cash equivalents:			
End of year	$ 260.7	$ 280.1	$ 245.2
Beginning of year	280.1	245.2	251.8
(Decrease) increase	$ (19.4)	$ 34.9	$ (6.6)
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for:			
Interest	$ 130.5	$ 136.3	$ 144.9
Income taxes	$ 128.5	$ 130.2	$ 134.8

(1) As adjusted in accordance with the transition provisions for accounting for noncontrolling interests in consolidated subsidiaries (Note 3).

See accompanying notes to consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Millions of dollars, except per share amounts)

	Year Ended September 30,		
	2010	2009	2008
Common stock, without par value			
Balance, beginning of year	$ 875.6	$ 858.3	$ 831.6
Common Stock issued:			
Employee and director plans	14.4	2.9	11.2
Dividend reinvestment plan	1.7	1.6	1.7
Excess tax benefits realized on equity-based compensation	4.2	2.9	3.4
Stock-based compensation expense	10.2	9.9	10.4
Balance, end of year	$ 906.1	$ 875.6	$ 858.3
Retained earnings			
Balance, beginning of year	$ 804.3	$ 630.9	$ 497.5
Net income attributable to UGI Corporation	261.0	258.5(1)	215.5(1)
Cumulative effect from initial adoption of new accounting for uncertain tax positions	—	—	(1.2)
Cash dividends on Common Stock ($0.90, $0.785 and $0.755 per share, respectively)	(98.6)	(85.1)	(80.9)
Balance, end of year	$ 966.7	$ 804.3	$ 630.9
Accumulated other comprehensive income (loss)			
Balance, beginning of year	$ (38.9)	$ (15.2)	$ 57.7
Net losses on derivative instruments, net of tax	(37.8)	(127.3)	(34.9)
Reclassification of net losses (gains) on derivative instruments, net of tax	37.2	116.2	(3.1)
Benefit plans, principally actuarial losses, net of tax	(18.7)	(44.4)	(28.5)
Reclassification of benefit plans actuarial losses and prior service costs, net of tax, to net income	4.2	2.3	0.2
Reclassifications of pension plans actuarial losses and prior service cost, net of tax, to regulatory assets	83.3	—	—
Foreign currency translation adjustments, net of tax	(39.4)	29.5	(6.6)
Balance, end of year	$ (10.1)	$ (38.9)	$ (15.2)
Treasury stock			
Balance, beginning of year	$ (49.6)	$ (56.3)	$ (64.9)
Common Stock issued:			
Employee and director plans	10.6	5.9	8.1
Dividend reinvestment plan	0.8	0.8	0.5
Balance, end of year	$ (38.2)	$ (49.6)	$ (56.3)
Total UGI Corporation stockholders' equity	$ 1,824.5	$ 1,591.4	$ 1,417.7
Noncontrolling interests			
Balance, beginning of year	$ 225.4	$ 159.2(1)	$ 192.2(1)
Net income attributable to noncontrolling interests, principally in AmeriGas Partners	94.7	123.5(1)	89.8(1)
Net gains (losses) on derivative instruments	21.0	(76.8)(1)	(14.5)(1)
Reclassification of net (gains) losses on derivative instruments	(14.3)	108.8(1)	(29.8)(1)
Dividends and distributions	(89.1)	(91.7)(1)	(80.9)(1)
Other	(0.6)	2.4(1)	2.4(1)
Balance, end of year	$ 237.1	$ 225.4(1)	$ 159.2(1)
Total equity	$ 2,061.6	$ 1,816.8(1)	$ 1,576.9(1)

(1) As adjusted in accordance with the transition provisions for accounting for noncontrolling interests in consolidated subsidiaries (Note 3).

See accompanying notes to consolidated financial statements.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Index to Notes

Note 1 — Nature of Operations

UGI Corporation ("UGI") is a holding company that, through subsidiaries and affiliates, distributes and markets energy products and related services. In the United States, we own and operate (1) a retail propane marketing and distribution business; (2) natural gas and electric distribution utilities; (3) electricity generation facilities; and (4) an energy marketing, midstream infrastructure and energy services business. Internationally, we market and distribute propane and other liquefied petroleum gases ("LPG") in Europe and China. We refer to UGI and its consolidated subsidiaries collectively as "the Company" or "we."

We conduct a domestic propane marketing and distribution business through AmeriGas Partners, L.P. ("AmeriGas Partners"), a publicly traded limited partnership, and its principal operating subsidiaries AmeriGas Propane, L.P. ("AmeriGas OLP") and AmeriGas OLP's subsidiary, AmeriGas Eagle Propane, L.P. (together with AmeriGas OLP, the "Operating Partnerships"). AmeriGas Eagle Propane, L.P. merged with and into AmeriGas OLP on October 1, 2010. AmeriGas Partners and the Operating Partnerships are Delaware limited partnerships. UGI's wholly owned second-tier subsidiary AmeriGas Propane, Inc. (the "General Partner") serves as the general partner of AmeriGas Partners and AmeriGas OLP. We refer to AmeriGas Partners and its subsidiaries together as "the Partnership" and the General Partner and its subsidiaries, including the Partnership, as "AmeriGas Propane." At September 30, 2010, the General Partner held a 1% general partner interest and 42.8% limited partner interest in AmeriGas Partners and an effective 44.4% ownership interest in AmeriGas OLP. Our limited partnership interest in AmeriGas Partners comprises 24,691,209 AmeriGas Partners Common Units ("Common Units"). The remaining 56.2% interest in AmeriGas Partners comprises 32,397,300 Common Units held by the general public as limited partner interests. Effective October 1, 2010, AmeriGas Eagle Propane, L.P. merged with and into AmeriGas OLP.

Our wholly owned subsidiary UGI Enterprises, Inc. ("Enterprises") through subsidiaries (1) conducts an LPG distribution business in France ("Antargaz"); (2) conducts an LPG distribution business in other European countries ("Flaga"); and (3) conducts an LPG distribution business in the Nantong region of China. We refer to our foreign operations collectively as "International Propane." Enterprises, through Energy Services, Inc. and its subsidiaries, conducts an energy marketing, midstream infrastructure and energy services business primarily in the Mid-Atlantic region of the United States. In addition, Energy Services' wholly owned subsidiary, UGI Development Company ("UGID"), owns all or a portion of electric generation facilities located in Pennsylvania. The businesses of Energy Services and its subsidiaries, including UGID, are referred to herein collectively as "Midstream & Marketing." Enterprises also conducts heating, ventilation, air-conditioning, refrigeration and electrical contracting businesses in the Mid-Atlantic region through first-tier subsidiaries.

UGI Corporation and Subsidiaries
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Our natural gas and electric distribution utility businesses are conducted through our wholly owned subsidiary UGI Utilities, Inc. ("UGI Utilities") and its subsidiaries UGI Penn Natural Gas, Inc. ("PNG") and UGI Central Penn Gas, Inc. ("CPG"). UGI Utilities, PNG and CPG own and operate natural gas distribution utilities in eastern, northeastern and central Pennsylvania. UGI Utilities also owns and operates an electric distribution utility in northeastern Pennsylvania ("Electric Utility"). UGI Utilities' natural gas distribution utility is referred to as "UGI Gas;" PNG's natural gas distribution utility is referred to as "PNG Gas;" and CPG's natural gas distribution utility is referred to as "CPG Gas." UGI Gas, PNG Gas and CPG Gas are collectively referred to as "Gas Utility." Gas Utility is subject to regulation by the Pennsylvania Public Utility Commission ("PUC") and the Maryland Public Service Commission, and Electric Utility is subject to regulation by the PUC. Gas Utility and Electric Utility are collectively referred to as "Utilities."

Note 2 — Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and costs. These estimates are based on management's knowledge of current events, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may be different from these estimates and assumptions.

Certain prior-year amounts have been reclassified to conform to the current-year presentation. As discussed in Note 3, the consolidated financial statements have been adjusted to comply with recently adopted Financial Accounting Standards Board's ("FASB's") accounting guidance regarding the presentation of noncontrolling interests in consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of UGI and its controlled subsidiary companies which, except for the Partnership, are majority owned. We report the general public's interests in the Partnership and other parties' interests in consolidated but less than 100% owned subsidiaries as noncontrolling interests. We eliminate all significant intercompany accounts and transactions when we consolidate. Investments in business entities in which we do not have control, but have significant influence over operating or financial policies, are accounted for under the equity method of accounting and our proportionate share of income or loss is recorded in loss from equity investees on the Consolidated Statements of Income. Undistributed net earnings of our equity investees included in consolidated retained earnings were not material at September 30, 2010. Investments in business entities that are not publicly traded and in which we hold less than 20% of voting rights are accounted for using the cost method. Such investments are recorded in other assets and totaled $68.8 and $55.0 at September 30, 2010 and 2009, respectively.

On January 29, 2009, Flaga purchased for cash consideration the 50% equity interest in Zentraleuropa LPG Holdings GmbH ("ZLH") it did not already own from its joint-venture partner, Progas GmbH & Co. KG. As a result, the operations of ZLH are consolidated with those of the Company beginning in January 2009.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
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Effects of Regulation

UGI Utilities accounts for the financial effects of regulation in accordance with the FASB's guidance in Accounting Standards Codification ("ASC") 980 related to regulated entities whose rates are designed to recover the costs of providing service. In accordance with this guidance, incurred costs and estimated future expenditures that would otherwise be charged to expense are capitalized and recorded as regulatory assets when it is probable that the incurred costs or estimated future expenditures will be recovered in rates in the future. Similarly, we recognize regulatory liabilities when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have not yet been incurred. Generally, regulatory assets are amortized into expense and regulatory liabilities are amortized into income over the period authorized by the regulator.

For additional information regarding the effects of rate regulation on our utility operations, see Note 8.

Fair Value Measurements

We apply fair value measurements to certain assets and liabilities, principally our commodity, foreign currency and interest rate derivative instruments. We adopted new accounting guidance with respect to determining fair value measurements effective October 1, 2008. The new guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The new guidance clarifies that fair value should be based upon assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and risks inherent in valuation techniques and inputs to valuations. This includes not only the credit standing of counterparties and credit enhancements but also the impact of our own nonperformance risk on our liabilities. The new guidance requires fair value measurements to assume that the transaction occurs in the principal market for the asset or liability or in the absence of a principal market, the most advantageous market for the asset or liability (the market for which the reporting entity would be able to maximize the amount received or minimize the amount paid). We evaluate the need for credit adjustments to our derivative instrument fair values in accordance with the requirements noted above. Such adjustments were not material to the fair values of our derivative instruments.

We use the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets and liabilities that we have the ability to access at the measurement date. Instruments categorized in Level 1 consist of our exchange-traded commodity futures and option contracts and non exchange-traded commodity futures and non exchange-traded electricity forward contracts whose underlying is identical to an exchange-traded contract.

- Level 2 — Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means. Instruments categorized in Level 2 include non-exchange traded derivatives such as over the counter commodity price swap and option contracts, interest rate swaps and interest rate protection agreements, foreign currency forward contracts, financial transmission rights ("FTRs") and non exchange-traded electricity forward contracts that do not qualify for Level 1.

- Level 3 — Unobservable inputs for the asset or liability including situations where there is little, if any, market activity for the asset or liability. We did not have any derivative financial instruments categorized as Level 3 at September 30, 2010 or 2009.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs to measure fair value might fall into different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The adoption of the new fair value guidance effective October 1, 2008 did not have a material impact on our financial statements. See Note 16 for additional information on fair value measurements.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
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Derivative Instruments

We account for derivative instruments and hedging activities in accordance with guidance provided by the FASB which requires that all derivative instruments be recognized as either assets or liabilities and measured at fair value. The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it is designated and qualifies for hedge accounting.

A substantial portion of our derivative financial instruments are designated and qualify as cash flow hedges or net investment hedges or, in the case of natural gas derivative financial instruments used by Gas Utility and certain Electric Utility derivative financial instruments, are included in deferred fuel and power costs or deferred fuel and power refunds in accordance with FASB guidance regarding accounting for rate-regulated entities. For cash flow hedges, changes in the fair value of the derivative financial instruments are recorded in accumulated other comprehensive income ("AOCI") or noncontrolling interests, to the extent effective at offsetting changes in the hedged item, until earnings are affected by the hedged item. We discontinue cash flow hedge accounting if the occurrence of the forecasted transaction is determined to be no longer probable. Gains and losses on net investment hedges which relate to our foreign operations are included in AOCI until such foreign operations are liquidated. Certain of our derivative financial instruments, although generally effective as hedges, do not qualify for hedge accounting treatment. Changes in the fair values of these derivative instruments are reflected in net income. Cash flows from derivative financial instruments, other than net investment hedges, are included in cash flows from operating activities. Cash flows from net investment hedges are included in cash flows from investing activities.

For a more detailed description of the derivative instruments we use, our accounting for derivatives, our objectives for using them and related supplemental information required by GAAP, see Note 17.

Foreign Currency Translation

Balance sheets of international subsidiaries are translated into U.S. dollars using the exchange rate at the balance sheet date. Income statements and equity investee results are translated into U.S. dollars using an average exchange rate for each reporting period. Where the local currency is the functional currency, translation adjustments are recorded in other comprehensive income.

Revenue Recognition

Revenues from the sale of LPG are recognized principally upon delivery. Midstream & Marketing records revenues when energy products are delivered or services are provided to customers. Revenues from the sale of appliances and equipment are recognized at the later of sale or installation. Revenues from repair or maintenance services are recognized upon completion of services.

UGI Utilities' regulated revenues are recognized as natural gas and electricity are delivered and include estimated amounts for distribution service and commodities rendered but not billed at the end of each month. We reflect the impact of Gas Utility and Electric Utility rate increases or decreases at the time they become effective.

We present revenue-related taxes collected from customers and remitted to taxing authorities, principally sales and use taxes, on a net basis. Electric Utility gross receipts taxes are included in total revenues in accordance with regulatory practice.

LPG Delivery Expenses

Expenses associated with the delivery of LPG to customers of the Partnership and our International Propane operations (including vehicle expenses, expenses of delivery personnel, vehicle repair and maintenance and general liability expenses) are classified as operating and administrative expenses on the Consolidated Statements of Income. Depreciation expense associated with the Partnership and International Propane delivery vehicles is classified in depreciation on the Consolidated Statements of Income.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Income Taxes

AmeriGas Partners and the Operating Partnerships are not directly subject to federal income taxes. Instead, their taxable income or loss is allocated to the individual partners. We record income taxes on (1) our share of the Partnership's current taxable income or loss and (2) the differences between the book and tax basis of our investment in the Partnership. The Operating Partnerships have subsidiaries which operate in corporate form and are directly subject to federal and state income taxes. Legislation in certain states allows for taxation of partnership income and the accompanying financial statements reflect state income taxes resulting from such legislation.

Gas Utility and Electric Utility record deferred income taxes in the Consolidated Statements of Income resulting from the use of accelerated tax depreciation methods based upon amounts recognized for ratemaking purposes. They also record a deferred income tax liability for tax benefits, principally the result of accelerated tax depreciation for state income tax purposes, that are flowed through to ratepayers when temporary differences originate and record a regulatory income tax asset for the probable increase in future revenues that will result when the temporary differences reverse.

We are amortizing deferred investment tax credits related to UGI Utilities' plant additions over the service lives of the related property. UGI Utilities reduces its deferred income tax liability for the future tax benefits that will occur when investment tax credits, which are not taxable, are amortized. We also reduce the regulatory income tax asset for the probable reduction in future revenues that will result when such deferred investment tax credits amortize. Investment tax credits associated with Midstream & Marketing's qualifying solar energy property under the Emergency Economic Stabilization Act of 2008 are reflected in income tax expense when such property is placed in service.

We record interest on tax deficiencies and income tax penalties in income taxes on the Consolidated Statements of Income. For Fiscal 2010, Fiscal 2009 and Fiscal 2008, interest (income) expense of $(0.2), $(0.4) and $0.2, respectively, was recognized in income taxes in the Consolidated Statements of Income.

Effective October 1, 2007, we adopted new interpretive guidance issued by the FASB on accounting for uncertainty related to income taxes. The cumulative effect from the adoption of the new guidance was recorded as a $1.2 decrease to the October 1, 2007 retained earnings.

Earnings Per Common Share

Basic earnings per share attributable to UGI Corporation stockholders reflect the weighted-average number of common shares outstanding. Diluted earnings per share include the effects of dilutive stock options and common stock awards. In the following table, we present shares used in computing basic and diluted earnings per share for Fiscal 2010, Fiscal 2009 and Fiscal 2008:

(Thousands of shares)	2010	2009	2008
Average common shares outstanding for basic computation	109,588	108,523	107,396
Incremental shares issuable for stock options and common stock awards	923	816	1,125
Average common shares outstanding for diluted computation	110,511	109,339	108,521

Comprehensive Income

Comprehensive income comprises net income and other comprehensive income (loss). Other comprehensive income (loss) principally results from gains and losses on derivative instruments qualifying as cash flow hedges, actuarial gains and losses on postretirement benefit plans and foreign currency translation adjustments. Other comprehensive income in Fiscal 2010 also includes the reclassification of $83.3 of accumulated other comprehensive losses associated with a UGI Utilities' pension plan, principally actuarial losses, to regulatory assets and deferred income taxes as a result of an August 2010 PUC order regarding regulatory treatment of the pension plan's funded status (see Note 8).

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

The components of AOCI at September 30, 2010 and 2009 follow:

	Postretirement Benefit Plans	Derivative Instruments Net Losses	Foreign Currency Translation Adjustments	Total
Balance, September 30, 2010	$ (12.8)	$ (54.1)	$ 56.8	$ (10.1)
Balance, September 30, 2009	$ (81.5)	$ (53.6)	$ 96.2	$ (38.9)

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less when purchased are classified as cash equivalents.

Restricted Cash

Restricted cash represents those cash balances in our commodity futures and option brokerage accounts which are restricted from withdrawal.

Inventories

Our inventories are stated at the lower of cost or market. We determine cost using an average cost method for natural gas, propane and other LPG; specific identification for appliances; and the first-in, first-out (“FIFO”) method for all other inventories.

Property, Plant and Equipment and Related Depreciation

We record property, plant and equipment at original cost. The amounts assigned to property, plant and equipment of acquired businesses are based upon estimated fair value at date of acquisition.

We record depreciation expense on non-utility plant and equipment on a straight-line basis over estimated economic useful lives ranging from 15 to 40 years for buildings and improvements; 7 to 40 years for storage and customer tanks and cylinders; 25 years for currently operating electricity generation facilities; and 2 to 12 years for vehicles, equipment and office furniture and fixtures. Costs to install Partnership and Antargaz-owned tanks, net of amounts billed to customers, are capitalized and amortized over the estimated period of benefit not exceeding ten years.

We record depreciation expense for Utilities’ plant and equipment on a straight-line basis over the estimated average remaining lives of the various classes of its depreciable property. Depreciation expense as a percentage of the related average depreciable base for Gas Utility was 2.5% in Fiscal 2010, and 2.4% in Fiscal 2009 and Fiscal 2008. Depreciation expense as a percentage of the related average depreciable base for Electric Utility was 2.6% in Fiscal 2010, 2.9% in Fiscal 2009 and 2.6% in Fiscal 2008. When Utilities retire depreciable utility plant and equipment, we charge the original cost, net of removal costs and salvage value, to accumulated depreciation for financial accounting purposes.

We include in property, plant and equipment costs associated with computer software we develop or obtain for use in our businesses. We amortize computer software costs on a straight-line basis over expected periods of benefit not exceeding fifteen years once the installed software is ready for its intended use.

No depreciation expense is included in cost of sales in the Consolidated Statements of Income.

UGI Corporation and Subsidiaries
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Goodwill and Intangible Assets

In accordance with GAAP relating to goodwill and other intangibles, we amortize intangible assets over their estimated useful lives unless we determine their lives to be indefinite. Goodwill and other intangible assets with indefinite lives are not amortized but are subject to tests for impairment at least annually. We perform impairment tests more frequently than annually if events or circumstances indicate that the value of goodwill or intangible assets with indefinite lives might be impaired. When performing our impairment tests, we use quoted market prices or, in the absence of quoted market prices, discounted estimates of future cash flows. No provisions for goodwill or other intangible asset impairments were recorded during Fiscal 2010, Fiscal 2009 or Fiscal 2008.

No amortization expense is included in cost of sales in the Consolidated Statements of Income. For further information, see Note 11.

Impairment of Long-Lived Assets

We evaluate the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We evaluate recoverability based upon undiscounted future cash flows expected to be generated by such assets. No provisions for impairments were recorded during Fiscal 2010, Fiscal 2009 or Fiscal 2008.

Refundable Tank and Cylinder Deposits

Included in “Other noncurrent liabilities” on our Consolidated Balance Sheets are customer paid deposits on Antargaz owned tanks and cylinders of $211.8 and $230.3 at September 30, 2010 and 2009, respectively. Deposits are refundable to customers when the tanks or cylinders are returned in accordance with contract terms.

Environmental Matters

We are subject to environmental laws and regulations intended to mitigate or remove the effect of past operations and improve or maintain the quality of the environment. These laws and regulations require the removal or remedy of the effect on the environment of the disposal or release of certain specified hazardous substances at current or former operating sites.

Environmental reserves are accrued when assessments indicate that it is probable that a liability has been incurred and an amount can reasonably be estimated. Amounts recorded as environmental liabilities on the balance sheets represent our best estimate of costs expected to be incurred or, if no best estimate can be made, the minimum liability associated with a range of expected environmental investigation and remediation costs. Our estimated liability for environmental contamination is reduced to reflect anticipated participation of other responsible parties but is not reduced for possible recovery from insurance carriers. In those instances for which the amount and timing of cash payments associated with environmental investigation and cleanup are reliably determinable, we discount such liabilities to reflect the time value of money. We intend to pursue recovery of incurred costs through all appropriate means, including regulatory relief. UGI Gas is permitted to amortize as removal costs site-specific environmental investigation and remediation costs, net of related third-party payments, associated with Pennsylvania sites. UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs. CPG Gas and PNG Gas base rate revenues include amounts for estimated environmental investigation and remediation costs associated with Pennsylvania sites. For further information, see Note 15.

Employee Retirement Plans

We use a market-related value of plan assets and an expected long-term rate of return to determine the expected return on assets of our pension and other postretirement plans. The market-related value of plan assets, other than equity investments, is based upon fair values. The market-related value of equity investments is calculated by rolling forward the prior-year’s market-related value with contributions, disbursements and the expected return on plan assets. One third of the difference between the expected and the actual value is then added to or subtracted from the expected value to determine the new market-related value (see Note 7).

UGI Corporation and Subsidiaries
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Equity-Based Compensation

All of our equity-based compensation, principally comprising UGI stock options, grants of UGI stock-based equity instruments and grants of AmeriGas Partners equity instruments (together with UGI stock-based equity instruments, "Units"), is measured at fair value on the grant date, date of modification or end of the period, as applicable. Compensation expense is recognized on a straight-line basis over the requisite service period. Depending upon the settlement terms of the awards, all or a portion of the fair value of equity-based awards may be presented as a liability or as equity in our Consolidated Balance Sheets. Equity-based compensation costs associated with the portion of Unit awards classified as equity are measured based upon their estimated fair value on the date of grant or modification. Equity-based compensation costs associated with the portion of Unit awards classified as liabilities are measured based upon their estimated fair value at the grant date and remeasured as of the end of each period.

We have calculated a tax windfall pool using the shortcut method. We record deferred tax assets for awards that we expect will result in deductions on our income tax returns, based on the amount of compensation cost recognized and the statutory tax rate in the jurisdiction in which we will receive a deduction. Differences between the deferred tax assets recognized for financial reporting purposes and the actual tax benefit received on the income tax return are recorded in Common Stock (if the tax benefit exceeds the deferred tax asset) or in the Consolidated Statements of Income (if the deferred tax asset exceeds the tax benefit and no tax windfall pool exists from previous awards).

For additional information on our equity-based compensation plans and related disclosures, see Note 13.

Note 3 — Accounting Changes

Adoption of New Accounting Standards

Noncontrolling Interests. Effective October 1, 2009, we adopted new guidance regarding the accounting for and presentation of noncontrolling interests in consolidated financial statements. The new guidance changed the accounting and reporting relating to noncontrolling interests in a consolidated subsidiary. Noncontrolling interests are now classified within equity on the Consolidated Balance Sheets, a change from their prior classification between liabilities and stockholders' equity. Earnings (losses) attributable to noncontrolling interests are now included in net income (loss) and deducted from net income (loss) to determine net income (loss) attributable to UGI Corporation. In addition, changes in a parent's ownership interest while retaining control are accounted for as equity transactions and any retained noncontrolling equity investments in a former subsidiary are initially measured at fair value. In accordance with the new guidance, previous periods have been adjusted to conform to the new presentation.

Business Combinations. Effective October 1, 2009, we adopted new guidance on accounting for business combinations. The new guidance applies to all transactions or other events in which an entity obtains control of one or more businesses. The new guidance establishes, among other things, principles and requirements for how the acquirer (1) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; (2) recognizes and measures the goodwill acquired in a business combination or gain from a bargain purchase; and (3) determines what information with respect to a business combination should be disclosed. The new guidance applies prospectively to business combinations for which the acquisition date is on or after October 1, 2009. Among the more significant changes in accounting for acquisitions are (1) transaction costs are generally expensed (rather than being included as costs of the acquisition); (2) contingencies, including contingent consideration, are generally recorded at fair value with subsequent adjustments recognized in operations (rather than as adjustments to the purchase price); and (3) decreases in valuation allowances on acquired deferred tax assets are recognized in operations (rather than as decreases in goodwill). The new guidance did not have a material impact on our Fiscal 2010 financial statements.

Intangible Asset Useful Lives. Effective October 1, 2009, we adopted new accounting guidance which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under GAAP. The intent of the new guidance is to improve the consistency between the useful life of a recognized intangible asset under GAAP relating to intangible asset accounting and the period of expected cash flows used to measure the fair value of the asset under GAAP relating to business combinations and other applicable accounting literature. The new guidance must be applied prospectively to intangible assets acquired after the effective date. The adoption of the new guidance did not impact our financial statements.

Enhanced Disclosures of Postretirement Plan Assets. Effective September 30, 2010, we adopted accounting guidance requiring more detailed disclosures about employers' postretirement plan assets, including employers' investment strategies, major categories of plan assets, concentrations of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. Because this new guidance relates to disclosures only, it did not impact the financial statements. The enhanced disclosures are presented in Note 7.

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Fair Value Measurements. In January 2010, the FASB issued new guidance with respect to fair value measurements disclosures. The new guidance requires additional disclosure related to transfers between Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements related to Level 3. The new guidance clarifies existing disclosure guidance about inputs and valuation techniques for fair value measurements and levels of disaggregation. We apply fair value measurements to certain assets and liabilities, principally commodity, foreign currency and interest rate derivative instruments. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009 except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2009 (Fiscal 2011) and interim periods thereafter. The adoption of the new guidance that became effective during Fiscal 2010 did not have a material effect on our disclosures. See Notes 2 and 16 for further information on fair value measurements.

New Accounting Standards Not Yet Adopted

Transfers of Financial Assets. In June 2009, the FASB issued new guidance regarding accounting for transfers of financial assets. Among other things, the new guidance eliminates the concept of Qualified Special Purpose Entities ("QSPEs"). It also amends previous derecognition guidance. The new guidance is effective for financial asset transfers occurring after the beginning of an entity's fiscal year that begins after November 15, 2009 (Fiscal 2011). The adoption of the new accounting guidance will change the accounting for transfers of accounts receivable to a commercial paper conduit of a major bank under the Energy Services Receivables Facility (see Note 18). Beginning October 1, 2010, trade receivables transferred to the commercial paper conduit will remain on the Company's balance sheet and the Company will reflect a liability equal to the amount advanced by the commercial paper conduit. Under current accounting guidance, trade accounts receivable sold to the commercial paper conduit are removed from the balance sheet. Additionally, the Company will record interest expense on amounts owed to the commercial paper conduit. Currently, losses on sales of accounts receivable are reflected in other income, net.

Note 4 — Acquisitions & Dispositions

During Fiscal 2010, AmeriGas OLP acquired a number of domestic retail propane distribution businesses for $34.3 cash, and our International Propane operations acquired propane distribution businesses in Denmark, Hungary and Switzerland, and an additional 46% interest in our retail business in China, for total cash consideration of $48.7. During Fiscal 2009, AmeriGas OLP, in addition to the acquisition of the assets of CPP described below, acquired several retail propane distribution businesses for total cash consideration of $17.9 and Flaga acquired the 50% of ZLH it did not already own for $18.2. During Fiscal 2008, AmeriGas OLP acquired several retail propane distribution businesses for total cash consideration of $2.5.

On October 1, 2008, UGI Utilities acquired all of the outstanding stock of PPL Gas Utilities Corporation (now CPG), the natural gas distribution utility of PPL Corporation ("PPL") for cash consideration of $267.6 plus estimated working capital of $35.4 (the "CPG Acquisition"). Immediately after the closing of the CPG Acquisition, CPG's wholly owned subsidiary Penn Fuel Propane, LLC (now named UGI Central Penn Propane, LLC, "CPP"), its retail propane distributor, sold its assets to AmeriGas OLP. CPG distributes natural gas to approximately 76,000 customers in eastern and central Pennsylvania, and also distributes natural gas to several hundred customers in portions of one Maryland county. CPP sold propane to customers principally in eastern Pennsylvania. UGI Utilities funded the CPG Acquisition at closing with a combination of $120 cash contributed by UGI on September 25, 2008, proceeds from the issuance on October 1, 2008 of $108 principal amount of 6.375% Senior Notes due 2013 and approximately $75.0 of borrowings under UGI Utilities' Revolving Credit Agreement. AmeriGas OLP funded its acquisition of the assets of CPP with borrowings under the AmeriGas Credit Agreement, and UGI Utilities used the $33.6 cash proceeds from the sale of the assets of CPP to AmeriGas OLP to reduce its revolving credit agreement borrowings.

The assets and liabilities resulting from the CPG Acquisition which reflect the final purchase price allocation are included in our Consolidated Balance Sheets at September 30, 2010 and 2009. Pursuant to the CPG Acquisition purchase agreement, the purchase price was subject to adjustment for the difference between the estimated working capital of $35.4 and the actual working capital as of the closing date agreed to by both UGI Utilities and PPL. During Fiscal 2009, UGI Utilities and PPL reached an agreement on the working capital adjustment pursuant to which PPL paid UGI Utilities $9.7 in cash, including interest.

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The purchase price of the CPG Acquisition, including transaction fees and expenses and incurred liabilities totaling approximately $2.9, has been allocated to the assets acquired and liabilities assumed as follows:

Current assets less current liabilities	$	22.7
Property, plant and equipment		236.1
Goodwill		36.8
Utility regulatory assets		22.5
Other assets		12.5
Noncurrent liabilities		(34.4)
Total	$	296.2

The goodwill above is primarily the result of synergies between the acquired businesses and our existing utility and propane businesses. Substantially all of the goodwill is deductible for income tax purposes over a fifteen-year period.

The operating results of CPG and CPP are included in our consolidated results beginning October 1, 2008. The following table presents pro forma income statement and basic and diluted per share data for Fiscal 2008 as if the CPG Acquisition had occurred as of October 1, 2007:

		2008 (pro forma)
Revenues	$	6,867.6
Net income attributable to UGI Corporation	$	224.4
Earnings per share:		
Basic	$	2.09
Diluted	$	2.07

The pro forma results of operations reflect CPG's and CPP's historical operating results after giving effect to adjustments directly attributable to the transaction that are expected to have a continuing effect. The pro forma amounts are not necessarily indicative of the operating results that would have occurred had the CPG Acquisition been completed as of the date indicated, nor are they necessarily indicative of future operating results.

On July 30, 2010, Energy Services sold all of its interest in its second-tier, wholly owned subsidiary Atlantic Energy, LLC ("Atlantic Energy") to DCP Midstream Partners, L.P. for $49.0 in cash plus an amount for inventory and other working capital. Atlantic Energy owns and operates a 20 million gallon marine import and transshipment facility located in the port of Chesapeake, Virginia. The Company recorded a $36.5 pre-tax gain on the sale which amount is included in "Other income, net" in the Fiscal 2010 Consolidated Statement of Income. The gain increased Fiscal 2010 net income attributable to UGI Corporation by $17.2 or $0.16 per diluted share. Atlantic Energy's income from operations was not material in Fiscal 2010, 2009 and 2008.

On November 13, 2008, AmeriGas OLP sold its 600,000 barrel refrigerated above-ground LPG storage facility located on leased property in California. The Partnership recorded a $39.9 pre-tax gain on the sale which amount is included in "Other income, net" in the Fiscal 2009 Consolidated Statement of Income. The gain increased Fiscal 2009 net income attributable to UGI Corporation by $10.4 or $0.10 per diluted share.

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Note 5 — Debt

Long-term debt comprises the following at September 30:

	2010	2009
AmeriGas Propane:		
AmeriGas Partners Senior Notes:		
8.875% Note, due May 2011	$ 14.7	$ 14.7
7.25% Note, due May 2015	415.0	415.0
7.125% Note, due May 2016	350.0	350.0
AmeriGas OLP Series E First Mortgage		
Notes, 8.5%, due July 2010	—	80.0
Other	11.7	5.9
Total AmeriGas Propane	791.4	865.6
International Propane:		
Antargaz Senior Facilities term loan, due March 2011	518.1	556.1
Flaga term loan, due through September 2011	32.7	43.9
Flaga term loan, due through June 2014	7.6	10.2
Other	2.7	3.6
Total International Propane	561.1	613.8
UGI Utilities:		
Senior Notes:		
6.375% Notes, due September 2013	108.0	108.0
5.75% Notes, due October 2016	175.0	175.0
6.21% Notes, due October 2036	100.0	100.0
Medium- Term Notes:		
5.53% Notes, due September 2012	40.0	40.0
5.37% Notes, due August 2013	25.0	25.0
5.16% Notes, due May 2015	20.0	20.0
7.37% Notes, due October 2015	22.0	22.0
5.64% Notes, due December 2015	50.0	50.0
6.17% Notes, due June 2017	20.0	20.0
7.25% Notes, due November 2017	20.0	20.0
5.67% Notes, due January 2018	20.0	20.0
6.50% Notes, due August 2033	20.0	20.0
6.13% Notes, due October 2034	20.0	20.0
Total UGI Utilities	640.0	640.0
Other	13.3	13.7
Total long-term debt	2,005.8	2,133.1
Less: current maturities	(573.6)	(94.5)
Total long-term debt due after one year	$ 1,432.2	$ 2,038.6

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Scheduled principal repayments of long-term debt due in fiscal years 2011 to 2015 follow:

	2011	2012	2013	2014	2015
AmeriGas Propane	$ 20.1	$ 2.2	$ 1.8	$ 1.4	$ 415.9
UGI Utilities	—	40.0	133.0	—	20.0
International Propane	553.7	2.8	2.4	2.1	0.1
Other	0.5	0.5	0.5	0.5	0.5
Total	$ 574.3	$ 45.5	$ 137.7	$ 4.0	$ 436.5

AmeriGas Propane

AmeriGas Partners Senior Notes. The 8.875% and 7.25% Senior Notes may be redeemed at our option. The 7.125% Senior Notes generally cannot be redeemed at our option prior to May 20, 2011. AmeriGas Partners may, under certain circumstances involving excess sales proceeds from the disposition of assets not reinvested in the business or a change of control, be required to offer to prepay its 7.25% and 7.125% Senior Notes.

AmeriGas OLP Credit Agreements. AmeriGas OLP has an unsecured credit agreement (“AmeriGas Credit Agreement”) consisting of (1) a Revolving Credit Facility and (2) an Acquisition Facility. AmeriGas OLP also has a $75 unsecured revolving credit facility (“2009 AmeriGas Supplemental Credit Agreement”). The General Partner and Petrolane Incorporated, a wholly owned subsidiary of the General Partner, are guarantors of amounts outstanding under the AmeriGas Credit Agreement and the 2009 AmeriGas Supplemental Credit Agreement.

Under the Revolving Credit Facility, AmeriGas OLP may borrow up to $125 (including a $100 sublimit for letters of credit) which is subject to restrictions in the Senior Notes indentures (see “Restrictive Covenants” below). The Revolving Credit Facility may be used for working capital and general purposes of AmeriGas OLP. The Revolving Credit Facility expires on October 15, 2011, but may be extended for additional one-year periods with the consent of the participating banks representing at least 80% of the commitments thereunder. The AmeriGas Credit Agreement Acquisition Facility provides AmeriGas OLP with the ability to borrow up to $75 to finance the purchase of propane businesses or propane business assets or, to the extent it is not so used, for working capital and general purposes, subject to restrictions in the Senior Notes indentures. The AmeriGas Credit Agreement Acquisition Facility operates as a revolving facility through October 15, 2011, at which time amounts then outstanding will be immediately due and payable. At September 30, 2010, there was $56 of borrowings outstanding under the Revolving Credit Facility and $35 outstanding under the Acquisition Facility which amounts are reflected as “Bank loans” on the Consolidated Balance Sheet. The weighted-average interest rate on AmeriGas Credit Agreement borrowings at September 30, 2010 was 1.31%. There were no AmeriGas Credit Agreement borrowings at September 30, 2009. Issued and outstanding letters of credit, which reduce available borrowings under the Credit Agreement Revolving Credit Facility, totaled $35.7 and $37.0 at September 30, 2010 and 2009, respectively.

The AmeriGas Credit Agreement permits AmeriGas OLP to borrow at prevailing interest rates, including the base rate, defined as the higher of the Federal Funds rate plus 0.50% or the agent bank’s prime rate (3.25% at September 30, 2010), or at a two-week, one-, two-, three-, or six-month Eurodollar Rate, as defined in the AmeriGas Credit Agreement, plus a margin. The margin on Eurodollar Rate borrowings (which ranges from 1.00% to 1.75%) and the AmeriGas Credit Agreement facility fee rate (which ranges from 0.25% to 0.375%) are dependent upon AmeriGas OLP’s ratio of funded debt to earnings before interest expense, income taxes, depreciation and amortization (“EBITDA”), each as defined in the AmeriGas Credit Agreement.

The 2009 AmeriGas Supplemental Credit Agreement expires on June 30, 2011 and permits AmeriGas OLP to borrow up to $75 for working capital and general purposes subject to restrictive covenants in the Senior Notes indentures. The 2009 AmeriGas Supplemental Credit Agreement permits AmeriGas OLP to borrow at prevailing interest rates, including the base rate equal to the higher of the Federal Funds rate plus 0.50%, the agent bank’s prime rate (3.25% at September 30, 2010), or a libor market index rate (0.26% at September 30, 2010) plus 1%, or at a one-week, two-week or one-month Eurodollar rate, as defined in the 2009 AmeriGas Supplemental Credit Agreement, plus a margin. The margin on base rate loans is 2.00% and the margin on Eurodollar loans is 3.00%. There were no amounts outstanding under the 2009 AmeriGas Supplemental Credit Agreement at September 30, 2010 and 2009.

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Restrictive Covenants. The 7.25% and 7.125% Senior Notes of AmeriGas Partners restrict the ability of the Partnership and AmeriGas OLP to, among other things, incur additional indebtedness, make investments, incur liens, issue preferred interests, prepay subordinated indebtedness, and effect mergers, consolidations and sales of assets. Under the 7.25% and 7.125% Senior Note Indentures, AmeriGas Partners is generally permitted to make cash distributions equal to available cash, as defined, as of the end of the immediately preceding quarter, if certain conditions are met. At September 30, 2010, these restrictions did not limit the amount of Available Cash AmeriGas Partners could distribute pursuant to the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. ("Partnership Agreement") (see Note 14).

The AmeriGas OLP credit agreements restrict the incurrence of additional indebtedness and also restrict certain liens, guarantees, investments, loans and advances, payments, mergers, consolidations, asset transfers, transactions with affiliates, sales of assets, acquisitions and other transactions. The AmeriGas OLP credit agreements require that AmeriGas OLP not exceed a ratio of total indebtedness, as defined, to EBITDA, as defined; maintain a minimum ratio of EBITDA to interest expense, as defined; and maintain a minimum EBITDA. Generally, as long as no default exists or would result, the Partnership and AmeriGas OLP are permitted to make cash distributions not more frequently than quarterly in an amount not to exceed available cash, as defined, for the immediately preceding calendar quarter.

International Propane

Antargaz has a Senior Facilities Agreement with a bank group that expires on March 31, 2011. The Senior Facilities Agreement consists of (1) a €380 variable-rate term loan and a €50 revolving credit facility. The Senior Facilities Agreement also provides Antargaz a €50 letter of credit guarantee facility. Antargaz' term loan and revolving credit facility bear interest at one-, two-, three- or six-month euribor or libor, plus a margin, as defined by the Senior Facilities Agreement. Antargaz has executed interest rate swap agreements with a member of the same bank group to fix the underlying euribor or libor rate of interest on the term loan at approximately 3.25% for the duration of the loan (see Note 17). The effective interest rates on Antargaz' term loan at September 30, 2010 and 2009 was 3.94%. Antargaz' revolving credit facility permits Antargaz to borrow up to €50 for working capital or general corporate purposes. In order to minimize the interest margin it pays on its Senior Facilities Agreement borrowings, in September 2010 Antargaz borrowed €50 ($68.2), the total amount available under its revolving credit facility, which amount remained outstanding at September 30, 2010. This amount was repaid in October 2010. There were no amounts outstanding under the revolving credit facility at September 30, 2009. The margin on the term loan and revolving credit facility borrowings (which ranges from 0.70% to 1.15%) is dependent upon Antargaz' ratio of total net debt (excluding bank loans) to EBITDA, each as defined by the Senior Facilities Agreement. The Senior Facilities Agreement debt is collateralized by substantially all of Antargaz' shares in its subsidiaries and by substantially all of its accounts receivable.

At September 30, 2010, Flaga had two euro-based variable-rate term loans. The principal outstanding on the first term loan was €24 ($32.7) and €30 ($43.9) at September 30, 2010 and 2009, respectively. This first term loan bears interest at one- to twelve-month euribor rates (as chosen by Flaga from time to time) plus a margin. The margin on such borrowings ranges from 0.52% to 1.45% and is based upon certain equity, return on assets and debt to EBITDA ratios as determined on a UGI consolidated basis. Principal payments totaling €3.0, €6.4 and €14.6 are due in March, August and September 2011, respectively. Flaga has effectively fixed the euribor component of its interest rate on this term loan through September 2011 at 3.91% by entering into an interest rate swap agreement. The effective interest rates on this term loan at September 30, 2010 and 2009 were 4.21% and 4.28%, respectively. Flaga may prepay this term loan, in whole or in part, without incurring any penalty.

Flaga's second euro-based variable-rate term loan had an outstanding principal balance of €5.6 ($7.6) and €7.0 ($10.2) on September 30, 2010 and 2009, respectively. This term loan matures in June 2014 and bears interest at three-month euribor rates plus a margin. The margin on such borrowings ranges from 2.625% to 3.50% and is based upon certain equity, return on assets and debt to EBITDA ratios as determined on a UGI consolidated basis. Semi-annual principal payments of €0.7 are due on December 31 and June 30 each year through June 2014. Flaga has effectively fixed the euribor component of the interest rate on this term loan at 2.16% by entering into an interest rate swap agreement. The effective interest rate on this term loan at September 30, 2010 and 2009 was 5.03%.

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Flaga has two working capital facilities totaling €24. Flaga has a multi-currency working capital facility currently scheduled to expire in June 2011 that provides for borrowings and issuances of guarantees totaling €16 of which €9.8 ($13.4) and €2.1 ($3.0) was outstanding at September 30, 2010 and 2009, respectively. Flaga also has an €8 euro-denominated working capital facility currently scheduled to expire in June 2011 of which €7.9 ($10.8) and €4.1 ($6.1) was outstanding at September 30, 2010 and 2009, respectively. Issued and outstanding guarantees, which reduce available borrowings under the working capital facilities, totaled €5.4 ($7.4) at September 30, 2010 and €2.7 ($3.9) at September 30, 2009. Amounts outstanding under the working capital facilities are classified as bank loans. Borrowings under the working capital facilities generally bear interest at market rates (a daily euro-based rate or three-month euribor rates) plus a margin. The weighted-average interest rates on Flaga's working capital loans were 2.91% at September 30, 2010 and 4.94% at September 30, 2009. In order to provide for additional borrowing capacity, in November 2010 Flaga entered into an additional €8 multi-currency working capital facility and an additional €4 euro-denominated working capital facility both of which expire in June 2011.

Restrictive Covenants and Guarantees. The Senior Facilities Agreement restricts the ability of Antargaz, to, among other things, incur additional indebtedness, make investments, incur liens, and effect mergers, consolidations and sales of assets. Under this agreement, Antargaz is generally permitted to make restricted payments, such as dividends, if the ratio of net debt to EBITDA on a French generally accepted accounting basis, as defined in the agreement, is less than 3.75 to 1.00 and if no event of default exists or would exist upon payment of such restricted payment.

The Flaga term loans and working capital facilities are guaranteed by UGI. In addition, under certain conditions regarding changes in certain financial ratios of UGI, the lending banks may accelerate repayment of the debt.

UGI Utilities

Revolving Credit Agreement. UGI Utilities has a revolving credit agreement ("UGI Utilities Revolving Credit Agreement") with a group of banks providing for borrowings of up to $350 which expires in August 2011. Under the UGI Utilities Revolving Credit Agreement, UGI Utilities may borrow at various prevailing interest rates, including LIBOR and the banks' prime rate. UGI Utilities had borrowings outstanding under the UGI Utilities Revolving Credit Agreement, which we classify as bank loans, totaling $17 at September 30, 2010 and $154 at September 30, 2009. The weighted-average interest rates on UGI Utilities' Revolving Credit Agreement borrowings at September 30, 2010 and 2009 were 3.25% and 0.59%, respectively. The higher rate at September 30, 2010 is the result of a prime rate borrowing compared to LIBOR borrowings at September 30, 2009.

Restrictive Covenants. UGI Utilities Revolving Credit Agreement requires UGI Utilities not to exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined, of 0.65 to 1.00.

Energy Services

Energy Services has an unsecured credit agreement ("Energy Services Credit Agreement") with a group of lenders providing for borrowings up to $170 (including a $50 sublimit for letters of credit) which expires in August 2013. The Energy Services Credit Agreement can be used for general corporate purposes of Energy Services and its subsidiaries. In addition, Energy Services may not pay a dividend unless, after giving effect to such dividend payment, the ratio of Consolidated Total Indebtedness to EBITDA, each as defined in the Energy Services Credit Agreement, does not exceed 2.00 to 1.00.

Borrowings under the Energy Services Credit Agreement bear interest at either (i) a rate derived from LIBOR (the "LIBO Rate") plus 3.0% for each Eurodollar Revolving Loan (as defined in the Energy Services Credit Agreement) or (ii) the Alternate Base Rate plus 2.0%. The Alternate Base Rate (as defined in the Energy Services Credit Agreement) is generally the greater of (a) the Agent Bank's prime rate, (b) the federal funds rate plus 0.50% and (c) the one-month LIBO Rate plus 1.0%. The Energy Services Credit Agreement is guaranteed by certain subsidiaries of Energy Services.

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Restrictive Covenants. The Energy Services Credit Agreement restricts the ability of Energy Services to dispose of assets, effect certain consolidations or mergers, incur indebtedness and guaranty obligations, create liens, make acquisitions or investments, make certain dividend or other distributions and make any material changes to the nature of its businesses. In addition, the Energy Services Credit Agreement requires Energy Services to not exceed a ratio of Consolidated Total Indebtedness, as defined, to Consolidated EBITDA, as defined; a minimum ratio of Consolidated EBITDA to Consolidated Interest Expense, as defined; a maximum ratio of Consolidated Total Indebtedness to Consolidated Total Capitalization, as defined, at any time when Consolidated Total Indebtedness is greater than $250; and a minimum Consolidated Net Worth, as defined, of $150.

Energy Services also has a $200 receivables securitization facility (see Note 18).

Restricted Net Assets

At September 30, 2010, the amount of net assets of UGI's consolidated subsidiaries that was restricted from transfer to UGI under debt agreements, subsidiary partnership agreements and regulatory requirements under foreign laws totaled approximately $1,500.

Note 6 — Income Taxes

Income before income taxes comprises the following:

	2010	2009	2008
Domestic	**$ 448.8**	$ 431.7	$ 380.5
Foreign	**74.5**	109.4	59.3
Total income before income taxes	**$ 523.3**	$ 541.1	$ 439.8

The provisions for income taxes consist of the following:

	2010	2009	2008
Current expense:			
Federal	**$ 60.5**	$ 69.6	$ 92.4
State	**20.4**	21.6	26.1
Foreign	**25.8**	41.1	16.9
Investment tax credit	**(1.7)**	—	—
Total current expense	**105.0**	132.3	135.4
Deferred expense (benefit):			
Federal	**54.5**	27.6	(1.6)
State	**6.4**	(1.1)	(3.0)
Foreign	**2.1**	0.7	4.1
Investment tax credit amortization	**(0.4)**	(0.4)	(0.4)
Total deferred expense (benefit)	**62.6**	26.8	(0.9)
Total income tax expense	**$ 167.6**	$ 159.1	$ 134.5

Federal income taxes for Fiscal 2010, Fiscal 2009 and Fiscal 2008 are net of foreign tax credits of $2.1, $34.9 and $4.3, respectively.

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A reconciliation from the U.S. federal statutory tax rate to our effective tax rate is as follows:

	2010	2009	2008
U.S. federal statutory tax rate	**35.0%**	35.0%	35.0%
Difference in tax rate due to:			
Noncontrolling interests not subject to tax	**(6.4)**	(8.0)	(7.1)
State income taxes, net of federal benefit	**3.5**	2.5	3.4
Effects of international operations	**(0.6)**	(0.3)	(1.1)
Other, net	**0.5**	0.2	0.4
Effective tax rate	**32.0%**	29.4%	30.6%

Deferred tax liabilities (assets) comprise the following at September 30:

	2010	2009
Excess book basis over tax basis of property, plant and equipment	**$ 414.9**	$ 366.2
Investment in AmeriGas Partners	**170.9**	172.5
Intangible assets and goodwill	**51.0**	51.0
Utility regulatory assets	**127.4**	51.6
Foreign currency translation adjustment	**12.9**	21.4
Other	**8.6**	9.5
Gross deferred tax liabilities	**785.7**	672.2
Pension plan liabilities	**(76.1)**	(60.4)
Employee-related benefits	**(42.4)**	(37.6)
Operating loss carryforwards	**(25.5)**	(25.5)
Foreign tax credit carryforwards	**(61.3)**	(69.6)
Utility regulatory liabilities	**(13.5)**	(16.6)
Derivative financial instruments	**(34.8)**	(30.9)
Other	**(41.7)**	(49.0)
Gross deferred tax assets	**(295.3)**	(289.6)
Deferred tax assets valuation allowance	**78.4**	87.8
Net deferred tax liabilities	**$ 568.8**	$ 470.4

At September 30, 2010, foreign net operating loss carryforwards principally relating to Flaga and certain operations of Antargaz totaled $32.9 and $5.5, respectively, with no expiration dates. We have state net operating loss carryforwards primarily relating to certain subsidiaries which approximate $150.2 and expire through 2030. We also have operating loss carryforwards of $5.1 for certain operations of AmeriGas Propane that expire through 2029. At September 30, 2010, deferred tax assets relating to operating loss carryforwards include $7.4 for Flaga, $1.9 for Antargaz, $1.0 for UGI International Holdings (BV), $1.8 for AmeriGas Propane and $13.4 for certain other subsidiaries. A valuation allowance of $14.2 has been provided for deferred tax assets related to state net operating loss carryforwards and other state deferred tax assets of certain subsidiaries because, on a state reportable basis, it is more likely than not that these assets will expire unused. A valuation allowance of $2.9 was also provided for deferred tax assets related to certain operations of Antargaz and UGI International Holdings, B.V. Operating activities and tax deductions related to the exercise of non-qualified stock options contributed to the state net operating losses disclosed above. We first recognize the utilization of state net operating losses from operations (which exclude the impact of tax deductions for exercises of non-qualified stock options) to reduce income tax expense. Then, to the extent state net operating loss carryforwards, if realized, relate to non-qualified stock option deductions, the resulting benefits will be credited to UGI Corporation stockholders' equity.

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We have foreign tax credit carryforwards of approximately $61.3 expiring through 2021 resulting from the actual and planned repatriation of Antargaz' accumulated earnings since acquisition which are includable in U.S. taxable income. Because we expect that these credits will expire unused, a valuation allowance has been provided for the entire foreign tax credit carryforward amount. The valuation allowance for all deferred tax assets decreased by $8.3 in Fiscal 2010 due primarily to a decrease in the foreign tax credit carryforwards of $8.3.

We conduct business and file tax returns in the U.S., numerous states, local jurisdictions and in France and certain central and eastern European countries. Our U.S. federal income tax returns are settled through the 2007 tax year and our French tax returns are settled through the 2005 tax year. Our Austrian tax returns are settled through 2007 and our other central and eastern European tax returns are effectively settled for various years from 2004 to 2009. UGI Corporation's federal income tax return for Fiscal 2008 is currently under audit. Although it is not possible to predict with certainty the timing of the conclusion of the pending U.S. federal tax audit in progress, we anticipate that the Internal Revenue Service's ("IRS's") audit of our Fiscal 2008 U.S. federal income tax return will likely be completed during Fiscal 2011. State and other income tax returns in the U.S. are generally subject to examination for a period of three to five years after the filing of the respective returns.

As of September 30, 2010, we have unrecognized income tax benefits totaling $5.4 including related accrued interest of $0.1. If these unrecognized tax benefits were subsequently recognized, $1.5 would be recorded as a benefit to income taxes on the consolidated statement of income and, therefore, would impact the reported effective tax rate. Generally, a net reduction in unrecognized tax benefits could occur because of the expiration of the statute of limitations in certain jurisdictions or as a result of settlements with tax authorities. The amount of reasonably possible changes in unrecognized tax benefits and related interest in the next twelve months is a net reduction of approximately $0.5.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

Balance at October 1, 2007	$ 4.3
Additions for tax positions of the current year	0.7
Additions for tax positions of prior years	0.7
Settlements with tax authorities	(0.8)
Balance at September 30, 2008	4.9
Additions for tax positions of the current year	0.5
Additions for tax positions of prior years	0.3
Reductions as a result of tax positions taken in prior years	(1.2)
Settlements with tax authorities	(2.2)
Balance at September 30, 2009	2.3
Additions for tax positions of the current year	4.3
Reductions as a result of tax positions taken in prior years	(0.2)
Settlements with tax authorities	(1.0)
Balance at September 30, 2010	$ 5.4

The Company received IRS consent to change its tax method of accounting for capitalizing certain repair and maintenance costs associated with its Gas Utility and Electric Utility assets beginning with the tax year ended September 30, 2009. The filing of the Company's Fiscal 2009 tax returns using the new tax method resulted in federal and state income tax benefits totaling approximately $30.2 which was used to offset Fiscal 2010 federal and state income tax liabilities. The filing of UGI Utilities' Fiscal 2009 Pennsylvania income tax return also produced a $43.4 state net operating loss ("NOL") carryforward. Under current Pennsylvania state income tax law, the NOL can be carried forward by UGI Utilities for 20 years and used to reduce future Pennsylvania taxable income. Because the Company believes that it is more likely than not that it will fully utilize this state NOL prior to its expiration, no valuation allowance has been recorded. The Company's determination of what constitutes a capital cost versus ordinary expense as it relates to the new tax method will likely be reviewed upon audit by the IRS and may be subject to subsequent adjustment. Accordingly, the status of this tax return position is uncertain at this time. In accordance with accounting guidance regarding uncertain tax positions, the Company has added $3.9 to its liability for unrecognized tax benefits related to this tax method. However, because this tax matter relates only to the timing of tax deductibility, we have recorded an offsetting deferred tax asset of an equal amount. For further information on the regulatory impact of this change, see Note 8.

Note 7 — Employee Retirement Plans

Defined Benefit Pension and Other Postretirement Plans. In the U.S., we sponsor two defined benefit pension plans for employees hired prior to January 1, 2009 of UGI, UGI Utilities, PNG, CPG and certain of UGI's other domestic wholly owned subsidiaries ("Pension Plans"). We also provide postretirement health care benefits to certain retirees and active employees and postretirement life insurance benefits to nearly all domestic active and retired employees. In addition, Antargaz employees are covered by certain defined benefit pension and postretirement plans. Although the disclosures in the tables below include amounts related to the Antargaz plans, such amounts are not material.

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The following table provides a reconciliation of the projected benefit obligations ("PBOs") of the Pension Plans and the Antargaz pension plans, the accumulated benefit obligations ("ABOs") of our other postretirement benefit plans, plan assets, and the funded status of the pension and other postretirement plans as of September 30, 2010 and 2009. ABO is the present value of benefits earned to date with benefits based upon current compensation levels. PBO is ABO increased to reflect estimated future compensation.

	Pension Benefits		Other Postretirement Benefits	
	2010	2009	2010	2009
Change in benefit obligations:				
Benefit obligations — beginning of year	$ 428.9	$ 310.9	$ 21.4	$ 15.6
Service cost	8.7	7.1	0.4	0.3
Interest cost	23.5	23.3	1.1	1.2
Actuarial loss	32.2	67.0	1.6	2.2
Acquisitions	—	44.5	—	3.4
Plan amendments	—	0.1	—	—
Plan settlements	(2.7)	(5.7)	—	—
Foreign currency	(0.5)	0.1	(0.2)	0.1
Benefits paid	(18.3)	(18.4)	(1.4)	(1.4)
Benefit obligations — end of year	$ 471.8	$ 428.9	$ 22.9	$ 21.4
Change in plan assets:				
Fair value of plan assets — beginning of year	$ 279.8	$ 244.7	$ 9.7	$ 10.0
Actual gain on plan assets	25.9	15.0	0.7	—
Acquisitions	—	38.4	—	—
Foreign currency	(0.2)	0.1	—	—
Employer contributions	3.4	5.7	1.0	1.1
Settlement payments	(2.7)	(5.7)	—	—
Benefits paid	(18.3)	(18.4)	(1.4)	(1.4)
Fair value of plan assets — end of year	$ 287.9	$ 279.8	$ 10.0	$ 9.7
Funded status of the plans — end of year	$ (183.9)	$ (149.1)	$ (12.9)	$ (11.7)
Assets (liabilities) recorded in the balance sheet:				
Unfunded liabilities — included in other current liabilities	$ (20.3)	$ —	$ —	$ —
Unfunded liabilities — included in other noncurrent liabilities	(163.6)	(149.1)	(12.9)	(11.7)
Net amount recognized	$ (183.9)	$ (149.1)	$ (12.9)	$ (11.7)
Amounts recorded in UGI Corporation stockholders' equity (pre-tax):				
Prior service (credit) cost	$ (0.4)	$ (0.2)	$ 0.1	$ 0.1
Net actuarial loss (gain)	13.8	133.2	0.1	(0.6)
Total	$ 13.4	$ 133.0	$ 0.2	$ (0.5)
Amounts recorded in regulatory assets and liabilities (pre-tax):				
Prior service cost (credit)	$ 0.3	$ —	$ (3.4)	$ (3.8)
Net actuarial loss	155.6	11.1	5.9	6.4
Total	$ 155.9	$ 11.1	$ 2.5	$ 2.6

In Fiscal 2011, we estimate that we will amortize $9.2 of net actuarial losses and $0.4 of prior service credits from UGI stockholders' equity and regulatory assets into retiree benefit cost.

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Actuarial assumptions for our domestic plans are described below. Assumptions for the Antargaz plans are based upon market conditions in France. The discount rates at September 30 are used to measure the year-end benefit obligations and the earnings effects for the subsequent year. The discount rate is based upon market-observed yields for high-quality fixed income securities with maturities that correlate to the anticipated payment of benefits. The expected rate of return on assets assumption is based on the current and expected asset allocations as well as historical and expected returns on various categories of plan assets (as further described below).

	Pension Plans				Other Postretirement Benefits			
	2010	2009	2008	2007	2010	2009	2008	2007
Weighted-average assumptions:								
Discount rate	5.0%	5.5%	6.8%	6.4%	5.0%	5.5%	6.8%	6.4%
Expected return on plan assets	8.5%	8.5%	8.5%	8.5%	5.5%	5.5%	5.5%	5.5%
Rate of increase in salary levels	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%

The ABO for the Pension Plans was $417.8 and $377.7 as of September 30, 2010 and 2009, respectively.

Net periodic pension expense and other postretirement benefit costs include the following components:

	Pension Benefits			Postretirement Benefits		
	2010	2009	2008	2010	2009	2008
Service cost	$ 8.7	$ 7.1	$ 6.1	$ 0.4	$ 0.3	$ 0.5
Interest cost	23.5	23.3	19.6	1.1	1.2	1.2
Expected return on assets	(25.8)	(25.7)	(24.5)	(0.5)	(0.6)	(0.7)
Curtailment gain	—	—	—	—	—	(2.2)
Settlement loss	1.0	1.8	—	—	—	—
Amortization of:						
Transition obligation	—	—	—	—	0.2	0.2
Prior service benefit	—	—	—	(0.4)	(0.4)	(0.4)
Actuarial loss (gain)	5.9	3.8	0.1	0.1	(0.1)	(0.1)
Net benefit cost (income)	13.3	10.3	1.3	0.7	0.6	(1.5)
Change in associated regulatory liabilities	—	—	—	3.1	3.3	3.4
Net benefit cost after change in regulatory liabilities	$ 13.3	$ 10.3	$ 1.3	$ 3.8	$ 3.9	$ 1.9

Pension Plans' assets are held in trust. It is our general policy to fund amounts for pension benefits equal to at least the minimum required contribution set forth in applicable employee benefit laws. From time to time we may, at our discretion, contribute additional amounts. During Fiscal 2010, we made cash contributions of $3.4 to the Pension Plans. We did not make any contributions to the Pension Plans in Fiscal 2009 or Fiscal 2008. In conjunction with the settlement of obligations under a subsidiary retirement benefit plan, Antargaz made a settlement payment of €4.1 ($5.7) during Fiscal 2009. We believe that we will be required to make contributions to the Pension Plans in Fiscal 2011 of approximately $20.

UGI Utilities has established a Voluntary Employees' Beneficiary Association ("VEBA") trust to pay retiree health care and life insurance benefits by depositing into the VEBA the annual amount of postretirement benefits costs determined under GAAP. The difference between such amounts and amounts included in UGI Gas' and Electric Utility's rates is deferred for future recovery from, or refund to, ratepayers. The required contributions to the VEBA during Fiscal 2011 are not expected to be material.

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Expected payments for pension benefits and for other postretirement welfare benefits are as follows:

	Pension Benefits	Other Postretirement Benefits
Fiscal 2011	$ 19.5	$ 2.0
Fiscal 2012	20.4	2.0
Fiscal 2013	21.6	1.9
Fiscal 2014	23.0	1.9
Fiscal 2015	24.3	1.9
Fiscal 2016 – 2020	144.2	9.6

The assumed domestic health care cost trend rates are 7.5% for Fiscal 2011, decreasing to 5.0% in Fiscal 2016. A one percentage point change in the assumed health care cost trend rate would increase (decrease) the Fiscal 2010 postretirement benefit cost and obligation as follows:

	1% Increase	1% Decrease
Service and interest costs in Fiscal 2010	$ 0.1	$ (0.1)
ABO at September 30, 2010	$ 1.2	$ (0.9)

We also sponsor unfunded and non-qualified supplemental executive retirement plans. At September 30, 2010 and 2009, the PBOs of these plans were $23.9 and $20.7, respectively. We recorded net costs for these plans of $2.6 in Fiscal 2010, $3.1 in Fiscal 2009 and $3.0 in Fiscal 2008. These costs are not included in the tables above. Amounts recorded in UGI's stockholders' equity for these plans include pre-tax losses of $4.7 and $4.2 at September 30, 2010 and 2009, respectively, principally representing unrecognized actuarial losses. We expect to amortize approximately $0.5 of such pre-tax actuarial losses into retiree benefit cost in Fiscal 2011.

Pension Plans and Postretirement Plans Assets. The assets of the Pension Plans and the VEBA are held in trust. The investment policies and asset allocation strategies for the assets in these trusts are determined by an investment committee comprising officers of UGI and UGI Utilities. The overall investment objective of the Pension Plans and the VEBA is to achieve the best long-term rates of return within prudent and reasonable levels of risk. To achieve the stated objective, investments are made principally in publicly-traded diversified equity and fixed income mutual funds and UGI Common Stock.

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The targets, target ranges and actual allocations for the Pension Plans' and VEBA trust assets at September 30 are as follows:

Pension Plans

	Actual		Target Asset Allocation	Permitted Range
	2010	2009		
Equity investments:				
Domestic	56.1%	54.9%	52.5%	40.0% - 65.0%
International	12.2%	12.8%	12.5%	7.5% - 17.5%
Total	68.3%	67.7%	65.0%	60.0% - 70.0%
Fixed income funds & cash equivalents	31.7%	32.3%	35.0%	30.0% - 40.0%
Total	100.0%	100.0%	100.0%	

VEBA

	Actual		Target Asset Allocation	Permitted Range
	2010	2009		
Domestic equity investments	65.0%	64.9%	65.0%	60.0% - 70.0%
Fixed income funds & cash equivalents	35.0%	35.1%	35.0%	30.0% - 40.0%
Total	100.0%	100.0%	100.0%	

Domestic equity investments include investments in large-cap mutual funds indexed to the S&P 500 and actively managed mid- and small-cap mutual funds. Investments in international equity mutual funds are indexed to various Morgan Stanley Composite indices. The fixed income investments comprise investments designed to match the duration of the Barclays Capital Aggregate Bond Index. According to statute, the aggregate holdings of all qualifying employer securities may not exceed 10% of the fair value of trust assets at the time of purchase. UGI Common Stock represented 8.3% and 7.5% of Pension Plans assets at September 30, 2010 and 2009, respectively. At September 30, 2010, there were no significant concentrations of risk (defined as greater than 10% of the fair value of total assets) associated with any individual company, industry sector or international geographic region.

GAAP establishes a hierarchy that prioritizes fair value measurements based upon the inputs and valuation techniques used to measure fair value. This fair value hierarchy groups assets into three levels, as described in Note 2. We maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value. The fair values of Pension Plans and VEBA trust assets are derived from quoted market prices as substantially all of these instruments have active markets. Cash equivalents are valued at the fund's unit net asset value as reported by the trustee.

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The fair values of the Pension Plans' assets at September 30, 2010 and 2009 by asset class are as follows:

	Pension Plans			
	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
September 30, 2010:				
Equity investments:				
Domestic	$ 161.5	$ —	$ —	$ 161.5
International	35.2	—	—	35.2
Fixed income	88.9	—	—	88.9
Cash equivalents	—	2.3	—	2.3
Total	$ 285.6	$ 2.3	$ —	$ 287.9
September 30, 2009:				
Equity investments:				
Domestic	$ 151.6	$ —	$ —	$ 151.6
International	35.5	—	—	35.5
Fixed income	87.1	—	—	87.1
Cash equivalents	—	2.2	—	2.2
Total	$ 274.2	$ 2.2	$ —	$ 276.4

The fair values of the VEBA trust assets at September 30, 2010 and 2009 by asset class are as follows:

	Postretirement Plans			
	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
September 30, 2010:				
Domestic equity	$ 6.5	$ —	$ —	$ 6.5
Fixed income	3.0	—	—	3.0
Cash equivalents	—	0.5	—	0.5
Total	$ 9.5	$ 0.5	$ —	$ 10.0
September 30, 2009:				
Domestic equity	$ 6.3	$ —	$ —	$ 6.3
Fixed income	2.9	—	—	2.9
Cash equivalents	—	0.5	—	0.5
Total	$ 9.2	$ 0.5	$ —	$ 9.7

The expected long-term rates of return on Pension Plans and VEBA trust assets have been developed using a best estimate of expected returns, volatilities and correlations for each asset class. The estimates are based on historical capital market performance data and future expectations provided by independent consultants. Future expectations are determined by using simulations that provide a wide range of scenarios of future market performance. The market conditions in these simulations consider the long-term relationships between equities and fixed income as well as current market conditions at the start of the simulation. The expected rate begins with a risk-free rate of return with other factors being added such as inflation, duration, credit spreads and equity risk premiums. The rates of return derived from this process are applied to our target asset allocation to develop a reasonable return assumption.

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Defined Contribution Plans. We sponsor 401(k) savings plans for eligible employees of UGI and certain of UGI's domestic subsidiaries. Generally, participants in these plans may contribute a portion of their compensation on either a before-tax basis, or on both a before-tax and after-tax basis. These plans also provide for employer matching contributions at various rates. The cost of benefits under the savings plans totaled $9.8 in Fiscal 2010, $10.1 in Fiscal 2009 and $9.4 in Fiscal 2008.

Note 8 — Utility Regulatory Assets and Liabilities and Regulatory Matters

The following regulatory assets and liabilities associated with Utilities are included in our accompanying balance sheets at September 30:

	2010	2009
Regulatory assets:		
Income taxes recoverable	$ 82.5	$ 79.5
Underfunded pension and postretirement plans	159.2	8.5
Environmental costs	22.6	26.9
Deferred fuel and power costs	36.6	19.6
Other	5.8	7.0
Total regulatory assets	$ 306.7	$ 141.5
Regulatory liabilities:		
Postretirement benefits	$ 10.5	$ 9.3
Environmental overcollections	7.2	8.7
Deferred fuel and power refunds	8.3	30.8
State tax benefits — distribution system repairs	6.7	—
Total regulatory liabilities	$ 32.7	$ 48.8

Income taxes recoverable. This regulatory asset is the result of recording deferred tax liabilities pertaining to temporary tax differences principally as a result of the pass through to ratepayers of accelerated tax depreciation for state income tax purposes, and the flow through of accelerated tax depreciation for federal income tax purposes for certain years prior to 1981. These deferred taxes have been reduced by deferred tax assets pertaining to utility deferred investment tax credits. Utilities has recorded regulatory income tax assets related to these deferred tax liabilities representing future revenues recoverable through the ratemaking process over the average remaining depreciable lives of the associated property ranging from 1 to approximately 50 years.

Underfunded pension and other postretirement plans. This regulatory asset represents the portion of prior service cost and net actuarial losses associated with pension and other postretirement benefits which is probable of being recovered through future rates based upon established regulatory practices. These regulatory assets are adjusted annually or more frequently under certain circumstances when the funded status of the plans is recorded in accordance with GAAP relating to pension and postretirement plans. These costs are amortized over the average remaining future service lives of plan participants.

Based upon the FASB's guidance related to rate-regulated entities and an August 2010 PUC order issued in response to UGI Utilities' and PNG's April 2010 joint petition regarding the regulatory treatment of their combined pension plan (see "Other Regulatory Matters" below), effective September 30, 2010, UGI Utilities recorded a regulatory asset for the amounts associated with regulated operations that would otherwise be recorded in AOCI under ASC 715, "Compensation — Retirement Benefits." Based upon established rate treatment, CPG historically has recorded regulatory assets associated with its underfunded pension and other postretirement plans.

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Environmental costs. Environmental costs represents amounts actually spent by UGI Gas to clean up sites in Pennsylvania as well as the portion of estimated probable future environmental remediation and investigation costs principally at manufactured gas plant ("MGP") sites that CPG Gas and PNG Gas expect to incur in conjunction with remediation consent orders and agreements with the Pennsylvania Department of Environmental Protection (see Note 15). UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of prudently incurred remediation costs at Pennsylvania sites. PNG Gas and CPG Gas are currently recovering and expect to continue to recover environmental remediation and investigation costs in base rate revenues. At September 30, 2010, the period over which PNG Gas and CPG Gas expect to recover these costs will depend upon future remediation activity.

Deferred fuel and power — costs and refunds. Gas Utility's tariffs and, commencing January 1, 2010, Electric Utility's default service ("DS") tariffs, contain clauses which permit recovery of all prudently incurred purchased gas and power costs through the application of purchased gas cost ("PGC") rates in the case of Gas Utility and DS rates in the case of Electric Utility. The clauses provide for periodic adjustments to PGC and DS rates for differences between the total amount of purchased gas and electric generation supply costs collected from customers and recoverable costs incurred. Net undercollected costs are classified as a regulatory asset and net overcollections are classified as a regulatory liability.

Gas Utility uses derivative financial instruments to reduce volatility in the cost of gas it purchases for firm- residential, commercial and industrial ("retail core-market") customers. Realized and unrealized gains or losses on natural gas derivative financial instruments are included in deferred fuel costs or refunds. Net unrealized losses on such contracts at September 30, 2010 were $1.4. There were no such unrealized gains or losses at September 30, 2009.

Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. As more fully described in Note 17 to Consolidated Financial Statements, during Fiscal 2010, Electric Utility determined that it could no longer assert that it would take physical delivery of substantially all of the electricity it had contracted for under its forward power purchase agreements and, as a result, such contracts no longer qualified for the normal purchases and normal sales exception under GAAP related to derivative financial instruments. As a result, Electric Utility's electricity supply contracts are required to be recorded on the balance sheet at fair value, with an associated adjustment to regulatory assets or liabilities in accordance with ASC 980 and Electric Utility's DS procurement, implementation and contingency plans (as further described below). At September 30, 2010, the fair values of Electric Utility's electricity supply contracts was a loss of $19.7 which amount is reflected in current derivative financial instruments and other noncurrent liabilities on the September 30, 2010 Consolidated Balance Sheet with an equal and offsetting amount reflected in deferred fuel and power costs in the table above.

In order to reduce volatility associated with a substantial portion of its electric transmission congestion costs, Electric Utility obtains financial transmission rights ("FTRs"). FTRs are derivative financial instruments that entitle the holder to receive compensation for electricity transmission congestion charges when there is insufficient electricity transmission capacity on the electric transmission grid. Because Electric Utility is entitled to fully recover its DS costs commencing January 1, 2010 through DS rates, realized and unrealized gains or losses on FTRs associated with periods beginning January 1, 2010 are included in deferred fuel and power costs or deferred fuel and power refunds. Unrealized gains on FTRs at September 30, 2010 were not material.

Postretirement benefits. Gas Utility and Electric Utility are recovering ongoing postretirement benefit costs at amounts permitted by the PUC in prior base rate proceedings. With respect to UGI Gas and Electric Utility, the difference between the amounts recovered through rates and the actual costs incurred in accordance with accounting for postretirement benefits are being deferred for future refund to or recovery from ratepayers. Such amounts are reflected in regulatory liabilities in the table above.

Environmental overcollections. This regulatory liability represents the difference between amounts recovered in rates and actual costs incurred (net of insurance proceeds) associated with the terms of a consent order agreement between CPG and the Pennsylvania Department of Environmental Protection to remediate certain gas plant sites.

State income tax benefits — distribution system repairs. As previously described in Note 6, the Company received IRS consent to change its tax method of accounting for capitalizing certain repair and maintenance costs associated with its Gas Utility and Electric Utility assets beginning with the tax year ended September 30, 2009. This regulatory liability represents Pennsylvania state income tax benefits, net of federal income tax expense, resulting from the deduction for income tax purposes of these repair and maintenance expenses which are capitalized for regulatory and GAAP reporting. The tax benefits associated with these repair and maintenance deductions will be reflected as a reduction to income tax expense over the remaining tax lives of the related book assets.

Other. Other regulatory assets comprise a number of items including, among others, deferred postretirement costs, deferred asset retirement costs, deferred rate case expenses, customer choice implementation costs and deferred software development costs. At September 30, 2010, UGI Utilities expects to recover these costs over periods of approximately 1 to 5 years.

UGI Utilities' regulatory liabilities relating to postretirement benefits, environmental overcollections and state tax benefits — distribution system repairs are included in "Other noncurrent liabilities" on the Consolidated Balance Sheets. UGI Utilities does not recover a rate of return on its regulatory assets.

Other Regulatory Matters

PNG and CPG Base Rate Filings. On January 28, 2009, PNG and CPG filed separate requests with the PUC to increase base operating revenues by $38.1 annually for PNG and $19.6 annually for CPG to fund system improvements and operations necessary to maintain safe and reliable natural gas service and energy assistance for low income customers as well as energy conservation programs for all customers. On July 2, 2009, PNG and CPG each filed joint settlement petitions with the PUC based on agreements with the opposing parties regarding the requested base operating revenue increases. On August 27, 2009, the PUC approved the settlement agreements which resulted in a $19.8 base operating revenue increase for PNG Gas and a $10.0 base operating revenue increase for CPG Gas. The increases became effective August 28, 2009 and did not have a material effect on Fiscal 2009 results.

Electric Utility. As a result of Pennsylvania's Electricity Generation Customer Choice and Competition Act that became effective January 1, 1997, all of Electric Utility's customers are permitted to acquire their electricity from entities other than Electric Utility. Electric Utility remains the DS provider for its customers that are not served by an alternate electric generation provider.

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On July 17, 2008, the PUC approved Electric Utility's DS procurement, implementation and contingency plans, as modified by the terms of a May 2, 2008 settlement, filed in accordance with the PUC's DS regulations. These plans did not affect Electric Utility's existing POLR settlement effective through December 31, 2009. The approved plans specify how Electric Utility will solicit and acquire DS supplies for residential customers for the period January 1, 2010 through May 31, 2014, and for commercial and industrial customers for the period January 1, 2010 through May 31, 2011 (collectively, the "Settlement Term"). UGI Utilities filed a rate plan on August 29, 2008 for the Settlement Term. On January 22, 2009, the PUC approved a settlement of the rate filing that provides for Electric Utility to fully recover its DS costs. On October 1, 2009, UGI Utilities filed a DS plan to establish procurement rules applicable to the period after May 31, 2011 for its commercial and industrial customers. On May 6, 2010, the PUC approved the plan, as modified by the terms of a March 2010 settlement.

Prior to January 1, 2010, the terms and conditions under which Electric Utility provided provider of last resort ("POLR") service, and rules governing the rates that may be charged for such service through December 31, 2009, were established in a series of PUC approved settlements (collectively, the "POLR Settlement"), the latest of which became effective June 23, 2006. In accordance with the POLR Settlement, Electric Utility could increase its POLR rates up to certain limits through December 31, 2009. Consistent with the terms of the POLR Settlement, Electric Utility increased its POLR rates effective January 1, 2009, which increased the average cost to a residential heating customer by approximately 1.5% over such costs in effect during calendar year 2008. Effective January 1, 2008, Electric Utility increased its POLR rates which increased the average cost to a residential heating customer by approximately 5.5% over such costs in effect during calendar year 2007.

Regulatory Asset — UGI Utilities Pension Plan. On April 14, 2010, UGI Utilities, Inc. and PNG filed a petition with the PUC requesting permission to record a regulatory asset or liability for amounts relating to their combined pension plan that otherwise would be recorded to AOCI under ASC 715, "Compensation — Retirement Benefits." On August 23, 2010, the PUC issued an order permitting UGI Utilities and PNG to establish regulatory assets for such amounts relating to their regulated operations. Effective September 30, 2010, UGI Utilities recorded a regulatory asset totaling $142.4 associated with the underfunded position of the combined pension plan.

Subsequent Event — Approval of Transfer of CPG Storage Assets. On October 21, 2010, the Federal Energy Regulatory Commission ("FERC") approved CPG's application to abandon a storage service and approved the transfer of its Tioga, Meeker and Wharton natural gas storage facilities, along with related assets, to a special purpose entity, UGI Storage Company, a subsidiary of Energy Services. CPG will transfer the natural gas storage facilities on or before April 1, 2011. The net book value of the storage facility assets was approximately $11.0 as of September 30, 2010.

Note 9 — Inventories

Inventories comprise the following at September 30:

	2010	2009
Non-utility LPG and natural gas	$ 148.0	$ 118.0
Gas Utility natural gas	111.5	189.7
Materials, supplies and other	54.5	55.5
Total inventories	$ 314.0	$ 363.2

At September 30, 2010, UGI Utilities is a party to three storage contract administrative agreements ("SCAAs") two of which expire in October 2012 and one of which expires in October 2010. Pursuant to these and predecessor SCAAs, UGI Utilities has, among other things, released certain storage and transportation contracts for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon commencement of the SCAAs, will receive a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the terms of the SCAAs. The historical cost of natural gas storage inventories released under the SCAAs, which represents a portion of Gas Utility's total natural gas storage inventories, and any exchange receivable (representing amounts of natural gas inventories used by the other parties to the agreement but not yet replenished), are included in the caption "Gas Utility natural gas" in the table above. The carrying value of gas storage inventories released under the SCAAs to non-affiliates at September 30, 2010 and 2009 comprising 8.0 billion cubic feet ("bcf") and 1.3 bcf of natural gas was $41.9 and $10.5, respectively. Effective November 1, 2010, UGI Utilities entered into a new SCAA having a term of three years.

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Note 10 — Property, Plant and Equipment

Property, plant and equipment comprise the following at September 30:

	2010	2009
Utilities:		
Distribution	$ 1,866.0	$ 1,813.2
Transmission	78.2	76.8
General and other, including work in process	185.1	166.9
Total Utilities	2,129.3	2,056.9
Non-utility:		
Land	94.1	96.0
Buildings and improvements	206.4	192.0
Transportation equipment	111.3	110.6
Equipment, primarily cylinders and tanks	2,020.3	1,970.6
Electric generation	97.9	88.1
Other, including work in process	310.4	178.2
Total non-utility	2,840.4	2,635.5
Total property, plant and equipment	$ 4,969.7	$ 4,692.4

Note 11 — Goodwill and Intangible Assets

Goodwill and other intangible assets comprise the following at September 30:

	2010	2009
Goodwill (not subject to amortization)	$ 1,562.7	$ 1,582.3
Other intangible assets:		
Customer relationships, noncompete agreements and other	$ 215.4	$ 219.1
Trademark (not subject to amortization)	46.3	49.7
Gross carrying amount	261.7	268.8
Accumulated amortization	(111.6)	(103.3)
Net carrying amount	$ 150.1	$ 165.5

Changes in the carrying amount of goodwill are as follows:

	AmeriGas Propane	Gas Utility	Midstream & Marketing	International Propane		Corporate & Other & Elims.	Total
				Antargaz	Other		
Balance September 30, 2008	$ 645.2	$ 161.7	$ 11.8	$ 622.2	$ 45.7	$ 3.1	$ 1,489.7
Goodwill acquired	24.7	18.4	—	—	20.4	—	63.5
Purchase accounting adjustments	0.2	—	—	—	—	(0.1)	0.1
Foreign currency translation	—	—	—	24.7	4.3	—	29.0
Balance September 30, 2009	670.1	180.1	11.8	646.9	70.4	3.0	1,582.3
Goodwill acquired	12.9	—	—	—	20.6	—	33.5
Purchase accounting adjustments	0.1	—	—	—	—	—	0.1
Dispositions	—	—	(9.0)	—	—	4.0	(5.0)
Foreign currency translation	—	—	—	(44.2)	(4.0)	—	(48.2)
Balance September 30, 2010	$ 683.1	$ 180.1	$ 2.8	$ 602.7	$ 87.0	$ 7.0	$ 1,562.7

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We amortize customer relationships and noncompete agreement intangibles over their estimated periods of benefit which do not exceed 15 years. Amortization expense of intangible assets was $19.9 in Fiscal 2010, $18.4 in Fiscal 2009 and $18.8 in Fiscal 2008. Estimated amortization expense of intangible assets during the next five fiscal years is as follows: Fiscal 2011 — $20.0; Fiscal 2012 — $20.5; Fiscal 2013 — $20.3; Fiscal 2014 — $19.3; Fiscal 2015 — $14.5. There were no accumulated impairment losses at September 30, 2010.

Note 12 — Series Preferred Stock

UGI has 10,000,000 shares of UGI Series Preferred Stock authorized for issuance, including both series subject to and series not subject to mandatory redemption. We had no shares of UGI Series Preferred Stock outstanding at September 30, 2010 or 2009.

UGI Utilities has 2,000,000 shares of UGI Utilities Series Preferred Stock authorized for issuance, including both series subject to and series not subject to mandatory redemption. At September 30, 2010 and 2009, there were no shares of UGI Utilities Series Preferred Stock outstanding.

Note 13 — Common Stock and Equity-Based Compensation

UGI Common Stock share activity for Fiscal 2008, Fiscal 2009 and Fiscal 2010 follows:

	Issued	Treasury	Outstanding
Balance, September 30, 2007	115,152,994	(8,506,108)	106,646,886
Issued:			
Employee and director plans	94,700	1,028,843	1,123,543
Dividend reinvestment plan	—	90,533	90,533
Balance, September 30, 2008	115,247,694	(7,386,732)	107,860,962
Issued:			
Employee and director plans	13,600	776,074	789,674
Dividend reinvestment plan	—	96,071	96,071
Balance, September 30, 2009	115,261,294	(6,514,587)	108,746,707
Issued:			
Employee and director plans	139,000	1,390,207	1,529,207
Dividend reinvestment plan	—	97,673	97,673
Balance, September 30, 2010	115,400,294	(5,026,707)	110,373,587

Equity-Based Compensation

The Company grants equity-based awards to employees and non-employee directors comprising UGI stock options, grants of UGI stock-based equity instruments and grants of AmeriGas Partners Common Unit-based equity instruments as further described below. We recognized total pre-tax equity-based compensation expense of $13.2 ($8.7 after-tax), $17.6 ($11.4 after-tax) and $11.8 ($7.7 after-tax) in Fiscal 2010, Fiscal 2009 and Fiscal 2008, respectively.

UGI Equity-Based Compensation Plans and Awards. Under the UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 (the "OECP"), we may grant options to acquire shares of UGI Common Stock, stock appreciation rights ("SARs"), UGI Units (comprising "Stock Units" and "UGI Performance Units") and other equity-based awards to key employees and non-employee directors. The exercise price for options may not be less than the fair market value on the grant date. Awards granted under the OECP may vest immediately or ratably over a period of years, and stock options can be exercised no later than ten years from the grant date. In addition, the OECP provides that awards of UGI Units may also provide for the crediting of dividend equivalents to participants' accounts. Except in the event of retirement, death or disability, each grant, unless paid, will terminate when the participant ceases to be employed. There are certain change of control and retirement eligibility conditions that, if met, generally result in accelerated vesting or elimination of further service requirements.

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Under the OECP, awards representing up to 15,000,000 shares of UGI Common Stock may be granted. The maximum number of shares that may be issued pursuant to grants other than stock options or SARs is 3,200,000. Dividend equivalents on UGI Unit awards to employees will be paid in cash. Dividend equivalents on non-employee director awards are accumulated in additional Stock Units. UGI Unit awards granted to employees and non-employee directors are settled in shares of Common Stock and cash. UGI Unit awards granted to Antargaz employees are settled in shares of Common Stock. With respect to UGI Performance Unit awards, the actual number of shares (or their cash equivalent) ultimately issued, and the actual amount of dividend equivalents paid, is generally dependent upon the achievement of market performance goals and service conditions. It is our practice to issue treasury shares to satisfy substantially all option exercises and UGI Unit awards. We do not expect to repurchase shares for such purposes during Fiscal 2011.

In June 2008, the Company cancelled and regranted UGI Unit awards and UGI stock option awards previously granted to certain key employees of Antargaz. The cancellation and regrants did not affect the number of UGI Units or stock options awarded and we did not record any incremental expense as a result of these cancellations and regrants.

UGI Stock Option Awards. Stock option transactions under the OECP and predecessor plans for Fiscal 2008, Fiscal 2009 and Fiscal 2010 follow:

	Shares	Weighted Average Option Price	Total Intrinsic Value	Weighted Average Contract Term (Years)
Shares under option — September 30, 2007	6,358,079	$ 19.65		
Granted	1,423,800	$ 27.25		
Cancelled	(147,300)	$ 27.03		
Exercised	(982,334)	$ 15.64	$ 11.2	
Shares under option — September 30, 2008	6,652,245	$ 21.71	$ 30.9	6.6
Granted	1,411,200	$ 24.65		
Cancelled	(87,334)	$ 25.81		
Exercised	(474,618)	$ 13.30	$ 6.0	
Shares under option — September 30, 2009	7,501,493	$ 22.74	$ 23.2	6.4
Granted	1,394,300	$ 24.37		
Cancelled	(62,501)	$ 25.12		
Exercised	(1,276,247)	$ 18.09	$ 11.7	
Shares under option — September 30, 2010	7,557,045	$ 23.81	$ 36.2	6.5
Options exercisable — September 30, 2008	3,960,778	$ 18.93		
Options exercisable — September 30, 2009	4,744,054	$ 21.00		
Options exercisable — September 30, 2010	4,706,376	$ 22.99	$ 26.4	5.4
Non-vested options — September 30, 2010	2,850,669	$ 25.16	$ 9.8	8.3

Cash received from stock option exercises and associated tax benefits were $23.1 and $4.3, $6.3 and $2.2, and $15.4 and $3.7 in Fiscal 2010, Fiscal 2009 and Fiscal 2008, respectively. As of September 30, 2010, there was $3.6 of unrecognized compensation cost associated with unvested stock options that is expected to be recognized over a weighted-average period of 1.8 years.

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The following table presents additional information relating to stock options outstanding and exercisable at September 30, 2010:

	Range of exercise prices		
	$10.20 - $16.25	$16.99 - $22.47	$22.92 - $28.54
Options outstanding at September 30, 2010:			
Number of options	308,959	1,727,468	5,520,618
Weighted average remaining contractual life (in years)	2.1	4.3	7.4
Weighted average exercise price	$ 12.34	$ 19.92	$ 25.67
Options exercisable at September 30, 2010:			
Number of options	308,959	1,727,468	2,669,949
Weighted average exercise price	$ 12.34	$ 19.92	$ 26.22

UGI Stock Option Fair Value Information. The per share weighted-average fair value of stock options granted under our option plans was $4.49 in Fiscal 2010, $4.13 in Fiscal 2009 and $5.06 in Fiscal 2008. These amounts were determined using a Black-Scholes option pricing model which values options based on the stock price at the grant date, the expected life of the option, the estimated volatility of the stock, expected dividend payments and the risk-free interest rate over the expected life of the option. The expected life of option awards represents the period of time during which option grants are expected to be outstanding and is derived from historical exercise patterns. Expected volatility is based on historical volatility of the price of UGI's Common Stock. Expected dividend yield is based on historical UGI dividend rates. The risk free interest rate is based on U.S. Treasury bonds with terms comparable to the options in effect on the date of grant.

The assumptions we used for valuing option grants during Fiscal 2010, Fiscal 2009 and Fiscal 2008 are as follows:

	2010	2009	2008
Expected life of option	5.75 years	5.75 years	5.75 - 6.75 years
Weighted average volatility	24.0%	23.7%	20.9%
Weighted average dividend yield	3.3%	3.0%	2.8%
Expected volatility	24.0%	20.3% - 23.7%	20.3% - 20.9%
Expected dividend yield	3.3% - 3.4%	2.9% - 3.2%	2.8% - 2.9%
Risk free rate	1.7% - 3.1%	1.7% - 3.0%	3.4% - 3.6%

UGI Unit Awards. UGI Stock Unit and UGI Performance Unit awards entitle the grantee to shares of UGI Common Stock or cash once the service condition is met and, with respect to UGI Performance Unit awards, subject to market performance conditions. UGI Performance Unit grant recipients are awarded a target number of Performance Units. The number of UGI Performance Units ultimately paid at the end of the performance period (generally three-years) may be higher or lower than the target amount, or even zero, based on UGI's Total Shareholder Return ("TSR") percentile rank relative to companies in the Standard & Poor's Utilities Index ("UGI comparator group"). Based on the TSR percentile rank, grantees may receive 0% to 200% of the target award granted. If UGI's TSR ranks below the 40th percentile compared to the UGI comparator group, the employee will not be paid. At the 40th percentile, the employee will be paid an award equal to 50% of the target award; at the 50th percentile, 100%; and at the 100th percentile, 200%. The actual amount of the award is interpolated between these percentile rankings. Dividend equivalents are paid in cash only on UGI Performance Units that eventually vest.

The fair value of UGI Stock Units on the grant date is equal to the market price of UGI Stock on the grant date. Under GAAP, UGI Performance Units are equity awards with a market-based condition which, if settled in shares, results in the recognition of compensation cost over the requisite employee service period regardless of whether the market-based condition is satisfied. The fair values of UGI Performance Units are estimated using a Monte Carlo valuation model. The fair value associated with the target award is accounted for as equity and the fair value of the award over the target, as well as all dividend equivalents, is accounted for as a liability. The expected term of the UGI Performance Unit awards is three years based on the performance period. Expected volatility is based on the historical volatility of UGI Common Stock over a three-year period. The risk-free interest rate is based on the yields on U.S. Treasury bonds at the time of grant. Volatility for all companies in the UGI comparator group is based on historical volatility.

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The following table summarizes the weighted average assumptions used to determine the fair value of UGI Performance Unit awards and related compensation costs:

	Grants Awarded in Fiscal		
	2010	2009	2008
Risk free rate	1.7%	1.0%	2.7%
Expected life	3 years	3 years	3 years
Expected volatility	28.0%	27.1%	20.5%
Dividend yield	3.3%	3.2%	3.1%

The weighted-average grant date fair value of UGI Performance Unit awards was estimated to be $22.51 for Units granted in Fiscal 2010, $27.91 for Units granted in Fiscal 2009 and $29.70 for Units granted in Fiscal 2008.

The following table summarizes UGI Unit award activity for Fiscal 2010:

	Total		Vested		Non-Vested	
	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)
September 30, 2009	878,427	$ 23.89	535,582	$ 21.20	342,845	$ 28.09
UGI Performance Units:						
Granted	204,650	$ 22.51	—	$ —	204,650	$ 22.51
Forfeited	(5,227)	$ 25.85	—	$ —	(5,227)	$ 25.85
Vested	—	$ —	178,410	$ 26.60	(178,410)	$ 26.60
Unit awards paid	(174,417)	$ 27.04	(174,417)	$ 27.04	—	$ —
Performance criteria not met	—	$ —	—	$ —	—	$ —
UGI Stock Units:						
Granted(a)	27,060	$ 24.07	—	$ —	27,060	$ 24.07
Vested	—	$ —	31,260	$ 24.27	(31,260)	$ 24.27
Unit awards paid	—	$ —	—	$ —	—	$ —
September 30, 2010	930,493	$ 22.99	570,835	$ 21.27	359,658	$ 25.71

(a) Generally, shares granted under UGI Stock Unit awards are paid approximately 70% in shares. UGI Stock Unit awards granted in Fiscal 2009 and Fiscal 2008 were 52,767 and 37,732, respectively.

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During Fiscal 2010, Fiscal 2009 and Fiscal 2008, the Company paid UGI Performance Unit and UGI Stock Unit awards in shares and cash as follows:

	2010	2009	2008
UGI Performance Unit awards:			
Number of original awards granted	193,983	163,450	185,300
Fiscal year granted	2007	2006	2005
Payment of awards:			
Shares of UGI Common Stock issued	123,169	117,847	0
Cash paid	$ 2.6	$ 3.1	$ —
UGI Stock Unit awards:			
Number of original awards granted	0	88,449	40,000
Payment of awards:			
Shares of UGI Common Stock issued	0	58,376	20,000
Cash paid	$ —	$ 0.8	$ 0.6

During Fiscal 2010, Fiscal 2009 and Fiscal 2008, we granted UGI Unit awards representing 231,710, 269,017 and 253,325 shares, respectively, having weighted-average grant date fair values per Unit of $22.69, $27.26 and $29.34, respectively.

As of September 30, 2010, there was a total of approximately $5.1 of unrecognized compensation cost associated with 930,493 UGI Unit awards outstanding that is expected to be recognized over a weighted-average period of 1.8 years. The total fair values of UGI Units that vested during Fiscal 2010, Fiscal 2009, and Fiscal 2008 were $5.0, $7.6 and $7.1, respectively. As of September 30, 2010 and 2009, total liabilities of $8.7 and $8.9, respectively, associated with UGI Unit awards are reflected in “Other current liabilities” and “Other noncurrent liabilities” in the Consolidated Balance Sheets.

At September 30, 2010, 4,076,522 shares of Common Stock were available for future grants under the OECP, of which up to 1,687,347 may be issued pursuant to future grants other than stock options or SARs.

AmeriGas Partners Equity-Based Compensation Plans and Awards. On July 30, 2010, holders of AmeriGas Partners Common Units approved the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. (“2010 Propane Plan”). Under the 2010 Propane Plan, the General Partner may award to employees and non-employee directors grants of Common Units, performance units, options, phantom units, unit appreciation rights and other Common Unit-based awards. The total aggregate number of Common Units that may be issued under the Plan is 2,800,000. The exercise price for options may not be less than the fair market value on the date of grant. Awards granted under the 2010 Propane Plan may vest immediately or ratably over a period of years, and options can be exercised no later than ten years from the grant date. In addition, the 2010 Propane Plan provides that Common Unit-based awards may also provide for the crediting of Common Unit distribution equivalents to participants’ accounts.

The 2010 Propane Plan succeeds the AmeriGas Propane, Inc. 2000 Long-Term Incentive Plan (“2000 Propane Plan”) which expired on December 31, 2009, and replaces the AmeriGas Propane, Inc. Discretionary Long-Term Incentive Plan for Non-Executive Key Employees (“Nonexecutive Propane Plan”). Under the 2000 Propane Plan, the General Partner could award to key employees the right to receive Common Units (comprising performance units), or cash equivalent to the fair market value of such Common Units. In addition, the 2000 Propane Plan authorizes the crediting of Common Unit distribution equivalents to participants’ accounts. Under the Nonexecutive Propane Plan, the General Partner could grant awards to key employees who did not participate in the 2000 Propane Plan. Generally, awards under the Nonexecutive Propane Plan vest at the end of a three-year period and are paid in Common Units and cash. Effective January 1, 2010, no additional grants will be made under the 2000 Propane Plan. Effective July 30, 2010, no additional grants will be made under the Nonexecutive Propane Plan.

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Recipients of performance unit awards under the 2010 Propane Plan and, prior to its expiration date, the 2000 Propane Plan ("AmeriGas Performance Units") are awarded a target number of AmeriGas Performance Units. The number of AmeriGas Performance Units ultimately paid at the end of the performance period (generally three years) may be higher or lower than the target amount based upon AmeriGas Partners' Total Unitholder Return ("TUR") percentile rank relative to entities in a peer group. Percentile rankings and payout percentages are generally the same as those used for the UGI Performance Unit awards. Any Common Unit distribution equivalents earned are paid in cash. Generally, except in the event of retirement, death or disability, each grant, unless paid, will terminate when the participant ceases to be employed by the General Partner. There are certain change of control and retirement eligibility conditions that, if met, generally result in accelerated vesting or elimination of further service requirements.

Under GAAP, AmeriGas Performance Units are equity awards with a market-based condition which, if settled in Common Units, results in the recognition of compensation cost over the requisite employee service period regardless of whether the market-based condition is satisfied. The fair values of AmeriGas Performance Units are estimated using a Monte Carlo valuation model. The fair value associated with the target award and the award above the target, if any, which will be paid in Common Units, is accounted for as equity and the fair value of all Common Unit distribution equivalents, which will be paid in cash, is accounted for as a liability. The expected term of the AmeriGas Performance Unit awards is three years based on the performance period. Expected volatility is based on the historical volatility of Common Units over a three-year period. The risk-free interest rate is based on the rates on U.S. Treasury bonds at the time of grant. Volatility for all limited partnerships in the peer group is based on historical volatility.

The following table summarizes the weighted-average assumptions used to determine the fair value of AmeriGas Performance Unit awards and related compensation costs:

	Grants Awarded in Fiscal		
	2010	2009	2008
Risk-free rate	1.7%	1.0%	3.1%
Expected life	3 years	3 years	3 years
Expected volatility	35.0%	32.0%	17.7%
Dividend yield	6.8%	9.1%	6.8%

The General Partner granted awards under the 2010 Propane Plan, the 2000 Propane Plan and the Nonexecutive Propane Plan (collectively, "Awards") representing 57,750, 60,200 and 40,050 Common Units in Fiscal 2010, Fiscal 2009 and Fiscal 2008, respectively, having weighted-average grant date fair values per Common Unit subject to award of $41.39, $31.94 and $37.91, respectively. At September 30, 2010, 2,796,550 Common Units were available for future award grants under the 2010 Propane Plan.

The following table summarizes AmeriGas Common Unit-based award activity for Fiscal 2010:

	Total		Vested		Non-Vested	
	Number of AmeriGas Partners Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)	Number of AmeriGas Partners Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)	Number of AmeriGas Partners Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)
September 30, 2009	147,600	$ 33.83	51,584	$ 33.49	96,016	$ 34.02
Granted	57,750	$ 41.39	—	$ —	57,750	$ 41.39
Forfeited	(11,400)	$ 37.39	—	$ —	(11,400)	$ 37.39
Vested	—	$ —	49,617	$ 36.24	(49,617)	$ 36.24
Awards paid	(47,350)	$ 32.23	(47,350)	$ 32.23	—	$ —
September 30, 2010	146,600	$ 37.05	53,851	$ 37.14	92,749	$ 37.00

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During Fiscal 2010, Fiscal 2009 and Fiscal 2008, the Partnership paid AmeriGas Common Unit-based awards in Common Units and cash as follows:

	2010	2009	2008
Number of Common Units subject to original Awards granted	49,650	38,350	39,767
Fiscal year granted	2007	2006	2005
Payment of Awards:			
AmeriGas Partners Common Units issued	42,121	36,437	21,249
Cash paid	$ 1.2	$ 0.9	$ 0.8

As of September 30, 2010, there was a total of approximately $2.3 of unrecognized compensation cost associated with 146,600 Common Units subject to award that is expected to be recognized over a weighted-average period of 1.7 years. The total fair value of Common Unit-based awards that vested during Fiscal 2010, Fiscal 2009 and Fiscal 2008 was $2.0, $1.6 and $2.1, respectively. As of September 30, 2010 and 2009, total liabilities of $1.3 and $1.4 associated with Common Unit-based awards are reflected in “Employee compensation and benefits accrued” and “Other noncurrent liabilities” in the Consolidated Balance Sheets.

Note 14 — Partnership Distributions

The Partnership makes distributions to its partners approximately 45 days after the end of each fiscal quarter in a total amount equal to its Available Cash for such quarter. Available Cash generally means:

1. all cash on hand at the end of such quarter,

2. plus all additional cash on hand as of the date of determination resulting from borrowings after the end of such quarter,

3. less the amount of cash reserves established by the General Partner in its reasonable discretion.

The General Partner may establish reserves for the proper conduct of the Partnership’s business and for distributions during the next four quarters. In addition, certain of the Partnership’s debt agreements require reserves be established for the payment of debt principal and interest.

Distributions of Available Cash are made 98% to limited partners and 2% to the General Partner (representing a 1% General Partner interest in AmeriGas Partners and 1.01% interest in AmeriGas OLP) until Available Cash exceeds the Minimum Quarterly Distribution of $0.55 and the First Target Distribution of $0.055 per Common Unit (or a total of $0.605 per Common Unit). When Available Cash exceeds $0.605 per Common Unit in any quarter, the General Partner will receive a greater percentage of the total Partnership distribution (the “incentive distribution”) but only with respect to the amount by which the distribution per Common Unit to limited partners exceeds $0.605.

The Partnership has made quarterly distributions to Common Unitholders in excess of $0.605 per limited partner unit beginning with the quarterly distribution paid May 18, 2007. As a result, beginning with the quarterly distribution paid May 18, 2007 the General Partner has received a greater percentage of the total Partnership distribution than its aggregate 2% general partner interest in AmeriGas OLP and AmeriGas Partners. The General Partner distribution based on its aggregate 2% general partner ownership interests totaled $6.9 in Fiscal 2010, $8.5 in Fiscal 2009 and $4.3 in Fiscal 2008. Included in these amounts are incentive distributions received by the General Partner during Fiscal 2010, Fiscal 2009 and Fiscal 2008 of $3.0, $4.5 and $0.7, respectively.

On July 27, 2009, the General Partner’s Board of Directors approved a distribution of $0.84 per Common Unit payable on August 18, 2009 to unitholders of record on August 10, 2009. This distribution included the regular quarterly distribution of $0.67 per Common Unit and $0.17 per Common Unit reflecting a distribution of a portion of the proceeds from the Partnership’s November 2008 sale of its California storage facility.

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Note 15 — Commitments and Contingencies

Commitments

We lease various buildings and other facilities and vehicles, computer and office equipment under operating leases. Certain of our leases contain renewal and purchase options and also contain step-rent provisions. Our aggregate rental expense for such leases was $70.6 in Fiscal 2010, $70.1 in Fiscal 2009 and $71.2 in Fiscal 2008.

Minimum future payments under operating leases that have initial or remaining noncancelable terms in excess of one year are as follows:

	2011	2012	2013	2014	2015	After 2015
AmeriGas Propane	$ 44.5	$ 34.9	$ 28.2	$ 20.9	$ 13.6	$ 15.0
UGI Utilities	4.7	4.2	3.6	2.5	1.7	3.6
International Propane	6.3	2.8	1.9	0.3	—	—
Other	1.9	1.8	1.5	1.2	0.9	1.1
Total	$ 57.4	$ 43.7	$ 35.2	$ 24.9	$ 16.2	$ 19.7

Our businesses enter into contracts of varying lengths and terms to meet their supply, pipeline transportation, storage, capacity and energy needs. Gas Utility has gas supply agreements with producers and marketers with terms not exceeding one year. Gas Utility also has agreements for firm pipeline transportation and natural gas storage services, which Gas Utility may terminate at various dates through Fiscal 2022. Gas Utility's costs associated with transportation and storage capacity agreements are included in its annual PGC filings with the PUC and are recoverable through PGC rates. In addition, Gas Utility has short-term gas supply agreements which permit it to purchase certain of its gas supply needs on a firm or interruptible basis at spot-market prices. Electric Utility purchases its electricity needs under contracts with various suppliers and on the spot market. Contracts with producers for energy needs expire at various dates through Fiscal 2014. Midstream & Marketing enters into fixed-price contracts with suppliers to purchase natural gas and electricity to meet its sales commitments. Generally, these contracts have terms of less than two years. The Partnership enters into fixed-price and variable-priced contracts to purchase a portion of its supply requirements. These contracts generally have terms of less than one year. International Propane, particularly Antargaz, enters into variable-priced contracts to purchase a portion of its supply requirements. Generally, these contracts have terms that do not exceed three years.

The following table presents contractual obligations under Gas Utility, Electric Utility, Midstream & Marketing, AmeriGas Propane and International Propane supply, storage and service contracts existing at September 30, 2010:

	2011	2012	2013	2014	2015	After 2016
Gas Utility and Electric Utility supply, storage and transportation contracts	$ 225.2	$ 104.9	$ 85.3	$ 60.4	$ 32.4	$ 90.2
Midstream & Marketing supply contracts	277.7	100.5	13.4	—	—	—
AmeriGas Propane supply contracts	50.5	—	—	—	—	—
International Propane supply contracts	5.4	—	—	—	—	—
Total	$ 558.8	$ 205.4	$ 98.7	$ 60.4	$ 32.4	$ 90.2

The Partnership and International Propane also enter into other contracts to purchase LPG to meet supply requirements. Generally, these contracts are one- to three-year agreements subject to annual price and quantity adjustments.

In addition, we have committed to invest upon request a total of up to an additional $9.6 in a limited partnership that focuses on investments in the alternative energy sector.

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Contingencies

Environmental Matters

CPG is party to a Consent Order and Agreement ("CPG-COA") with the Pennsylvania Department of Environmental Protection ("DEP") requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant ("MGP") related facilities were operated ("CPG MGP Properties") and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement ("PNG-COA") with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated ("PNG MGP Properties"). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at $1.8 and $1.1, respectively, in any calendar year. The CPG-COA terminates at the end of 2011 for the MGP Properties and at the end of 2013 for well plugging activities. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two-year period beginning with the original effective date in March 2004. At September 30, 2010 and 2009, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled $21.4 and $25.0, respectively. In accordance with GAAP related to rate-regulated entities, we have recorded associated regulatory assets in equal amounts.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of manufactured gas plants ("MGPs") prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas and Electric Utility.

UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs. At September 30, 2010, neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material.

UGI Utilities has been notified of several sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by it or owned or operated by its former subsidiaries. Such parties are investigating the extent of environmental contamination or performing environmental remediation. UGI Utilities is currently litigating three claims against it relating to out-of-state sites.

Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities if a court were to conclude that (1) the subsidiary's separate corporate form should be disregarded or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary's MGP.

South Carolina Electric & Gas Company v. UGI Utilities, Inc. On September 22, 2006, South Carolina Electric & Gas Company ("SCE&G"), a subsidiary of SCANA Corporation, filed a lawsuit against UGI Utilities in the District Court of South Carolina seeking contribution from UGI Utilities for past and future remediation costs related to the operations of a former MGP located in Charleston, South Carolina. SCE&G asserts that the plant operated from 1855 to 1954 and alleges that through control of a subsidiary that owned the plant UGI Utilities controlled operations of the plant from 1910 to 1926 and is liable for approximately 25% of the costs associated with the site. SCE&G asserts that it has spent approximately $22 in remediation costs and paid $26 in third-party claims relating to the site and estimates that future response costs, including a claim by the United States Justice Department for natural resource damages, could be as high as $14. Trial took place in March 2009 and the court's decision is pending.

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Frontier Communications Company v. UGI Utilities, Inc. et al. In April 2003, Citizens Communications Company, now known as Frontier Communications Company ("Frontier"), served a complaint naming UGI Utilities as a third-party defendant in a civil action pending in the United States District Court for the District of Maine. In that action, the City of Bangor, Maine ("City") sued Frontier to recover environmental response costs associated with MGP wastes generated at a plant allegedly operated by Frontier's predecessors at a site on the Penobscot River. Frontier subsequently joined UGI Utilities and ten other third-party defendants alleging that the third-party defendants are responsible for an equitable share of any costs Frontier would be required to pay to the City for cleaning up tar deposits in the Penobscot River. Frontier alleged that through ownership and control of a subsidiary, Bangor Gas Light Company, UGI Utilities and its predecessors owned and operated the plant from 1901 to 1928. Frontier made similar allegations of control against another third-party defendant, CenterPoint Energy Resources Corporation ("CenterPoint"), whose predecessor owned the Bangor subsidiary from 1928 to 1944. Frontier's third-party claims were stayed pending a resolution of the City's suit against Frontier, which was tried in September 2005. On June 27, 2006, the court issued an order finding Frontier responsible for 60% of the cleanup costs, which were estimated at $18. On February 14, 2007, Frontier and the City entered into a settlement agreement pursuant to which Frontier agreed to pay $7.6. Frontier subsequently filed the current action against the original third-party defendants, repeating its claims for contribution. On September 22, 2009, the court granted summary judgment in favor of co-defendant CenterPoint. UGI Utilities believes that it also has good defenses and has filed a motion for summary judgment with respect to Frontier's claims. The court referred the motion to a magistrate judge for findings and a recommendation. On October 19, 2010, the magistrate judge entered an order recommending that the court grant UGI Utilities' motion.

Sag Harbor, New York Matter. By letter dated June 24, 2004, KeySpan Energy ("KeySpan") informed UGI Utilities that KeySpan has spent $2.3 and expects to spend another $11 to clean up an MGP site it owns in Sag Harbor, New York. KeySpan believes that UGI Utilities is responsible for approximately 50% of these costs as a result of UGI Utilities' alleged direct ownership and operation of the plant from 1885 to 1902. By letter dated June 6, 2006, KeySpan reported that the New York Department of Environmental Conservation has approved a remedy for the site that is estimated to cost approximately $10. KeySpan believes that the cost could be as high as $20. UGI Utilities is in the process of reviewing the information provided by KeySpan and is investigating this claim.

Yankee Gas Services Company and Connecticut Light and Power Company v. UGI Utilities, Inc. On September 11, 2006, UGI Utilities received a complaint filed by Yankee Gas Services Company and Connecticut Light and Power Company, subsidiaries of Northeast Utilities (together the "Northeast Companies"), in the United States District Court for the District of Connecticut seeking contribution from UGI Utilities for past and future remediation costs related to MGP operations on thirteen sites owned by the Northeast Companies in nine cities in the State of Connecticut. The Northeast Companies allege that UGI Utilities controlled operations of the plants from 1883 to 1941 through control of former subsidiaries that owned the MGPs. The Northeast Companies estimated that remediation costs for all of the sites could total approximately $215 and asserted that UGI Utilities is responsible for approximately $103 of this amount. The Northeast Companies subsequently withdrew their claims with respect to three of the sites and UGI Utilities acknowledged that it had operated one of the sites, Waterbury North, pursuant to a lease. In April 2009, the court conducted a trial to determine whether UGI Utilities operated any of the nine remaining sites that were owned and operated by former subsidiaries. On May 22, 2009, the court granted judgment in favor of UGI Utilities with respect to all nine sites. The Northeast Companies have appealed the decision. With respect to Waterbury North, the Northeast Companies are expected to complete additional environmental investigations by the end of 2010, after which there will be a second phase of the trial to determine what, if any, contamination at Waterbury North is related to UGI Utilities' period of operation. The Northeast Companies previously estimated that remediation costs at Waterbury North could total $25.

AmeriGas OLP Saranac Lake. By letter dated March 6, 2008, the New York State Department of Environmental Conservation ("DEC") notified AmeriGas OLP that DEC had placed property owned by the Partnership in Saranac Lake, New York on its Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by DEC disclosed contamination related to former MGP operations on the site. DEC has classified the site as a significant threat to public health or environment with further action required. The Partnership has researched the history of the site and its ownership interest in the site. The Partnership has reviewed the preliminary site characterization study prepared by the DEC, the extent of contamination and the possible existence of other potentially responsible parties. The Partnership has communicated the results of its research to DEC and is awaiting a response before doing any additional investigation. Because of the preliminary nature of available environmental information, the ultimate amount of expected clean up costs cannot be reasonably estimated.

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Other Matters

Purported AmeriGas Class Action Lawsuits. On May 27, 2009, the General Partner was named as a defendant in a purported class action lawsuit in the Superior Court of the State of California in which plaintiffs are challenging AmeriGas OLP's weight disclosure with regard to its portable propane grill cylinders. The complaint purports to be brought on behalf of a class of all consumers in the state of California during the four years prior to the date of the California complaint, who exchanged an empty cylinder and were provided with what is alleged to be only a partially filled cylinder. The plaintiffs seek restitution, injunctive relief, interest, costs, attorneys' fees and other appropriate relief.

Since that initial suit, various AmeriGas entities have been named in more than a dozen similar suits that have been filed in various courts throughout the United States. These complaints purport to be brought on behalf of nationwide classes, which are loosely defined as including all purchasers of liquefied propane gas cylinders marketed or sold by AmeriGas OLP and another unaffiliated entity nationwide. The complaints claim that defendants' conduct constituted unfair and deceptive practices that injured consumers and violated the consumer protection statutes of at least thirty-seven states and the District of Columbia, thereby entitling the class to damages, restitution, disgorgement, injunctive relief, costs and attorneys' fees. Some of the complaints also allege violation of state "slack filling" laws. Additionally, the complaints allege that defendants were unjustly enriched by their conduct and they seek restitution of any unjust benefits received, punitive or treble damages, and pre-judgment and post-judgment interest. A motion to consolidate the purported class action lawsuits was heard by the Multidistrict Litigation Panel ("MDL Panel") on September 24, 2009 in the United States District Court for the District of Kansas. By Order, dated October 6, 2009, the MDL Panel transferred the pending cases to the United States District Court for the Western District of Missouri. The AmeriGas entities named in the consolidated class action lawsuits have entered into a settlement agreement with the class. On May 19, 2010, the United States District Court for the District of Kansas granted the classes' motion seeking preliminary approval of the settlement. On October 4, 2010, the District Court ruled that the settlement was fair, reasonable and adequate to the class and granted final approval of the settlement.

AmeriGas Cylinder Investigations. On or about October 21, 2009, the General Partner received a notice that the Offices of the District Attorneys of Santa Clara, Sonoma, Ventura, San Joaquin and Fresno Counties and the City Attorney of San Diego have commenced an investigation into AmeriGas OLP's cylinder labeling and filling practices in California and issued an administrative subpoena seeking documents and information relating to these practices. We are cooperating with these California governmental investigations.

Swiger, et al. v. UGI/AmeriGas, Inc. et al. Samuel and Brenda Swiger and their son (the "Swigers") sustained personal injuries and property damage as a result of a fire that occurred when propane that leaked from an underground line ignited. In July 1998, the Swigers filed a class action lawsuit against AmeriGas Propane, L.P. (named incorrectly as "UGI/AmeriGas, Inc."), in the Circuit Court of Monongalia County, West Virginia, in which they sought to recover an unspecified amount of compensatory and punitive damages and attorney's fees, for themselves and on behalf of persons in West Virginia for whom the defendants had installed propane gas lines, resulting from the defendants' alleged failure to install underground propane lines at depths required by applicable safety standards. In 2003, AmeriGas OLP settled the individual personal injury and property damage claims of the Swigers. In 2004, the court granted the plaintiffs' motion to include customers acquired from Columbia Propane Corporation in August 2001 as additional potential class member and the plaintiffs amended their complaint to name additional parties pursuant to such ruling. Subsequently, in March 2005 AmeriGas OLP filed a crossclaim against Columbia Energy Group, former owner of Columbia Propane Corporation, seeking indemnification for conduct undertaken by Columbia Propane Corporation prior to AmeriGas OLP's acquisition. In June 2010, Columbia Energy Group filed a complaint in the Delaware Court of Chancery seeking to enjoin AmeriGas OLP from pursuing its cross-claims in the West Virginia litigation and asking the court to find that AmeriGas OLP's cross-claims are without merit and barred. Class counsel has indicated that the class is seeking compensatory damages in excess of $12 plus punitive damages, civil penalties and attorneys' fees. The Circuit Court of Monongalia County has tentatively scheduled a trial for the class action for the Spring of 2011.

In 2005, the Swigers also filed what purports to be a class action in the Circuit Court of Harrison County, West Virginia against UGI, an insurance subsidiary of UGI, certain officers of UGI and the General Partner, and their insurance carriers and insurance adjusters. In the Harrison County lawsuit, the Swigers are seeking compensatory and punitive damages on behalf of the putative class for violations of the West Virginia Insurance Unfair Trade Practice Act, negligence, intentional misconduct and civil conspiracy. The Swigers have also requested that the Court rule that insurance coverage exists under the policies issued by the defendant insurance companies for damages sustained by the members of the class in the Monongalia County lawsuit. The Circuit Court of Harrison County has not certified the class in the Harrison County lawsuit at this time and, in October 2008, stayed that lawsuit pending resolution of the class action lawsuit in Monongalia County. We believe we have good defenses to the claims in their actions.

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French Business Tax. French tax authorities levy various taxes on legal entities and individuals regularly operating a business in France which are commonly referred to collectively as "business tax." The amount of business tax charged annually is generally dependent upon the value of the entity's tangible fixed assets. Antargaz has recorded liabilities for business taxes related to various classes of equipment. Changes in the French government's interpretation of the tax laws or in the tax laws themselves could have either an adverse or a favorable effect on our results of operations.

Antargaz Competition Authority Matter. On July 21, 2009, Antargaz received a Statement of Objections from France's Autorité de la concurrence ("Competition Authority") with respect to the investigation of Antargaz by the General Division of Competition, Consumption and Fraud Punishment ("DGCCRF"). A Statement of Objections ("Statement") is part of French competition proceedings and generally follows an investigation under French competition laws. The Statement sets forth the Competition Authority's findings; it is not a judgment or final decision. The Statement alleges that Antargaz engaged in certain anti-competitive practices in violation of French competition laws related to the cylinder market during the period from 1999 through 2004. The alleged violations occurred principally during periods prior to March 31, 2004, when UGI first obtained a controlling interest in Antargaz. Based on an assessment of the information contained in the Statement, during the quarter ended June 30, 2009 we recorded a provision of $10.0 (€7.1) related to this matter which amount is reflected in "Other income, net" on the Fiscal 2009 Consolidated Statement of Income.

We filed our written response to the Statement of Objections with the Competition Authority on October 21, 2009. The Competition Authority completed its review of Antargaz' response and issued its report on April 26, 2010. Antargaz filed its response to this report on June 28, 2010. A hearing before the Competition Authority was held on September 21, 2010 and a decision is not expected before the end of 2010. Based on our assessment of the information contained in the report and the hearing, we believe that we have good defenses to the objections and that the reserve established by management for this matter is adequate. However, the final resolution could result in payment of an amount significantly different from the amount we have recorded.

We cannot predict with certainty the final results of any of the environmental or other pending claims or legal actions described above. However, it is reasonably possible that some of them could be resolved unfavorably to us and result in losses in excess of recorded amounts. We are unable to estimate any possible losses in excess of recorded amounts. Although we currently believe, after consultation with counsel, that damages or settlements, if any, recovered by the plaintiffs in such claims or actions will not have a material adverse effect on our financial position, damages or settlements could be material to our operating results or cash flows in future periods depending on the nature and timing of future developments with respect to these matters and the amounts of future operating results and cash flows. In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. While the results of these other pending claims and legal actions cannot be predicted with certainty, we believe, after consultation with counsel, the final outcome of such other matters will not have a significant effect on our consolidated financial position, results of operations or cash flows.

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Note 16 — Fair Value Measurements

Derivative Financial Instruments

The following table presents our financial assets and financial liabilities that are measured at fair value on a recurring basis for each of the fair value hierarchy levels, including both current and noncurrent portions, as of September 30, 2010 and 2009:

	Asset (Liability)			
	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
September 30, 2010:				
Assets:				
Derivative financial instruments:				
Commodity contracts	$ 1.1	$ 10.7	$ —	$ 11.8
Foreign currency contracts	$ —	$ 0.8	$ —	$ 0.8
Liabilities:				
Derivative financial instruments:				
Commodity contracts	$ (49.4)	$ (20.3)	$ —	$ (69.7)
Foreign currency contracts	$ —	$ (2.9)	$ —	$ (2.9)
Interest rate contracts	$ —	$ (18.5)	$ —	$ (18.5)
September 30, 2009:				
Assets:				
Derivative financial instruments:				
Commodity contracts	$ 2.0	$ 16.6	$ —	$ 18.6
Interest rate contracts	$ —	$ 2.2	$ —	$ 2.2
Liabilities:				
Derivative financial instruments:				
Commodity contracts	$ (5.8)	$ (1.4)	$ —	$ (7.2)
Foreign currency contracts	$ —	$ (5.7)	$ —	$ (5.7)
Interest rate contracts	$ —	$ (36.6)	$ —	$ (36.6)

The fair values of our Level 1 exchange-traded commodity futures and option contracts and non exchange-traded commodity futures and forward contracts are based upon actively-quoted market prices for identical assets and liabilities. The remainder of our derivative financial instruments are designated as Level 2. The fair values of certain non-exchange traded commodity derivatives are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. For commodity option contracts not traded on an exchange, we use a Black Scholes option pricing model that considers time value and volatility of the underlying commodity. The fair values of interest rate contracts and foreign currency contracts are based upon third-party quotes or indicative values based on recent market transactions.

Other Financial Instruments

The carrying amounts of financial instruments included in current assets and current liabilities (excluding unsettled derivative instruments and current maturities of long-term debt) approximate their fair values because of their short-term nature. The carrying amount and estimated fair value of our long-term debt at September 30, 2010 were $2,005.8 and $2,144.7, respectively. The carrying amount and estimated fair value of our long-term debt at September 30, 2009 were $2,133.1 and $2,170.3, respectively. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar type debt.

Financial instruments other than derivative financial instruments, such as our short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit our credit risk from short-term investments by investing only in investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured bank deposits. The credit risk from trade accounts receivable is limited because we have a large customer base which extends across many different U.S. markets and several foreign countries.

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Note 17 — Disclosures About Derivative Instruments and Hedging Activities

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are (1) commodity price risk, (2) interest rate risk and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. Because our derivative instruments, other than FTRs and gasoline futures and swap contracts (as further described below), generally qualify as hedges under GAAP or are subject to regulatory rate recovery mechanisms, we expect that changes in the fair value of derivative instruments used to manage commodity, interest rate or currency exchange rate risk would be substantially offset by gains or losses on the associated anticipated transactions.

Commodity Price Risk

In order to manage market price risk associated with the Partnership's fixed-price programs which permit customers to lock in the prices they pay for propane principally during the months of October through March, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. Certain other domestic business units and our International Propane operations also use over-the-counter price swap and option contracts to reduce commodity price volatility associated with a portion of their forecasted LPG purchases. In addition, the Partnership enters into price swap agreements to provide market price risk support to a limited number of its wholesale customers. These agreements are not designated as hedges for accounting purposes. The volume of propane subject to these wholesale customer agreements at September 30, 2010 and 2009 were not material.

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to retail core-market customers. As permitted and agreed to by the PUC pursuant to Gas Utility's annual PGC filings, Gas Utility currently uses New York Mercantile Exchange ("NYMEX") natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. At September 30, 2010 the volumes of natural gas associated with Gas Utility's unsettled NYMEX natural gas futures and option contracts totaled 19.5 million dekatherms and the maximum period over which Gas Utility is hedging natural gas market price risk is 12 months. At September 30, 2009, there were no unsettled NYMEX natural gas futures or option contracts outstanding. Gains and losses on natural gas futures contracts and any gains on natural gas option contracts are recorded in regulatory assets or liabilities on the Consolidated Balance Sheets in accordance with FASB's guidance in ASC 980 related to rate-regulated entities and reflected in cost of sales through the PGC mechanism (see Note 8).

Beginning January 1, 2010, Electric Utility's DS tariffs permit the recovery of all prudently incurred costs of electricity it sells to DS customers. Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. During Fiscal 2010, Electric Utility determined that it could no longer assert that it would take physical delivery of substantially all of the electricity it had contracted for under its forward power purchase agreements and, as a result, such contracts no longer qualified for the normal purchases and normal sales exception under GAAP related to derivative financial instruments. The inability of Electric Utility to continue to assert that it would take physical delivery of such power resulted principally from a greater than anticipated number of customers, primarily certain commercial and industrial customers, choosing an alternative electricity supplier. Because these contracts no longer qualify for the normal purchases and normal sales exception under GAAP, the fair value of these contracts are required to be recognized on the balance sheet and measured at fair value. At September 30, 2010, the fair values of Electric Utility's forward purchase power agreements comprising a loss of $19.7 are reflected in current derivative financial instrument liabilities and other noncurrent liabilities in the accompanying September 30, 2010 Consolidated Balance Sheet. In accordance with ASC 980 related to rate regulated entities, Electric Utility has recorded equal and offsetting amounts in regulatory assets. At September 30, 2010, the volumes of Electric Utility's forward electricity purchase contracts was 990.7 million kilowatt hours and the maximum period over which these contracts extend is 43 months.

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In order to reduce volatility associated with a substantial portion of its electricity transmission congestion costs, Electric Utility obtains FTRs through an annual PJM Interconnection ("PJM") allocation process and by purchases of FTRs at monthly PJM auctions. Midstream & Marketing purchases FTRs to economically hedge electricity transmission congestion costs associated with its fixed-price electricity sales contracts. FTRs are derivative financial instruments that entitle the holder to receive compensation for electricity transmission congestion charges that result when there is insufficient electricity transmission capacity on the electric transmission grid. PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 14 eastern and midwestern states. Because Electric Utility is entitled to fully recover its DS costs commencing January 1, 2010 pursuant to the January 22, 2009 settlement of its DS filing with the PUC, gains and losses on Electric Utility FTRs associated with periods beginning on or after January 1, 2010 are recorded in regulatory assets or liabilities in accordance with ASC 980 and reflected in cost of sales through the DS recovery mechanism (see Note 8). Gains and losses associated with periods prior to January 2010 are reflected in cost of sales. At September 30, 2010 and 2009, the volumes associated with Electric Utility FTRs totaled 546.8 million kilowatt hours and 1,009.0 million kilowatt hours, respectively. Midstream & Marketing's FTRs are recorded at fair value with changes in fair value reflected in cost of sales. At September 30, 2010 and 2009, the volumes associated with Midstream & Marketing's FTRs totaled 1,026.4 million kilowatt hours and 729.0 million kilowatt hours, respectively.

In order to manage market price risk relating to fixed-price sales contracts for natural gas and electricity, Midstream & Marketing enters into NYMEX and over-the-counter natural gas and electricity futures contracts.

In order to reduce operating expense volatility, UGI Utilities from time to time enters into NYMEX gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in the operation of its vehicles and equipment. Associated volumes, fair values and effects on net income were not material for all periods presented.

At September 30, 2010 and 2009, we had the following outstanding derivative commodity instruments volumes that qualify for hedge accounting treatment:

	Volumes	
Commodity	2010	2009
LPG (millions of gallons)	160.0	152.8
Natural gas (millions of dekatherms)	36.3	21.8
Electricity (millions of kilowatt hours)	1,203.8	372.0

At September 30, 2010, the maximum period over which we are hedging our exposure to the variability in cash flows associated with LPG commodity price risk is 24 months with a weighted average of 5 months; the maximum period over which we are hedging our exposure to the variability in cash flows associated with natural gas commodity price risk (excluding Gas Utility) is 36 months with a weighted average of 7 months; and the maximum period over which we are hedging our exposure to the variability in cash flows associated with electricity price risk (excluding Electric Utility) is 28 months with a weighted average of 10 months. At September 30, 2010, the maximum period over which we are economically hedging electricity congestion with FTRs (excluding Electric Utility) is 8 months with a weighted average of 4 months.

We account for commodity price risk contracts (other than our Gas Utility natural gas futures and option contracts, Electric Utility electricity forward contracts, gasoline futures and swap contracts, and FTRs) as cash flow hedges. Changes in the fair values of contracts qualifying for cash flow hedge accounting are recorded in AOCI and, with respect to the Partnership, noncontrolling interests, to the extent effective in offsetting changes in the underlying commodity price risk. When earnings are affected by the hedged commodity, gains or losses are recorded in cost of sales on the Consolidated Statements of Income. At September 30, 2010, the amount of net losses associated with commodity price risk hedges expected to be reclassified into earnings during the next twelve months based upon current fair values is $46.1.

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Interest Rate Risk

Antargaz' and Flaga's long-term debt agreements have interest rates that are generally indexed to short-term market interest rates. Antargaz has effectively fixed the underlying euribor interest rate on its €380 variable-rate debt through its March 2011 maturity date through the use of pay-fixed, receive-variable interest rate swap agreements. Antargaz intends to refinance its €380 variable-rate term loan on a long-term basis by March 2011. In anticipation of such refinancing, during Fiscal 2010 Antargaz entered into forward-starting interest rate swap agreements to hedge the underlying euribor rate of interest relating to 4 1/2 years of quarterly interest payments on €300 notional amount of long-term debt commencing March 31, 2011. Flaga has also fixed the underlying euribor interest rate on a substantial portion of its two term loans through their scheduled maturity dates ending in 2014 through the use of pay-fixed, receive-variable interest rate swap agreements. As of September 30, 2010 and 2009, the total notional amounts of our existing and anticipated variable-rate debt subject to interest rate swap agreements were €703.2 and €410.6, respectively.

Our domestic businesses' long-term debt is typically issued at fixed rates of interest. As these long-term debt issues mature, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). There were no unsettled IRPAs outstanding at September 30, 2010. At September 30, 2009, the total notional amount of unsettled IRPAs was $150.

We account for interest rate swaps and IRPAs as cash flow hedges. Changes in the fair values of interest rate swaps and IRPAs are recorded in AOCI and, with respect to the Partnership, noncontrolling interests, to the extent effective in offsetting changes in the underlying interest rate risk, until earnings are affected by the hedged interest expense. At such time, gains and losses are recorded in interest expense. At September 30, 2010, the amount of net losses associated with interest rate hedges (excluding pay-fixed, receive-variable interest rate swaps) expected to be reclassified into earnings during the next twelve months is $1.7.

Foreign Currency Exchange Rate Risk

In order to reduce volatility, Antargaz hedges a portion of its anticipated U.S. dollar-denominated LPG product purchases through the use of forward foreign currency exchange contracts. The amount of dollar-denominated purchases of LPG associated with such contracts generally represents approximately 20% to 30% of estimated dollar-denominated purchases of LPG to occur during the heating-season months of October through March. At September 30, 2010 and 2009, we were hedging a total of $108.6 and $131.5 of U.S. dollar-denominated LPG purchases, respectively. At September 30, 2010, the maximum period over which we are hedging our exposure to the variability in cash flows associated with dollar-denominated purchases of LPG is 29 months with a weighted average of 12 months. We also enter into forward foreign currency exchange contracts to reduce the volatility of the U.S. dollar value on a portion of our International Propane euro-denominated net investments. At September 30, 2010 and 2009, we were hedging a total of €10.0 and €30.8, respectively, of our euro-denominated net investments. As of September 30, 2010, such foreign currency contracts extend through March 2013.

We account for foreign currency exchange contracts associated with anticipated purchases of U.S. dollar-denominated LPG as cash flow hedges. Changes in the fair values of these foreign currency exchange contracts are recorded in AOCI, to the extent effective in offsetting changes in the underlying currency exchange rate risk, until earnings are affected by the hedged LPG purchase, at which time gains and losses are recorded in cost of sales. At September 30, 2010, the amount of net losses associated with currency rate risk (other than net investment hedges) expected to be reclassified into earnings during the next twelve months based upon current fair values is $1.0. Gains and losses on net investment hedges are included in AOCI until such foreign operations are liquidated.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Derivative Financial Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative financial instrument counterparties. Our derivative financial instrument counterparties principally comprise major energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Company in the form of letters of credit, parental guarantees or cash. Additionally, our natural gas and electricity exchange-traded futures contracts which are guaranteed by the NYMEX generally require cash deposits in margin accounts. At September 30, 2010 and 2009, restricted cash in brokerage accounts totaled $34.8 and $7.0, respectively. Although we have concentrations of credit risk associated with derivative financial instruments, the maximum amount of loss, based upon the gross fair values of the derivative financial instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was not material at September 30, 2010. We generally do not have credit-risk-related contingent features in our derivative contracts.

The following table provides information regarding the balance sheet location and fair value of derivative assets and liabilities existing as of September 30, 2010 and 2009:

	Derivative Assets			Derivative Liabilities		
	Balance Sheet Location	Fair Value September 30, 2010	2009	Balance Sheet Location	Fair Value September 30, 2010	2009
Derivatives Designated as Hedging Instruments:						
Commodity contracts	Derivative financial instruments and Other assets	$ 9.2	$ 15.6	Derivative financial instruments and Other noncurrent liabilities	$ (48.6)	$ (7.2)
Foreign currency contracts	Other assets	0.8	—	Derivative financial instruments and Other noncurrent liabilities	(2.9)	(5.7)
Interest rate contracts	Derivative financial instruments	—	2.2	Derivative financial instruments and Other noncurrent liabilities	(18.5)	(36.6)
Total Derivatives Designated as Hedging Instruments		$ 10.0	$ 17.8		$ (70.0)	$ (49.5)
Derivatives Accounted for Under ASC 980:						
Commodity contracts	Derivative financial instruments	$ 0.4	$ 3.0	Derivative financial instruments and Other noncurrent liabilities	$ (21.1)	$ —
Derivatives Not Designated as Hedging Instruments:						
Commodity contracts	Derivative financial instruments and Other assets	$ 2.2	$ —			
Total Derivatives		$ 12.6	$ 20.8		$ (91.1)	$ (49.5)

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
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The following tables provide information on the effects of derivative instruments on the Consolidated Statement of Income and changes in AOCI and noncontrolling interest for Fiscal 2010 and 2009:

	Gain or (Loss) Recognized in AOCI and Noncontrolling Interests		Gain or (Loss) Reclassified from AOCI and Noncontrolling Interests into Income		Location of Gain or (Loss) Reclassified from AOCI and Noncontrolling Interests into Income
	2010	2009	2010	2009	
Cash Flow Hedges:					
Commodity contracts	$ (41.7)	$ (241.1)	$ (21.0)	$ (305.8)	Cost of sales
Foreign currency contracts	3.2	(2.1)	0.7	5.0	Cost of sales
Interest rate contracts	(12.6)	(46.7)	(28.2)	(7.0)	Interest expense /other income
Total	$ (51.1)	$ (289.9)	$ (48.5)	$ (307.8)	
Net Investment Hedges:					
Foreign currency contracts	$ 5.0	$ (2.0)			

	Gain or (Loss) Recognized in Income		Location of Gain or (Loss) Recognized in Income
	2010	2009	
Derivatives Not Designated as Hedging Instruments:			
Commodity contracts	$ 1.3	$ (0.6)	Cost of sales
Commodity contracts	0.2	0.7	Operating expenses / other income
Total	$ 1.5	$ 0.1	

The amounts of derivative gains or losses representing ineffectiveness, and the amounts of gains or losses recognized in income as a result of excluding derivatives from ineffectiveness testing, were not material for Fiscal 2010, Fiscal 2009 and Fiscal 2008. During the three months ended March 31, 2010, the Partnership's management determined that it was likely that the Partnership would not issue $150 of long-term debt during the summer of 2010 due to the Partnership's strong cash flow and anticipated extension of all or a portion of the 2009 AmeriGas Supplemental Credit Agreement. As a result, the Partnership discontinued cash flow hedge accounting treatment for IRPAs associated with this previously anticipated Fiscal 2010 $150 long-term debt issuance and recorded a $12.2 loss which is reflected in other income, net on the Fiscal 2010 Consolidated Statement of Income. During Fiscal 2009, the Partnership recorded a loss of $1.7 as a result of the discontinuance of cash flow hedge accounting associated with IRPAs which amount was also reflected in other income, net.

We are also a party to a number of other contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders, contracts which provide for the purchase and delivery, or sale, of natural gas, LPG and electricity, and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments. Although many of these contracts have the requisite elements of a derivative instrument, these contracts qualify for normal purchases and normal sales exception accounting under GAAP because they provide for the delivery of products or services in quantities that are expected to be used in the normal course of operating our business and the price in the contract is based on an underlying that is directly associated with the price of the product or service being purchased or sold.

Note 18 — Energy Services Accounts Receivable Securitization Facility

Energy Services has a $200 receivables purchase facility ("Receivables Facility") with an issuer of receivables-backed commercial paper currently scheduled to expire in April 2011, although the Receivables Facility may terminate prior to such date due to the termination of commitments of the Receivables Facility's back-up purchasers.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
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Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special-purpose subsidiary, Energy Services Funding Corporation ("ESFC"), which is consolidated for financial statement purposes. ESFC, in turn, has sold, and subject to certain conditions, may from time to time sell, an undivided interest in the receivables to a commercial paper conduit of a major bank. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. This two-step transaction is accounted for as a sale of receivables following the FASB's guidance for accounting for transfers of financial assets and extinguishments of liabilities. Energy Services continues to service, administer and collect trade receivables on behalf of the commercial paper issuer and ESFC.

During Fiscal 2010, Fiscal 2009 and Fiscal 2008, Energy Services sold trade receivables totaling $1,147.3, $1,247.1 and $1,496.2, respectively, to ESFC. During Fiscal 2010, Fiscal 2009 and Fiscal 2008, ESFC sold an aggregate $254.6, $596.9 and $251.5, respectively, of undivided interests in its trade receivables to the commercial paper conduit. At September 30, 2010, the outstanding balance of ESFC trade receivables was $44.0 which is net of $12.1 that was sold to the commercial paper conduit and removed from the balance sheet. At September 30, 2009, the outstanding balance of ESFC trade receivables was $38.2 which is net of $31.3 that was sold to the commercial paper conduit and removed from the balance sheet. Losses on sales of receivables to the commercial paper conduit that occurred during Fiscal 2010, Fiscal 2009 and Fiscal 2008, which are included in "Other income, net," were $1.5, $2.3 and $0.9, respectively.

Effective October 1, 2010, the Company adopted a new accounting standard that changes the accounting for the Receivables Facility. For information on the effects of the change, see Note 3.

Note 19 — Other Income, Net

Other income, net, comprises the following:

	2010	2009	2008
Interest and interest-related income	$ 2.9	$ 5.0	$ 11.6
Antargaz Competition Authority Matter	—	(10.0)	—
Utility non-tariff service income	2.4	3.2	6.2
Gain on sale of Partnership LPG storage facility	—	39.9	—
Gain on sale of Atlantic Energy, LLC	36.5	—	—
Finance charges	11.3	11.7	11.8
Partnership interest rate protection agreement losses	(12.2)	(1.7)	—
Other, net	17.1	7.8	12.0
Total other income, net	$ 58.0	$ 55.9	$ 41.6

Note 20 — Quarterly Data (unaudited)

The following unaudited quarterly data includes adjustments (consisting only of normal recurring adjustments with the exception of those indicated below) which we consider necessary for a fair presentation unless otherwise indicated. Our quarterly results fluctuate because of the seasonal nature of our businesses.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

	December 31,		March 31,		June 30,		September 30,	
	2009	2008 (a)	2010 (b)	2009	2010	2009 (c)	2010 (d)	2009
Revenues	$1,618.8	$1,778.5	$2,120.3	$2,137.8	$ 961.9	$ 962.2	$ 890.4	$ 859.3
Operating income (loss)	$ 243.2	$ 289.4	$ 366.0	$ 374.8	$ 31.2	$ 28.8	$ 18.8	$ (7.7)
Loss from equity investees	$ —	$ (0.2)	$ —	$ (0.6)	$ (1.9)	$ —	$ (0.2)	$ (2.3)
Net income (loss)	$ 145.5	$ 183.9	$ 232.8	$ 241.8	$ (4.2)	$ (12.2)	$ (18.4)	$ (31.5)
Net income (loss) attributable to UGI Corporation	$ 98.4	$ 114.9	$ 157.1	$ 158.2	$ 3.4	$ (3.6)	$ 2.1	$ (11.0)
Earnings (loss) per share attributable to UGI stockholders:								
Basic	$ 0.90	$ 1.06	$ 1.44	$ 1.46	$ 0.03	$ (0.03)	$ 0.02	$ (0.10)
Diluted	$ 0.90	$ 1.05	$ 1.43	$ 1.45	$ 0.03	$ (0.03)	$ 0.02	$ (0.10)

(a) Includes a gain from the sale of the Partnership's California storage facility which increased operating income by $39.9 and net income attributable to UGI Corporation by $10.4 or $0.10 per diluted share (see Note 4).

(b) Includes loss from discontinuance of cash flow hedge accounting treatment for Partnership IRPAs which decreased operating income by $12.2 and net income attributable to UGI Corporation by $3.3 or $0.03 per diluted share (see Note 17).

(c) Includes a provision for the Antargaz Competition Authority Matter which decreased operating income by $10.0 and increased net loss attributable to UGI Corporation by $10.0 or $0.10 per share (see Note 15).

(d) Includes a gain from the sale of Atlantic Energy, LLC which increased operating income by $36.5 and net income attributable to UGI Corporation by $17.2 or $0.16 per diluted share (see Note 4).

Note 21 — Segment Information

We have organized our business units into six reportable segments generally based upon products sold, geographic location (domestic or international) and regulatory environment. Our reportable segments are: (1) AmeriGas Propane; (2) an international LPG segment comprising Antargaz; (3) an international LPG segment comprising Flaga and our other international propane businesses other than Antargaz ("Other"); (4) Gas Utility; (5) Electric Utility; and (6) Midstream & Marketing. We refer to both international segments collectively as "International Propane."

AmeriGas Propane derives its revenues principally from the sale of propane and related equipment and supplies to retail customers in all 50 states. Our International Propane segments' revenues are derived principally from the distribution of LPG to retail customers in France and, to a much lesser extent, northern, central and eastern Europe including Austria and Denmark. Gas Utility's revenues are derived principally from the sale and distribution of natural gas to customers in eastern, northeastern and central Pennsylvania. Electric Utility derives its revenues principally from the distribution of electricity in two northeastern Pennsylvania counties. Midstream & Marketing revenues are derived from the sale of natural gas and, to a lesser extent, LPG, electricity and fuel oil to customers located primarily in the Mid-Atlantic region of the United States.

The accounting policies of our reportable segments are the same as those described in Note 2. We evaluate AmeriGas Propane's performance principally based upon the Partnership's earnings before interest expense, income taxes, depreciation and amortization ("Partnership EBITDA"). Although we use Partnership EBITDA to evaluate AmeriGas Propane's profitability, it should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States of America. Our definition of Partnership EBITDA may be different from that used by other companies. We evaluate the performance of our International Propane, Gas Utility, Electric Utility and Midstream & Marketing segments principally based upon their income before income taxes.

No single customer represents more than ten percent of our consolidated revenues. In addition, all of our reportable segments' revenues, other than those of our International Propane segments, are derived from sources within the United States, and all of our reportable segments' long-lived assets, other than those of our International Propane segments, are located in the United States.

UGI Corporation
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			Reportable Segments						
	Total	Elim-inations	AmeriGas Propane	Gas Utility	Electric Utility	Midstream & Marketing	International Propane Antargaz	International Propane Other (b)	Corporate & Other (c)
2010									
Revenues	$ 5,591.4	$ (186.0)(d)	$ 2,320.3	$ 1,047.5	$ 120.2	$ 1,145.9	$ 887.1	$ 172.4	$ 84.0
Cost of sales	$ 3,584.0	$ (179.2)(d)	$ 1,395.1	$ 653.4	$ 77.1	$ 1,010.7	$ 465.9	$ 116.2	$ 44.8
Operating income (loss)	$ 659.2	$ —	$ 235.8	$ 175.3	$ 13.7	$ 120.0	$ 115.1	$ 1.9	$ (2.6)
Loss from equity investees	(2.1)	—	—	—	—	—	(2.0)	(0.1)	—
Interest expense	(133.8)	—	(65.1)	(40.5)	(1.8)	(0.2)	(22.4)	(3.0)	(0.8)
Income (loss) before income taxes	$ 523.3	$ —	$ 170.7	$ 134.8	$ 11.9	$ 119.8	$ 90.7	$ (1.2)	$ (3.4)
Net income (loss) attributable to UGI	$ 261.0	$ —	$ 47.3	$ 83.1	$ 6.8	$ 68.2	$ 60.0	$ (1.2)	$ (3.2)
Depreciation and amortization	$ 210.2	$ —	$ 87.4	$ 49.5	$ 4.0	$ 7.7	$ 48.9	$ 11.5	$ 1.2
Noncontrolling interests' net income	$ 94.7	$ —	$ 91.1	$ —	$ —	$ 3.3	$ 0.3	$ —	$ —
Partnership EBITDA (a)			$ 321.0						
Total assets	$ 6,374.3	$ (81.1)	$ 1,690.9	$ 1,996.3	$ 143.3	$ 450.8	$ 1,678.3	$ 320.2	$ 175.6
Bank loans	$ 200.4	$ —	$ 91.0	$ 17.0	$ —	$ —	$ 68.2	$ 24.2	$ —
Capital expenditures	$ 352.9	$ —	$ 83.2	$ 73.5	$ 8.1	$ 116.4	$ 51.4	$ 7.6	$ 12.7
Investments in equity investees	$ 0.4	$ —	$ —	$ —	$ —	$ —	$ —	$ 0.4	$ —
Goodwill	$ 1,562.7	$ —	$ 683.1	$ 180.1	$ —	$ 2.8	$ 602.7	$ 87.0	$ 7.0
2009									
Revenues	$ 5,737.8	$ (172.5)(d)	$ 2,260.1	$ 1,241.0	$ 138.5	$ 1,224.7	$ 837.7	$ 117.6	$ 90.7
Cost of sales	$ 3,670.6	$ (167.7)(d)	$ 1,316.5	$ 853.2	$ 91.6	$ 1,098.5	$ 362.4	$ 67.1	$ 49.0
Operating income (loss)	$ 685.3	$ —	$ 300.5	$ 153.5	$ 15.4	$ 64.8	$ 142.8	$ 8.6	$ (0.3)
Loss from equity investees	(3.1)	—	—	—	—	—	(2.9)	(0.2)	—
Interest expense	(141.1)	—	(70.3)	(42.2)	(1.7)	—	(24.0)	(2.6)	(0.3)
Income (loss) before income taxes	$ 541.1	$ —	$ 230.2	$ 111.3	$ 13.7	$ 64.8	$ 115.9	$ 5.8	$ (0.6)
Net income attributable to UGI	$ 258.5	$ —	$ 65.0	$ 70.3	$ 8.0	$ 38.1	$ 74.0	$ 4.3	$ (1.2)
Depreciation and amortization	$ 200.9	$ —	$ 83.9	$ 47.2	$ 3.9	$ 8.5	$ 47.7	$ 8.8	$ 0.9
Noncontrolling interests' net income (loss)	$ 123.5	$ 0.2	$ 123.6	$ —	$ —	$ —	$ (0.4)	$ 0.1	$ —
Partnership EBITDA (a)			$ 381.4						
Total assets	$ 6,042.6	$ (115.5)	$ 1,647.7	$ 1,917.1	$ 113.2	$ 344.1	$ 1,705.6	$ 260.1	$ 170.3
Bank loans	$ 163.1	$ —	$ —	$ 145.9	$ 8.1	$ —	$ —	$ 9.1	$ —
Capital expenditures	$ 301.7	$ —	$ 78.7	$ 73.8	$ 5.3	$ 66.2	$ 70.5	$ 5.8	$ 1.4
Investments in equity investees	$ 3.0	$ —	$ —	$ —	$ —	$ —	$ —	$ 3.0	$ —
Goodwill	$ 1,582.3	$ (4.1)	$ 670.1	$ 180.1	$ —	$ 11.8	$ 646.9	$ 70.4	$ 7.1
2008									
Revenues	$ 6,648.2	$ (283.7)(d)	$ 2,815.2	$ 1,138.3	$ 139.2	$ 1,619.5	$ 1,062.6	$ 62.2	$ 94.9
Cost of sales	$ 4,744.6	$ (277.1)(d)	$ 1,908.3	$ 831.1	$ 84.3	$ 1,495.4	$ 615.9	$ 36.0	$ 50.7
Operating income	$ 585.2	$ —	$ 235.0	$ 137.6	$ 24.4	$ 77.3	$ 102.2	$ 4.6	$ 4.1
Loss from equity investees	(2.9)	—	—	—	—	—	(1.3)	(1.6)	—
Interest expense	(142.5)	—	(72.9)	(37.1)	(2.0)	—	(27.4)	(2.3)	(0.8)
Income before income taxes	$ 439.8	$ —	$ 162.1	$ 100.5	$ 22.4	$ 77.3	$ 73.5	$ 0.7	$ 3.3
Net income attributable to UGI	$ 215.5	$ —	$ 43.9	$ 60.3	$ 13.1	$ 45.3	$ 52.2	$ 0.1	$ 0.6
Depreciation and amortization	$ 184.4	$ —	$ 80.4	$ 37.7	$ 3.6	$ 7.0	$ 50.5	$ 4.2	$ 1.0
Noncontrolling interests' net income	$ 89.8	$ 0.2	$ 88.4	$ —	$ —	$ —	$ 1.2	$ —	$ —
Partnership EBITDA (a)			$ 313.0						
Total assets	$ 5,685.0	$ (86.3)	$ 1,722.8	$ 1,582.5	$ 112.1	$ 312.3	$ 1,673.2	$ 196.8	$ 171.6
Bank loans	$ 136.4	$ —	$ —	$ 54.0	$ 3.0	$ —	$ 70.4	$ 9.0	$ —
Capital expenditures	$ 234.2	$ —	$ 62.8	$ 58.3	$ 6.0	$ 30.7	$ 70.7	$ 4.3	$ 1.4
Investments in equity investees	$ 63.1	$ —	$ —	$ —	$ —	$ —	$ —	$ 63.1	$ —
Goodwill	$ 1,489.7	$ (4.0)	$ 645.2	$ 161.7	$ —	$ 11.8	$ 622.2	$ 45.7	$ 7.1

(a) The following table provides a reconciliation of Partnership EBITDA to AmeriGas Propane operating income:

Year ended September 30,	2010	2009	2008
Partnership EBITDA	$ 321.0	$ 381.4(i)	$ 313.0
Depreciation and amortization	(87.4)	(83.9)	(80.4)
Noncontrolling interests (ii)	2.2	3.0	2.4
Operating income	$ 235.8	$ 300.5	$ 235.0

(i) Includes $39.9 gain on the sale of California storage facility. See Note 4 to consolidated financial statements.

(ii) Principally represents the General Partner's 1.01% interest in AmeriGas OLP.

(b) International Propane — Other principally comprises FLAGA, including, prior to the January 29, 2009 purchase of the 50% equity interest it did not already own, its central and eastern European joint-venture ZLH, and our propane distribution businesses in China and Denmark.

(c) Corporate & Other results principally comprise UGI Enterprises' heating, ventilation, air-conditioning, refrigeration and electrical contracting businesses ("HVAC/R"), net expenses of UGI's captive general liability insurance company and UGI Corporation's unallocated corporate and general expenses and interest income. Corporate and Other assets principally comprise cash, short-term investments, assets of HVAC/R and an intercompany loan. The intercompany loan and associated interest is removed in the segment presentation.

(d) Principally represents the elimination of intersegment transactions principally among Midstream & Marketing, Gas Utility and AmeriGas Propane.

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

BALANCE SHEETS
(Millions of dollars)

	September 30, 2010	September 30, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1.0	$ 1.4
Accounts and notes receivable	18.8	3.9
Deferred income taxes	0.4	0.3
Prepaid expenses and other current assets	0.3	0.5
Total current assets	20.5	6.1
Investments in subsidiaries	1,830.1	1,608.8
Derivative financial instruments	0.8	—
Deferred income taxes	20.9	18.7
Total assets	$ 1,872.3	$ 1,633.6
LIABILITIES AND COMMON STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts and notes payable	$ 15.8	$ 11.3
Derivative financial instruments	—	0.2
Accrued liabilities	5.0	6.1
Total current liabilities	20.8	17.6
Noncurrent liabilities	27.0	24.6
Commitments and contingencies (Note 1)		
Common stockholders' equity:		
Common Stock, without par value (authorized - 300,000,000 shares; issued — 115,400,294 and 115,261,294 shares, respectively)	906.1	875.6
Retained earnings	966.7	804.3
Accumulated other comprehensive loss	(10.1)	(38.9)
	1,862.7	1,641.0
Less treasury stock, at cost	(38.2)	(49.6)
Total common stockholders' equity	1,824.5	1,591.4
Total liabilities and common stockholders' equity	$ 1,872.3	$ 1,633.6

Note 1 — Commitments and Contingencies:

In addition to the guarantees of Flaga's debt as described in Note 5 to Consolidated Financial Statements, at September 30, 2010, UGI Corporation had agreed to indemnify the issuers of $32.1 of surety bonds issued on behalf of certain UGI subsidiaries. UGI Corporation is authorized to guarantee up to $385.0 of obligations to suppliers and customers of UGI Energy Services, Inc. and subsidiaries of which $346.5 of such obligations were outstanding as of September 30, 2010.

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

STATEMENTS OF INCOME
(Millions of dollars, except per share amounts)

	Year Ended September 30,		
	2010	2009	2008
Revenues	$ —	$ —	$ —
Costs and expenses:			
Operating and administrative expenses	31.8	33.7	29.3
Other income, net (1)	(31.7)	(33.7)	(29.6)
	0.1	—	(0.3)
Operating (loss) income	(0.1)	—	0.3
Intercompany interest income	—	0.1	0.1
(Loss) income before income taxes	(0.1)	0.1	0.4
Income tax expense	0.7	0.8	1.3
Loss before equity in income of unconsolidated subsidiaries	(0.8)	(0.7)	(0.9)
Equity in income of unconsolidated subsidiaries	261.8	259.2	216.4
Net income	$ 261.0	$ 258.5	$ 215.5
Earnings per common share:			
Basic	$ 2.38	$ 2.38	$ 2.01
Diluted	$ 2.36	$ 2.36	$ 1.99
Average common shares outstanding (thousands):			
Basic	109,588	108,523	107,396
Diluted	110,511	109,339	108,521

(1) UGI provides certain financial and administrative services to certain of its subsidiaries. UGI bills these subsidiaries monthly for all direct expenses incurred by UGI on behalf of its subsidiaries as well as allocated shares of indirect corporate expense incurred or paid with respect to services provided by UGI. The allocation of indirect UGI corporate expenses to certain of its subsidiaries utilizes a weighted, three-component formula comprising revenues, operating expenses, and net assets employed and considers the relative percentage of each subsidiary's such items to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. Management believes that this allocation method is reasonable and equitable to its subsidiaries. These billed expenses are classified as "Other income, net" in the Statements of Income above.

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

STATEMENTS OF CASH FLOWS
(Millions of dollars)

	Year Ended September 30,		
	2010	2009	2008
NET CASH PROVIDED BY OPERATING ACTIVITIES (a)	$ 173.0	$ 124.7	$ 155.1
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net investments in unconsolidated subsidiaries	(106.6)	(50.4)	(94.4)
Net cash used by investing activities	(106.6)	(50.4)	(94.4)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of dividends on Common Stock	(98.6)	(85.1)	(80.9)
Issuance of Common Stock	31.8	10.8	20.9
Net cash used by financing activities	(66.8)	(74.3)	(60.0)
Cash and cash equivalents (decrease) increase	$ (0.4)	$ —	$ 0.7
Cash and cash equivalents:			
End of year	$ 1.0	$ 1.4	$ 1.4
Beginning of year	1.4	1.4	0.7
(Decrease) increase	$ (0.4)	$ —	$ 0.7

(a) Includes dividends received from unconsolidated subsidiaries of $172.8, $110.7, and $144.0 for the years ended September 30, 2010, 2009 and 2008, respectively.

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(Millions of dollars)

	Balance at beginning of year	Charged (credited) to costs and expenses	Other	Balance at end of year
Year Ended September 30, 2010				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	$ 38.3	$ 27.1	$ (30.8)(1)	$ 34.6
Other reserves:				
Property and casualty liability	$ 72.3	$ 15.2	$ (27.4)(3) 5.6(2)	$ 65.7(5)
Environmental, litigation and other	$ 66.3	$ 5.4	$ (4.9)(3) (1.0)(2)	$ 65.8
Deferred tax assets valuation allowance	$ 87.8	$ (9.4)		$ 78.4
Year Ended September 30, 2009				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	$ 40.8	$ 34.1	$ (42.3)(1) 5.7(4)	$ 38.3
Other reserves:				
Property and casualty liability	$ 77.4	$ 22.7	$ (32.6)(3) 4.6(4) 0.2(2)	$ 72.3(5)
Environmental, litigation and other	$ 31.4	$ 20.5	$ (5.5)(3) 13.9(4) 6.0(2)	$ 66.3
Deferred tax assets valuation allowance	$ 56.5	$ 31.3		$ 87.8

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS (continued)
(Millions of dollars)

	Balance at beginning of year	Charged (credited) to costs and expenses	Other	Balance at end of year
Year Ended September 30, 2008				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	$ 37.7	$ 37.1	$ (34.0)(1)	$ 40.8
Other reserves:				
Property and casualty liability	$ 65.0	$ 34.4	$ (22.3)(3) 0.3(2)	$ 77.4(5)
Environmental, litigation and other	$ 37.1	$ 5.7	$ (13.0)(3) 1.6(2)	$ 31.4
Deferred tax assets valuation allowance	$ 62.2	$ 0.8	$ (6.5)(3)	$ 56.5

(1) Uncollectible accounts written off, net of recoveries.

(2) Other adjustments.

(3) Payments, net.

(4) Acquisition.

(5) At September 30, 2010, 2009 and 2008, the Company had insurance indemnification receivables associated with its property and casualty liabilities totaling $7.2, $1.0 and $18.5, respectively.

EXHIBIT INDEX

Exhibit No.	Description
10.5	UGI Corporation Amended and Restated Directors' Deferred Compensation Plan as of January 1, 2005
10.7	UGI Corporation 1997 Stock Option and Dividend Equivalent Plan Amended and Restated as of May 24, 2005
10.31a	Amended and Restated UGI Corporation 2004 Omnibus Equity Compensation Plan Sub-Plan for French Employees and Corporate Officers Stock Option Grant Letter effective January 1, 2010
10.31b	Amended and Restated UGI Corporation 2004 Omnibus Equity Compensation Plan Sub-Plan for French Employees and Corporate Officers Performance Unit Grant Letter effective January 1, 2010
10.32a	Description of oral compensation arrangements for Messrs. Greenberg, Kelly, Varagne and Walsh
10.33	Summary of Director Compensation as of October 1, 2010
10.37	Trademark License Agreement dated April 19, 1995 among UGI Corporation, AmeriGas, Inc., AmeriGas Propane, Inc., AmeriGas Partners, L.P. and AmeriGas Propane, L.P.
10.39	Credit Agreement, dated as of April 17, 2009, among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, Citizens Bank of Pennsylvania, as Syndication Agent, JPMorgan Chase, N.A., as Documentation Agent and Wachovia Bank, National Association, as Administrative Agent
10.42	Credit Agreement dated as of November 6, 2006 among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, Citigroup Global Markets Inc., as Syndication Agent, J.P. Morgan Securities Inc. and Credit Suisse Securities (USA) LLC, as Co-Documentation Agents, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank, and the other financial institutions party thereto
10.46	Receivables Purchase Agreement, dated as of November 30, 2001, as amended through and including Amendment No. 8 thereto dated April 22, 2010 and Amendment No. 9 thereto dated August 26, 2010, by and among UGI Energy Services, Inc., as servicer, Energy Services Funding Corporation, as seller, Market Street Funding, LLC, as issuer, and PNC Bank, National Association, as administrator
10.47	Purchase and Sale Agreement, dated as of November 30, 2001, as amended through and including Amendment No. 3 thereto dated August 26, 2010, by and between UGI Energy Services, Inc. and Energy Services Funding Corporation
10.48	Credit Agreement, dated as of August 26, 2010, among UGI Energy Services, Inc., as borrower, and JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent, and Wells Fargo Bank, National Association and Credit Suisse AG, Cayman Islands Branch, as co-documentation agents
10.51	Pledge of Financial Instruments Account relating to Financial Instruments held by AGZ Holding in Antargaz, dated December 7, 2005, by and among AGZ Holding, as Pledgor, Calyon, as Security Agent, and the Lenders

Exhibit No.	Description
10.52	Pledge of Financial Instruments Account relating to Financial Instruments held by Antargaz in certain subsidiary companies, dated December 7, 2005, by and among Antargaz, as Pledgor, Calyon, as Security Agent, and the Revolving Lenders
10.60	Amendment No. 1 dated November 1, 2004, to the Service Agreement (Rate FSS) dated as of November 1, 1989 between Utilities and Columbia, as modified pursuant to the orders of the Federal Energy Regulatory Commission at Docket No. RS92-5-000 reported at Columbia Gas Transmission Corp., 64 FERC ¶61,060 (1993), order on rehearing, 64 FERC ¶61,365 (1993)
21	Subsidiaries of the Registrant
23	Consent of PricewaterhouseCoopers LLP
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act
31.2	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act
32	Certification by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act
101	The following materials from UGI Corporation’s Annual Report on Form 10-K for the year ended September 30, 2010, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Cash Flows; (v) the Consolidated Statements of Changes in Equity; and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text. This Exhibit 101 is deemed not filed for purposes of Section 11 or 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Exhibit 10.5

UGI CORPORATION AMENDED AND RESTATED DIRECTORS' DEFERRED COMPENSATION PLAN

(amended and restated as of January 1, 2005)

1. Background and Purpose.

1.1 The Directors' Deferred Compensation Plan (the "Plan") was adopted effective as of June 20, 1984. The Plan was adopted and, until April 10, 1992, maintained by UGI Utilities, Inc., which prior to April 10, 1992 was known as UGI Corporation ("UGI Utilities"). On April 10, 1992, UGI Utilities became a subsidiary of New UGI Corporation which was renamed, as of such date, UGI Corporation. As of April 10, 1992 UGI Corporation assumed sponsorship of the Plan and all obligations of UGI Utilities hereunder. In connection with the transfer of Plan sponsorship, pursuant to the authority granted under Section 6.4, the Plan was amended and restated in its entirety effective as of April 10, 1992. Pursuant to the authority granted under Section 6.4, the Plan was amended and restated in its entirety effective as of January 1, 2000, to reflect certain changes approved by the Board of Directors on December 14, 1999. The Plan is now amended and restated effective as of January 1, 2005 to comply with section 409A of the Internal Revenue Code. No future deferrals shall be permitted under the Plan after December 6, 2005.

1.2 The Plan is intended to enable each Director of the Company to defer the payment of all or a specified portion of the compensation otherwise payable in cash for services rendered as a Director of the Company, until the cessation of the Director's services on the Board, the Director's attainment of a specified age, or the Director's death.

2. Definitions.

For ease of reference, the following definitions will be used in the Plan:

2.1 "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

2.2 "Beneficial Owner" means that a person shall be deemed the "Beneficial Owner" of any securities: (i) that such person or any of such person's Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants, or options, or otherwise; provided, however, that a person shall not be deemed the "Beneficial Owner" of securities tendered pursuant to a

tender or exchange offer made by such person or any of such person's Affiliates or Associates until such tendered securities are accepted for payment, purchase or exchange; (ii) that such person or any of such person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has "beneficial ownership" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including without limitation pursuant to any agreement, arrangement or understanding, whether or not in writing; provided, however, that a person shall not be deemed the "Beneficial Owner" of any security under this clause (ii) as a result of an oral or written agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not then reportable by such person on Schedule 13D under the Exchange Act (or any comparable or successor report); or (iii) that are beneficially owned, directly or indirectly, by any other person (or any Affiliate or Associate thereof) with which such person (or any of such person's Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to clause (ii) above) or disposing of any voting securities of the Company; provided, however, that nothing in this section shall cause a person engaged in business as an underwriter of securities to be the "Beneficial Owner" of any securities acquired through such person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

2.3 "Board of Directors", "Board", "Directors" or "Director" means, respectively, the Board of Directors, the Directors or a Director of the Company.

2.4 "Change of Control" of the Company means (i) any person (except the Director, his Affiliates and Associates, the Company, any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary of the Company, or any person or entity organized, appointed or established by the Company for or pursuant to the terms of any such employee benefit plan), together with all Affiliates and Associates of such person, becomes the Beneficial Owner in the aggregate of 20% or more of either (A) the then outstanding shares of Common Stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Company Voting Securities"); or (ii) individuals who, as of the beginning of any twenty-four month period, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the beginning of such period whose election or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is

in connection with an actual or threatened election contest relating to the election of the Directors of the Company (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act); or (iii) consummation by the Company of a reorganization, merger or consolidation (a "Business Combination"), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of the Outstanding Company Common Stock and Company Voting Securities immediately prior to such Business Combination do not, following such Business Combination, Beneficially Own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and Company Voting Securities, as the case may be; or (iv) (A) Consummation of a complete liquidation or dissolution of the Company or (B) sale or other disposition of all or substantially all of the assets of the Company other than to a corporation with respect to which, following such sale or disposition, more than 50% of, respectively, the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the Outstanding Company Common Stock and Company Voting Securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of the Outstanding Company Common Stock and Company Voting Securities, as the case may be, immediately prior to such sale or disposition.

2.5 "Code" means the Internal Revenue Code of 1986, as amended.

2.6 The "Committee" means the Compensation and Management Development Committee of the Board of Directors as constituted from time to time.

2.7 "Common Stock" means the common stock of the Company.

2.8 The "Company" means, prior to April 10, 1992, UGI Utilities. From and after April 10, 1992, the term "Company" shall mean UGI Corporation, a Pennsylvania corporation (formerly named New UGI Corporation).

2.9 "Deferred Compensation Account" or "Accounts" means the separate account established under the Plan for each Participant, as described in Section 4.1.

2.10 "Exchange Act" means Securities Exchange Act of 1934, as amended.

2.11 "Notice" means a written notice given to the Secretary, pursuant to Section 3.2 or a form substantially in the form of Exhibit A attached hereto.

2.12 "Participant" means each Director of the Company who participates in the Plan.

2.13 The “Plan” means the UGI Corporation Directors’ Deferred Compensation Plan as set forth herein, or as it may be amended from time to time by the Committee or Board of Directors.

2.14 “Plan Year” means the calendar year.

2.15 The “Secretary” means the Secretary of the Company who will have responsibility for those functions assigned to the Secretary under the Plan.

2.16 “Unforeseeable Emergency” means an “unforeseeable emergency” within the meaning of Section 409A(a)(2)(B)(ii) of the Code and applicable regulations.

3. Participation.

3.1 Each Director is eligible to participate in the Plan except a Director who is also an employee of the company or any of its subsidiaries or affiliates.

3.2 Before December 6, 2005, the procedure to participate in the Plan is as follows:

(a) A Director may elect to participate in the Plan by giving a written Notice to the Secretary (i) not later than 30 days after first being elected to serve as a Director or, thereafter, (ii) by December 31 prior to the Plan Year for which the election to participate is to be effective. Such election will remain in effect until (i) the termination of the Participant’s services as a Director or (ii) the Participant’s further written Notice to the Secretary of the termination or the modification of such election.

(b) An election to terminate or modify a prior election to defer compensation will be effective at the start of the Plan Year and must be made by the Participant prior to the Plan Year to which such compensation pertains.

4. Compensation Deferred.

4.1 Before December 6, 2005, a Participant may elect to defer the receipt of all or a specified portion of the compensation otherwise payable in cash for services rendered as a Director of the Company. Such compensation includes retainer fees for service on the Board and Board committees of the Company and fees for attendance at meetings of the Board and Board committees of the Company, but does not include travel expense allowances, other expense reimbursement, or non-cash compensation. No future deferrals shall be permitted under the Plan after December 6, 2005.

4.2 An unfunded Deferred Compensation Account will be established for each Participant and the compensation that the Participant elects to defer under the Plan will be credited to that Account. Each such credit will be made to the Account as of the last day of the month during which such compensation would have otherwise been payable to the Participant in cash.

4.3 Compensation deferred under the Plan is assumed to earn interest at a market rate determined by the Committee for each year during the period in which compensation is deferred. Each Participant will be notified of this rate annually. Notwithstanding the foregoing, the Committee may at any time or from time to time change or otherwise modify the basis or the method for calculating and crediting such interest, provided that the change or modification does not adversely affect the balance of any Participant's Account at the time of the change or modification.

4.4 Each Participant will receive a statement of the balance in the Participant's Account at the end of each Plan Year as promptly as practicable thereafter.

5. Payment of Deferred Compensation.

5.1 Upon the termination of a Participant's services as a Director, the balance in the Participant's Account will be paid in accordance with the method and at the time or times elected by the Participant by the Notice in effect at the time each portion of the Participant's compensation was deferred and credited to such Account.

5.2 In the event of a Change of Control of the Company, the Participant's Account will be paid in cash as soon as practicable following the Change of Control, but in no event later than December 31 of the year in which the Change of Control occurs. Notwithstanding the foregoing, if payment of the Participant's Account upon a Change of Control would violate the applicable requirements of section 409A of the Code, the Participant's Account shall be paid upon the termination of the Participant's service as a Director or death as described in Sections 5.1 and 5.4, instead of upon the Change of Control under this Section 5.2.

5.3 Notwithstanding any other provisions of this Plan, if the Committee determines, after consideration of a Participant's application, that the Participant has an Unforeseeable Emergency, the Committee may, in its sole and absolute discretion, direct that all or a portion of the balance of the Participant's Account be paid to the Participant. The payment will be made in the manner and at the time specified by the Committee. A Participant's eligibility for a distribution under this Section 5.4 shall be determined by the Committee in accordance with the provisions of section 409A of the Code. The amount distributed to a Participant shall not exceed the amount necessary to meet the Unforeseeable Emergency, including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution. No Participant who is also a member of the Committee may in any way take part in any decision pertaining to a request for payment made by that Participant under this Section 5.4.

5.4 In the event of a Participant's death before the balance in the Participant's Account is fully paid out, payment of such balance will be made to the beneficiary or beneficiaries designated by the Participant or, if the Participant has made no such designation or no beneficiary survives, to the Participant's estate. In either case, such payment will be made in a lump sum payment; provided, that such lump sum payment must be made no later than January of the calendar year following the Participant's death.

5.5 Notwithstanding anything in the Plan to the contrary, all payments to be made under the Plan shall be consistent with section 409A of the Code.

6. General.

6.1 The right of any Participant, beneficiary or estate to receive payment of any unpaid balance in the Participant's Account will be an unsecured claim against the general assets of the Company.

6.2 During a Participant's lifetime, any payment under the Plan will be made only to the Participant. No sum or other interest under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt by a Participant or any beneficiary under the Plan to do so shall be void. No interest under the Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of a Participant or beneficiary entitled thereto.

6.3 Except as otherwise provided herein, the Plan will be administered by the Committee which will have the authority, subject to the express provisions of the Plan, to adopt, amend and rescind rules and regulations relating to the Plan, and to interpret, construe and implement the provisions of the Plan.

6.4 The Plan may at any time or from time to time be amended, modified, or terminated by the Committee, provided that no amendment, modification or termination may (i) adversely affect the balance in a Participant's Account without the Participant's consent or (ii) permit payment of such balance prior to the date specified pursuant to Section 5.1 (except for payments provided for in Section 5.2, 5.3 or 5.4).

UGI CORPORATION AMENDED AND RESTATED
DIRECTORS' DEFERRED COMPENSATION PLAN
(Amended and Restated as of January 1, 2005)

DEFERRAL NOTICE AND DISTRIBUTION ELECTION FORM

Name _____

Address _____

Daytime Phone Number _____

Pursuant to the terms and conditions of the UGI Corporation Amended and Restated Directors' Deferred Compensation (the "Plan"), I hereby agree to elect to defer the payment of all or a specified portion of my retainer and other fees ("compensation") (excluding travel expense allowances, other expense reimbursement, or non-cash compensation) otherwise payable to me for my services rendered as a Director of the UGI Corporation (the "Company"), to be earned in the next calendar year.

***Note*: No deferrals shall be permitted under the Plan after December 6, 2005**. *You should review the Plan document for a complete description of how the Plan works. The capitalized terms used below are defined in the Plan. This Notice is subject to the terms and conditions of the Plan, which are incorporated herein by reference. Please complete and return this form to the Corporate Secretary, UGI Corporation, 460 Gulph Road, King of Prussia, PA 19406.*

I. AMOUNT OF DEFERRAL

- I elect to defer _____% of my compensation to be earned in _____.
- I elect to defer $_____ of my compensation to be earned in _____.
- I elect to defer all of my compensation to be earned in _____.

I. TIME AND FORM OF PAYMENT (After Termination from Service)

I elect to have my Deferred Compensation Account balance distributed as follows following the termination of my services as a Director:

A. Lump Sum Payment:

- My Deferred Compensation Account balance will be distributed to me in a lump sum payment.

B. Installment Payments Over Five Years:

- Payments of my Deferred Compensation Account balance will be distributed to me in annual installments over _____ years.

***Note*: These elections are irrevocable**. *In the event of a Change of Control of the Company, your Deferred Compensation Account balance will be paid in accordance with the terms of the Plan.*

II. BENEFICIARY DESIGNATION

Note: *If you die before receiving your entire Account balance, your Deferred Compensation Account balance under the Plan will be payable to your designated beneficiary. If you designate more than one beneficiary, you should make sure that the percentages add up to 100%.*

Beneficiary Designation: I designate the following persons to be the beneficiary of my Deferred Compensation Account balance if I die after the termination of my services as a Director of the Company. If any designated beneficiary is not living (or is not in existence) at my death, then that beneficiary's share shall be allocated pro rata to the other surviving beneficiaries. If no designated beneficiary is living (or is in existence) at my death, then my beneficiary shall be my estate. (*Note: If more than one beneficiary is named, please indicate the percentage to be paid to each*.)

_____	_____		_____	%
Name	Street			
_____	_____			
Relationship	City	State		Zip
_____	_____		_____	%
Name	Street			
_____	_____			
Relationship	City	State		Zip

The foregoing beneficiary designation supersedes and replaces any previous beneficiary designation that I may have made under the Plan.

III. ACKNOWLEDGMENT AND SIGNATURE

By signing this Notice, I understand that these elections are made in accordance with and are subject to the terms of the Plan. I understand and agree that the Committee (as defined in the Plan) shall have full power and express discretionary authority to interpret and administer the Plan and to make all determinations with respect to the Plan. All actions taken by the Committee shall be final, conclusive and binding upon all participants, beneficiaries, spouses and all other persons having an interest therein.

These elections are irrevocable and are subject to the terms of the Plan.

_____	_____
Date	Name

Exhibit 10.7

UGI CORPORATION

1997 STOCK OPTION AND DIVIDEND EQUIVALENT PLAN
AMENDED AND RESTATED AS OF MAY 24, 2005

1. PURPOSE AND DESIGN

The purpose of this Plan is to assist the Company in securing and retaining key corporate executives of outstanding ability, who are in a position to significantly participate in the development and implementation of the Company's strategic plans and thereby contribute materially to the long-term growth, development and profitability of the Company, by affording them an opportunity to purchase its Stock under options. The Plan is designed to align directly long-term executive compensation with tangible, direct and identifiable benefits realized by the Company's shareholders. No grants may be made under this Plan after January 1, 2004.

2. DEFINITIONS

Whenever used in this Plan, the following terms will have the respective meanings set forth below:

2.01 "Board" means UGI's Board of Directors as constituted from time to time, provided that whenever in this Plan Board approval is required, such approval shall require the affirmative vote of a majority of members of the Board who are not participants in the Plan.

2.02 "Committee" means the Compensation and Management Development Committee of the Board or its successor.

2.03 "Company" means UGI Corporation, a Pennsylvania corporation, any successor thereto and any Subsidiary which adopts this plan, with the approval of the Committee, by executing a participation and joinder agreement.

2.04 "Comparison Group" means the group determined by the Committee (no later than ninety (90) days after the commencement of the Performance Period) consisting of the Company and such other companies deemed by the Committee (in its sole discretion) to be reasonably comparable to the Company and set forth in Exhibit 1.

2.05 "Date of Grant" means the date the Committee makes an Option grant.

2.06 "Dividend Equivalent" means an amount determined by multiplying the number of shares of Stock subject to an Option on the Date of Grant (whether or not the Option is ever exercised with respect to any or all shares of Stock subject thereto) by the per-share cash dividend, or the per-share fair market value (as determined by the Committee) of any dividend in consideration other than cash, paid by the Company on its Stock on a dividend payment date.

2.07 "Employee" means a regular full-time salaried employee (including officers and directors who are also employees) of the Company.

2.08 “Fair Market Value” of Stock means the average, rounded to the next highest one-eighth of a point (.125), of the highest and lowest sales prices thereof on the New York Stock Exchange on the day on which Fair Market Value is being determined, as reported on the Composite Tape for transactions on the New York Stock Exchange; provided, however, in the case of a cashless exercise pursuant to Section 7.4(iv), the Fair Market Value shall be the actual sale price of the shares issued upon exercise of the Option. In the event that there are no Stock transactions on the New York Stock Exchange on such day, the Fair Market Value will be determined as of the immediately preceding day on which there were Stock transactions on that exchange.

2.09 “Option” means the right to purchase Stock pursuant to the relevant provisions of this Plan at the Option Price for a specified period of time, not to exceed ten years from the Date of Grant, which period of time shall be subject to earlier termination prior to exercise in accordance with Sections 11, 12 and 13 of this Plan.

2.10 “Option Price” means an amount per share of Stock purchasable under an Option designated by the Committee on the Date of Grant of an Option to be payable upon exercise of such Option. The Option Price shall not be less than 100% of the Fair Market Value of the Stock determined on the Date of Grant.

2.11 “Participant” means an Employee designated by the Committee to participate in the Plan; provided, however, that no Employee who is not then a Participant in the Plan may be designated by the Committee to participate in the Plan at any time during the last full year of a Performance Period.

2.12 “Performance Period” means a period selected by the Committee over which the total return realizable by a shareholder of the Company on a share of Stock is compared to that realizable by shareholders of companies in the Comparison Group in accordance with Section 8.2 of the Plan in order to determine whether Dividend Equivalents associated with an Option will be payable to a Participant.

2.13 “Stock” means the Common Stock of UGI or such other securities of UGI as may be substituted for Stock or such other securities pursuant to Section 14.

2.14 “Subsidiary” means any corporation or partnership, at least 20% of the outstanding voting stock, voting power or partnership interest of which is owned respectively, directly or indirectly, by the Company.

2.15 “Termination without Cause” means termination for the convenience of the Company for any reason other than (i) misappropriation of funds, (ii) habitual insobriety or substance abuse, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties, which gross negligence has had a material adverse effect on the business, operations, assets, properties or financial condition of the Company.

2.16 “UGI” means UGI Corporation, a Pennsylvania corporation or any successor thereto.

3. NUMBER AND SOURCE OF SHARES AVAILABLE FOR OPTIONS—MAXIMUM ALLOTMENT

The number of shares of Stock which may be made the subject of Options under this Plan at any one time may not exceed 4,500,000 in the aggregate (after giving retroactive effect to the 2-for-1 Stock split distributed May 24, 2005), including shares acquired by Participants through exercise of Options under this Plan, subject, however, to the adjustment provisions of Section 14 below. The maximum number of shares of Stock which may be the subject of grants to any one individual in any calendar year shall be 900,000 (after giving retroactive effect to the 2-for-1 Stock split distributed May 24, 2005). If any option expires or terminates for any reason without having been exercised in full, the unpurchased shares subject to the option will again be available for the purposes of the Plan. Shares which are the subject of Options may be previously issued and outstanding shares of the Stock reacquired by the Company and held in its treasury, or may be authorized but unissued shares of Stock, or may be partly of each.

4. DURATION OF THE PLAN

The Plan will remain in effect until all Stock subject to it has been purchased pursuant to the exercise of Options or all such options have terminated without exercise. Notwithstanding the foregoing, no option may be granted after December 31, 2006.

5. ADMINISTRATION

The Plan will be administered by the Committee. Subject to the express provisions of the Plan, the Committee will have authority, in its complete discretion, to determine the Employees to whom, and the time or times at which, Options will be granted, the number of shares to be subject to each Option, the Option Price to be paid for the shares upon the exercise of each Option, and the period within which each Option may be exercised. In making such determinations, the Committee may take into account the nature of the services rendered by an Employee, the present and potential contributions of the Employee to the Company’s success and such other factors as the Committee in its discretion deems relevant. Subject to the express provisions of the Plan, the Committee will also have authority to construe and interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective stock option agreements required by Section 7.2 of the Plan (which need not be identical), and to make all other determinations (including factual determinations) necessary or advisable for the orderly administration of the Plan. A Stock option agreement as discussed below shall be executed by each Participant receiving a grant under the Plan and shall constitute that Participant’s acknowledgement and acceptance of the terms of the Plan and the Committee’s authority and discretion. It is the intent of the Company that the Plan should comply in all applicable respects with Rule 16b-3 under the Exchange Act so that transactions relating to any Option and Dividend Equivalents granted to a Participant who is subject to Section 16 of the Exchange Act shall be exempt under Rule 16b-3. Accordingly, if any provision of the Plan or any agreement relating to an option does not comply with the requirements of Rule 16b-3 as then applicable to any such Participant, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements with respect to such Participant. Any other provision of the Plan notwithstanding, the Board may perform any function of the Committee under the Plan, including without limitation for the purpose of ensuring that transactions under the Plan by Participants who are subject to Section 16 of the Exchange Act in respect of the Company are exempt under Rule 16b-3. In any case in which the Board is performing a function of the Committee under the Plan, each reference to the Committee herein shall be deemed to refer to the Board (unless the context shall otherwise require).

6. ELIGIBILITY

Options may be granted only to Employees (including directors who are also Employees of the Company) who, in the sole judgment of the Committee, are designated by the Committee as individuals who are in a position to significantly participate in the development and implementation of the Company's strategic plans and thereby contribute materially to the continued growth and development of the Company and to its future financial success.

7. OPTIONS

7.01 Grant of Options. Subject to the provisions of Sections 2.11 and 3, Options may be granted to Participants at any time and from time to time as may be determined by the Committee. The Committee will have complete discretion in determining the number of Options granted to each Participant and the number of shares of Stock subject to such Options.

7.02 Option Agreement. As determined by the Committee on the Date of Grant, each option will be evidenced by a stock option agreement (substantially in the form included in Exhibit 2 attached hereto) that shall, among other things, specify the Date of Grant, the Option Price, the duration of the Option and the number of shares of Stock to which the Option pertains.

7.03 Exercise and Vesting.

(a) Except as otherwise specified by the Committee, an option shall be fully and immediately exercisable on the Date of Grant. Notwithstanding the foregoing, in the event that any such Options are not by their terms immediately exercisable, the Committee may accelerate the exercisability of any or all outstanding Options at any time for any reason. No Option shall be exercisable on or after the tenth anniversary of the Date of Grant.

(b) Except as otherwise specified by the Committee, in the event that a Participant holding an option ceases to be an Employee, the option held by such Participant shall be exercisable only with respect to that number of shares of Stock with respect to which it is already exercisable on the date such Participant ceases to be an Employee. However, if a Participant holding an Option ceases to be an Employee by reason of (i) a retirement under the Company's retirement plan, (ii) Termination without Cause, (iii) disability, or (iv) death, the Option held by any such Participant shall thereafter become immediately exercisable with respect to the total number of shares of Stock available under such option and shall remain exercisable until the earlier of the expiration date of the option or the expiration of the thirteen (13) month period following the date of such cessation of employment.

(c) Notwithstanding the foregoing, in the event of any merger or consolidation of any other corporation with or into UGI, or the sale of all or substantially all of the assets of UGI or an offer to purchase made by a party other than UGI to all shareholders of UGI for all or any substantial portion of the outstanding Stock, a participant shall be permitted to exercise all outstanding Options (to the extent not otherwise exercisable by their terms) prior to the effective date of any such merger, consolidation or sale or the expiration of any such offer to purchase, unless otherwise determined by the Committee, no later than thirty (30) days prior to the effective date of such transaction or the expiration of such offer.

(d) Notwithstanding anything contained in this Section 7.3 with respect to the number of shares of Stock subject to an Option with respect to which such Option is or is to become exercisable, no Option, to the extent that it has not previously been exercised, shall be exercisable after it has terminated, including without limitation, after any termination of such option pursuant to Sections 11, 12 and 13 hereof.

7.04 Payment. The Option Price upon exercise of any option shall be payable to the Company in full (i) in cash or its equivalent, (ii) by tendering shares of previously acquired Stock already beneficially owned by the Participant for more than one year and having a Fair Market Value at the time of exercise equal to the total Option Price, (iii) by applying Dividend Equivalents payable to the Participant in accordance with Section 8 of the Plan in an amount equal to the total Option Price, (iv) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, (v) by such other method as the Committee may approve, or (vi) by a combination of (i), (ii), (iii), (iv) and/or (v). The cash proceeds from such payment will be added to the general funds of the Company and shall be used for its general corporate purposes. Any shares of Stock tendered to UGI in payment of the Option Price will be added by UGI to its Treasury Stock to be used for its general corporate purposes.

8. DIVIDEND EQUIVALENTS

8.01 Amount of Dividend Equivalents Credited. From the Date of Grant of an Option to a Participant (or, in the case of an Option granted after the date of commencement of a Performance Period to a new Participant or to a Participant with changed responsibilities, in which event, from such date not earlier than the date of commencement of the Performance Period as is designated by the Committee) until the earlier of (i) the end of the applicable Performance Period or (ii) the date of disability, death or termination of employment for any reason (including retirement), of a participant, the Company shall keep records for such Participant ("Account") and shall credit on each payment date for the payment of a dividend made by UGI on its Stock an amount equal to the Dividend Equivalent associated with such Option. Notwithstanding the foregoing, a Participant may not accrue during any calendar year Dividend Equivalents in excess of $1,000,000. Except as set forth in Section 8.5 below, no interest shall be credited to any such Account.

8.02 Payment of Credited Dividend Equivalents. The Committee will determine (no later than ninety (90) days after the commencement of the Performance Period) and set forth on Exhibit 1 measurable criteria pursuant to which the total return realizable by a shareholder of the Company on a share of Stock over the applicable Performance Period can be compared to that realizable over the same Performance Period by shareholders of the Comparison Group. The extent to which a Participant receives payment of the Dividend Equivalents associated with an Option and recorded in his Account during any particular Performance Period shall be determined by comparing (through use of the selected measurable criteria) the aforementioned total return realizable by a shareholder of the Company to that realizable by shareholders of the Comparison Group. Payments shall be made after the end of the applicable Performance Period according to the following table (with results falling between table values being interpolated):

PERCENT OF COMPANIES IN COMPARISON GROUP HAVING TOTAL RETURN TO SHAREHOLDERS LESS THAN THAT TO COMPANY'S SHAREHOLDERS	PERCENT OF DIVIDEND EQUIVALENTS PAYABLE
100	200
75	150
50	75
less than 50	0

8.03 Timing of Payment of Dividend Equivalents.

(a) Except as otherwise determined by the Committee, in the event of the (i)termination of an option prior to exercise pursuant to Sections 11, 12 or 13 hereof, or (ii) acceleration of the exercise date of an Option pursuant to Section 7.3 hereof, in either case prior to the end of the applicable Performance Period, no payments of Dividend Equivalents associated with any Option shall be made (A) prior to the end of the applicable Performance Period and (B) to any Participant whose employment by the Company terminates prior to the end of the applicable Performance Period for any reason other than retirement under the Company's retirement plan, death, disability or Termination without Cause. As soon as practicable after the end of such Performance Period, the Committee will certify and announce the results for each Performance Period prior to any payment of Dividend Equivalents and unless a Participant shall have made an election under Section 8.6 to defer receipt of any portion of such amount, a Participant shall receive the aggregate amount of Dividend Equivalents payable to him.

(b) Notwithstanding anything to the contrary in this Section 8.3, unless a payment of Dividend Equivalents associated with an Option is being made upon full exercise or termination of such Option, no Dividend Equivalents shall be paid (either at the end of the applicable Performance Period or on a date such Dividend Equivalents are scheduled to be paid pursuant to a deferral election) if the average Fair Market Value of Stock for a period of thirty (30) consecutive business days immediately preceding the end of the applicable Performance Period or the date such deferred payment is scheduled to be made (as the case may be) is less than the exercise price of the Option to which such Dividend Equivalents were associated, and such payment shall instead be made at the earlier of (i) such time as the average Fair Market Value of Stock over a period of ninety (90) consecutive business days thereafter exceeds the exercise price of such Option, or (ii) the termination or expiration date of such option.

8.04 Form of Payment for Dividend Equivalents. The Committee shall have the sole discretion to determine whether the Company's obligation in respect of payment of Dividend Equivalents shall be paid solely in credits to be applied toward payment of the Option Price, solely in cash or partly in such credits and partly in cash.

8.05 Interest on Dividend Equivalents. From a date which is thirty (30) days after the end of the applicable Performance Period until the date that all Dividend Equivalents associated with such Option and payable to a Participant are paid to such Participant, the Account maintained by the Company in its books and records with respect to such Dividend Equivalents shall be credited with interest at a market rate determined by the Committee.

8.06 Deferral of Dividend Equivalents. A Participant shall have the right to defer receipt of any Dividend Equivalent payments associated with an Option if he shall elect to do so on or prior to December 31 of the year preceding the beginning of the last full year of the applicable Performance Period (or such other time as the Committee shall determine is appropriate to make such deferral effective under the applicable requirements of federal tax laws). The terms and conditions of any such deferral (including the period of time thereof) shall be subject to approval by the Committee and all deferrals shall be made on a form provided a Participant for this purpose.

9. WRITTEN NOTICE, ISSUANCE OF STOCK, SHAREHOLDER PRIVILEGES AND PARTIAL EXERCISE

9.01 Written Notice. A Participant wishing to exercise an Option must give irrevocable written notice to the Company in the form and manner prescribed by the Committee, indicating the date of award, the number of shares as to which the option is being exercised, and such other information as may be required by the Committee. Full payment for the shares pursuant to the Option must be received by the time specified by the Committee depending on the type of payment being made, but in all cases, prior to the issuance of the Shares. Except as provided in Sections 11, 12 and 13, no Option may be exercised at any time unless the Participant is then an Employee of the Company.

9.02 Issuance of Stock. As soon as practicable after the receipt of irrevocable written notice and payment, the Company will, without stock transfer taxes to the Participant or to any other person entitled to exercise an Option pursuant to this Plan, deliver to, or credit electronically on behalf of, the Participant, the Participant's designee or such other person the requisite number of shares of Stock.

9.03 Privileges of a Shareholder. A Participant or any other person entitled to exercise an option under this Plan will have no rights as a shareholder with respect to any Stock covered by the Option until the due exercise of the Option and issuance of such Stock.

9.04 Partial Exercise. An Option granted under this Plan may be exercised as to any lesser number of shares than the full amount for which it could be exercised. Such a partial exercise of an Option will not affect the right to exercise the Option from time to time in accordance with this Plan as to the remaining shares subject to the Option.

10. NON-TRANSFERABILITY OF OPTIONS

No Option, rights to Dividend Equivalents or other rights granted under the Plan shall be transferable otherwise than by will or the laws of descent and distribution, and an Option may be exercised, during the lifetime of the Participant, only by the Participant. Notwithstanding the foregoing, the Committee may provide that a Participant may transfer Options to family members or other persons or entities according to such terms as the Committee may determine; provided that the Participant receives no consideration for the transfer of an option and the transferred option shall continue to be subject to the same terms and conditions as were applicable to the option immediately before the transfer.

11. TERMINATION OF EMPLOYMENT (OTHER THAN BY REASON OF DEATH OR DISABILITY)

Each Option, to the extent that it has not previously been exercised, will terminate when the Participant holding such Option (while living) ceases to be an Employee of the Company, unless such cessation of employment is (i) on account of a Termination without Cause, or (ii) a retirement under the Company's retirement plan, in either of which events the Option shall be fully and immediately exercisable (to the extent not otherwise exercisable by its terms) and will terminate upon the earlier of the expiration date of the option or the expiration of the thirteen (13) month period following the date of such cessation of employment. The Committee will have authority to determine whether an authorized leave of absence or absence on military or governmental service will constitute a termination of employment for the purposes of this Plan. The Committee shall have sole discretion to determine the effect of any change in the duties and responsibilities of a Participant while that Participant continues to be an Employee of the Company on Options granted under this Plan which are not then exercisable and on Dividend Equivalents not then payable under Section 8.3 of the Plan.

12. DISABILITY

If a Participant is determined to be "disabled" (as defined under the Company's long-term disability plan), the Option theretofore granted to such Participant shall be fully and immediately exercisable (to the extent not otherwise exercisable by its terms) at any time prior to the earlier of the expiration date of the option or the expiration of the thirteen (13) month period following the date of such determination.

13. DEATH OF PARTICIPANT

In the event of the death of a Participant while employed by the Company, the Option theretofore granted to such Participant shall be fully and immediately exercisable (to the extent not otherwise exercisable by its terms) at any time prior to the earlier of the expiration date of the option or the expiration of the thirteen (13) month period following the Participant's death. Death of a Participant after such Participant has ceased to be employed by the Company will not affect the otherwise applicable period for exercise of the Option determined pursuant to Section 11 or 12. Such Option may be exercised by the estate of the Participant or by any person to whom the Participant may have bequeathed the Option or whom the Participant may have designated to exercise the same under the Participant's last will, or by the Participant's personal representatives if the Participant has died intestate.

14. ADJUSTMENT OF NUMBER AND PRICE OF SHARES, ETC.

Notwithstanding anything to the contrary in this Plan, in the event any recapitalization, reorganization, merger, consolidation, spin-off, combination, repurchase, exchange of shares or other securities of UGI, stock split or reverse split, extraordinary dividend, liquidation, dissolution, significant corporate transaction (whether relating to assets or stock) involving UGI, or other extraordinary transaction or event affects Stock such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of Participants' rights under the Plan, then the Committee may, in a manner that is equitable, adjust (i) any or all of the number or kind of shares of Stock reserved for issuance under the Plan, (ii) the maximum number of shares of Stock which may be the subject of grants to any one individual in any calendar year, (iii) the number or kind of shares of Stock to be subject to Options thereafter granted under the Plan, (iv) the number and kind of shares of Stock issuable upon exercise of outstanding Options, (v) the Option Price per share thereof, and/or (vi) the terms and conditions applicable to Dividend Equivalents, provided that the number of shares subject to any Option will always be a whole number. Any such determination of adjustments by the Committee will be conclusive for all purposes of the Plan and of each Option, whether a stock option agreement with respect to a particular option has been theretofore or is thereafter executed.

15. LIMITATION OF RIGHTS

Nothing contained in this Plan shall be construed to give an Employee any right to be granted an Option except as may be authorized in the discretion of the Committee. The granting of an option under this Plan shall not constitute or be evidence of any agreement or understanding, expressed or implied, that the Company will employ a Participant for any specified period of time, in any specific position or at any particular rate of remuneration.

16. AMENDMENT OR TERMINATION OF PLAN

Subject to Board approval, the Committee may at any time, and from time to time, alter, amend, suspend or terminate this Plan without the consent of the Company's shareholders or Participants, except that any such alteration, amendment, suspension or termination shall be subject to the approval of the Company's shareholders within one year after such Committee and Board action if such shareholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock is then listed or quoted, or if the Committee in its discretion determines that obtaining such shareholder approval is for any reason advisable. No termination or amendment of this Plan may, without the consent of the Participant to whom any option has previously been granted, adversely affect the rights of such Participant under such Option, including the Dividend Equivalents associated with such Option. Notwithstanding the foregoing, the Committee may make minor amendments to this Plan which do not materially affect the rights of Participants or significantly increase the cost to the Company.

17. TAX WITHHOLDING

Upon exercise of any Option under this Plan, the Company will require the recipient of the Stock to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements. However, to the extent authorized by rules and regulations of the Committee, the Company may withhold or receive Stock and make cash payments in respect thereof in satisfaction of a recipient's tax obligations, including tax obligations in excess of mandatory withholding requirements.

18. GOVERNMENTAL APPROVAL

Each option will be subject to the requirement that if at any time the listing, registration or qualification of the shares covered thereby upon any securities exchange, or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of or in connection with the granting of such Option or the purchase of shares thereunder, no such option may be exercised in whole or in part unless and until such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.

19. EFFECTIVE DATE OF PLAN

This Plan will become effective as of December 10, 1996, subject to ratification by the Company's shareholders prior to December 10, 1997.

20. SUCCESSORS

This Plan shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Participant and his heirs, executors, administrators and legal representatives.

21. GOVERNING LAW

The validity, construction, interpretation and effect of the Plan and option agreements issued under the Plan shall be governed exclusively by and determined in accordance with the law of the Commonwealth of Pennsylvania.

EXHIBIT 1

1. PERFORMANCE PERIOD

January 1, 1997 to December 31, 1999.

2. COMPARISON GROUP

American Electric Power Company, Inc.	NICOR, Inc.
Baltimore Gas & Electric Company	Noram Energy Corporation
Carolina Power & Light Company	Northern States Power Company
Central & South West Corporation	Ohio Edison Company
Cinergy Corporation	ONEOK, Inc.
Coastal Corporation	Pacific Enterprises
Columbia Gas System, Inc.	Pacific Gas & Electric Company
Consolidated Edison Co. of N.Y., Inc.	Pacificorp
Consolidated Natural Gas Company	PanEnergy Corp.
Dominion Resources, Inc.	PECO Energy Company
DTE Energy Company	Peoples Energy Corporation
Duke Power Company	PP&L Resources, Inc.
Eastern Enterprises	Public Service Enterprise Group, Inc.
Edison International	Sonat, Inc.
Enron Corporation	Southern Company
Entergy Corporation	Texas Utilities Company
FPL Group, Inc.	Unicorn Corporation
GPU, Inc.	Union Electric Company
Houston Industries, Inc.	The Williams Companies, Inc.
Niagara Mohawk Power Corporation	

3. COMPARISON CRITERIA

For purposes of the Plan, “Total Return” is the change in the market value of one share of common stock of each company in the Comparison Group over the Performance Period, plus the amount of dividends paid or the value of other distributions made with respect to such stock, reinvested in the stock, over the same period.

The initial market value of each share of common stock to be measured during the Performance Period (January 1, 1997 through December 31, 1999) will be the average of the closing prices of each such stock on the New York Stock Exchange Composite Tape for all trading days during the three calendar months prior to the commencement of the Performance Period.

The final market value of each share of common stock to be measured will be the average of the closing prices for such stock on the New York Stock Exchange Composite Tape for all trading days during the final three months of the Performance Period.

EXHIBIT 2

UGI CORPORATION
1997 STOCK OPTION AND DIVIDEND EQUIVALENT PLAN
STOCK OPTION GRANT LETTER

This STOCK OPTION GRANT, dated _____, (the "Date of Grant"), is delivered by UGI Corporation ("UGI") to _____ (the "Participant").

RECITALS

The UGI Corporation 1997 Stock Option and Dividend Equivalent Plan, amended and restated as of May 24, 2005 (the "Plan"), provides for the grant of options to purchase shares of common stock of UGI. The Compensation and Management Development Committee of the Board of Directors of UGI (the "Committee") has decided to make a stock option grant to the Participant.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth in this Grant Letter and in the Plan, the Committee hereby grants to the Participant a stock option (the "Option") to purchase _____ shares of common stock of UGI ("Shares") at an exercise price of $_____ per Share. The Options are granted with Dividend Equivalents (as defined in the Plan) and shall become exercisable according to Section 2 below.

2. Exercisability of Option. The Option shall become exercisable as follows: _____.

3. Term of Option.

(a) The Option shall have a term of ten years from the Date of Grant and shall terminate at the expiration of that period (5:00 p.m. EST on _____, _____), unless it is terminated at an earlier date pursuant to the provisions of this Grant Letter or the Plan.

(b) If the Participant ceases to be employed by UGI and its subsidiaries (the "Company"), the Option held by the Participant shall be exercisable only with respect to that number of Shares with respect to which such Shares is already exercisable on the date the Participant ceases such employment, except as otherwise provided in Section 7.03 of the Plan.

4. Exercise Procedures.

(a) Subject to the provisions of Sections 2 and 3 above, the Participant may exercise part or all of the exercisable Option by giving UGI irrevocable written notice of intent to exercise on a form provided by UGI and delivered in the manner provided in Section 12 below. Payment of the exercise price and any applicable withholding taxes must be made prior to issuance of the Shares. The Participant shall pay the exercise price as described in Section 7.04 of the Plan. The Committee may impose such limitations as it deems appropriate on the use of Shares to exercise the Option.

(b) The obligation of UGI to deliver Shares upon exercise of the Option shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Committee, including such actions as UGI's counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. UGI may require that the Participant (or other person exercising the Option after the Participant's death) represent that the Participant is purchasing Shares for the Participant's own account and not with a view to or for sale in connection with any distribution of the Shares, or such other representation as UGI deems appropriate.

(c) All obligations of UGI under this Grant Letter shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

5. Dividend Equivalents with Respect to Options. Dividend Equivalents shall accrue with respect to the Options as described in the Plan.

6. Restrictions on Exercise. Only the Participant may exercise the Option during the Participant's lifetime and, after the Participant's death, the Option shall be exercisable in accordance with the Plan.

7. Grant Subject to Plan Provisions. This grant is made pursuant to the terms and conditions of the Plan which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and exercise of the Option are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) changes in capitalization of the Company and (iii) other requirements of applicable law. The Committee shall have the authority to interpret and construe the Option pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

8. No Employment or Other Rights. The grant of the Option shall not confer upon the Participant any right to be retained by or in the employ of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment at any time. The right of the Company to terminate at will the Participant's employment at any time for any reason is specifically reserved.

9. No Shareholder Rights. Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares subject to the Option, until certificates for Shares have been issued upon the exercise of the Option.

10. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

11. Applicable Law. The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

12. Notice. Any notice to UGI provided for in this instrument shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

IN WITNESS WHEREOF, UGI has caused its duly authorized officers to execute and attest this Grant Letter, and the Participant has executed this Grant Letter, effective as of the Date of Grant.

UGI Corporation

Attest

_____ By: _____

I hereby acknowledge receipt of the Plan incorporated herein. I accept the Option described in this Grant Letter, and I agree to be bound by the terms of the Plan and this Grant Letter. I hereby further agree that all the decisions and determinations of the Committee shall be final and binding on me and any other person having or claiming a right under this Grant.

_____

Participant

Exhibit 10.31a

Officer
French Sub-Plan

UGI CORPORATION
AMENDED AND RESTATED 2004 OMNIBUS EQUITY COMPENSATION PLAN
SUB-PLAN FOR FRENCH EMPLOYEES AND CORPORATE OFFICERS

STOCK OPTION GRANT LETTER

This STOCK OPTION GRANT, dated January 1, 2010 (the "Date of Grant"), is delivered by UGI Corporation ("UGI") to _____ (the "Participant").

RECITALS

The UGI Corporation Sub-Plan for French Employees and Corporate Officers (the "Sub-Plan") under the Amended and Restated 2004 Omnibus Equity Compensation Plan (the "Plan") provides for the grant of options to purchase shares of common stock of UGI. The Board of Directors of UGI (the "Board") authorizes and administers all option grants to employees and corporate officers in France, and the Board has decided to make a stock option grant to the Participant.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth in this Grant Letter and in the Plan and the Sub-Plan, UGI hereby grants to the Participant a stock option (the "Option") to purchase _____ shares of common stock of UGI ("Shares") at an exercise price of U.S. $24.19 per Share. The Option is intended to be a qualified option for French tax purposes and a nonqualified stock option for U.S. tax purposes. The Option shall become exercisable according to Section 2 below.

2. Exercisability of Option. The Option shall become exercisable on the following date, if the Participant is employed by the Company (as defined below) on the applicable date:

Date	Shares for Which the Option is Exercisable
January 1, 2014	100%

3. Term of Option.

(a) The Option shall have a term of nine years and six months from the Date of Grant and shall terminate at the expiration of that period (5:00 p.m. U.S. EST on June 30, 2019), unless it is terminated at an earlier date pursuant to the provisions of this Grant Letter or the Plan.

(b) If the Participant ceases to be employed by, or provide service to, the Company, the Option will terminate on the date the Participant ceases such employment or service, except as provided below. If the Participant ceases to be employed by, or provide service to, the Company by reason of (i) Termination without Cause (as defined below), (ii) Retirement (as defined below), (iii) Disability (as defined below), or (iv) death, the Option held by the Participant will thereafter be exercisable pursuant to the following terms:

(i) *Termination Without Cause*. If the Participant's employment or service terminates on account of a Termination without Cause, the Option will thereafter be exercisable only with respect to that number of Shares with respect to which the Option is already exercisable on the date the Participant's employment or service terminates. Such portion of the Option will terminate upon the earlier of the expiration date of the Option or the expiration of the 13-month period commencing on the date the Participant ceases to be employed by, or provide service to, the Company.

(ii) *Retirement*. If the Participant ceases to be employed by, or provide service to, the Company on account of Retirement, the Option will thereafter become exercisable as if the Participant had remained employed by, or had continued providing service to, the Company for 48 months after the date of such Retirement. The Option will terminate upon the earlier of the expiration date of the Option or the expiration of such 48-month period.

(iii) *Disability*. If the Participant is determined to be Disabled, the Option will thereafter become exercisable as if the Participant had remained employed by, or had continued providing service to, the Company for 48 months after the date of such Disability. The Option will terminate upon the earlier of the expiration date of the Option or the expiration of such 48-month period.

(iv) *Death*. In the event of the death of the Participant while employed by, or while providing service to, the Company or while the Option is outstanding pursuant to subsections (i), (ii) or (iii) above, the Option will be fully and immediately exercisable and may be exercised at any time prior to expiration of the six-month period following the Participant's death. After the Participant's death, the Participant's Option may be exercised by the Participant's estate.

4. Exercise Procedures.

(a) Subject to the provisions of Sections 2 and 3 above, the Participant may exercise part or all of the exercisable Option by giving UGI irrevocable written notice of intent to exercise on a form provided by UGI and delivered in the manner provided in Section 14 below. Payment of the exercise price and any applicable withholding taxes must be made prior to issuance of the Shares. The Participant shall pay the exercise price (i) in cash in U.S. dollars or (ii) by payment through a broker in accordance with procedures acceptable to the Board and permitted by Regulation T of the U.S. Federal Reserve Board.

(b) The obligation of UGI to deliver Shares upon exercise of the Option shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Board, including such actions as UGI's counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. UGI may require that the Participant (or other person exercising the Option after the Participant's death) represent that the Participant is purchasing Shares for the Participant's own account and not with a view to or for sale in connection with any distribution of the Shares, or such other representation as UGI deems appropriate.

(c) All obligations of UGI under this Grant Letter shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

5. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) "*Company*" means UGI and its Subsidiaries (as defined in the Plan).

(b) "*Disability*" means a long-term disability as defined in the Company's long-term disability plan applicable to the Participant.

(c) "*Employed by the Company*" shall mean employment as an employee of the Company. For purposes of this Grant Letter, the Participant's period of employment shall not include any period of notice of termination of employment, whether expressed or implied. The Participant's date of cessation of employment shall mean the date upon which the Participant ceases active performance of services for the Company following the provision of such notification of termination or resignation from employment and shall be determined solely by this Grant Letter and without reference to any other agreement, written or oral, including the Participant's contract of employment.

(d) "*Retirement*" means termination of employment after attaining age 55 with ten or more years of service with the Company.

(e) "*Termination without Cause*" means termination of employment for the convenience of the Company for any reason other than (i) misappropriation of funds, (ii) habitual insobriety or substance abuse, (iii) conviction of a crime involving moral turpitude, (iv) gross negligence in the performance of duties, which gross negligence has had a material adverse effect on the business, operations, assets, properties or financial condition of the Company or (v) gross misconduct ("faute grave") or willful misconduct ("faute lourde"), as defined under French employment law and French case law.

6. Change of Control. The provisions of the Plan applicable to a Change of Control shall apply to the Option, and, in the event of a Change of Control, the Board may take such actions as it deems appropriate pursuant to the Plan and the Sub-Plan.

7. Restrictions on Exercise. Except as the Board may otherwise permit pursuant to the Plan, only the Participant may exercise the Option during the Participant's lifetime and, after the Participant's death, the Option shall be exercisable solely by the Participant's estate, to the extent that the Option is exercisable pursuant to this Grant Letter.

8. Share Retention Requirement. The Participant may not sell, transfer or otherwise dispose of ten percent (10%) of the Shares acquired upon exercise of the Option until termination of the Participant's employment or service.

9. Grant Subject to Plan Provisions. This grant is made pursuant to the Plan and the Sub-Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and exercise of the Option are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Board in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) changes in capitalization of the Company and (iii) other requirements of applicable law. The Board shall have the authority to interpret and construe the Option pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

10. No Employment or Other Rights. The grant of the Option shall not confer upon the Participant any right to be retained by or in the employ of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment at any time. The right of the Company to terminate at will the Participant's employment at any time for any reason is specifically reserved.

11. No Shareholder Rights. Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares subject to the Option, until certificates for Shares have been issued upon the exercise of the Option.

12. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

13. Applicable Law. The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

14. Notice. Any notice to UGI provided for in this instrument shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

15. **Authorization to Release Necessary Personal Information.**

(a) **The Participant hereby authorizes and directs the Participant's employer to collect, use and transfer in electronic or other form, any personal information (the "Data") regarding the Participant's employment, the nature and amount of the Participant's compensation and the fact and conditions of the Participant's participation in the Plan (including, but not limited to, the Participant's name, home address, telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Shares held and the details of all options or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding) for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Data may be transferred to the Company, or to any third parties assisting in the implementation, administration and management of the Plan, including any requisite transfer to a broker or other third party assisting with the exercise of options under the Plan or with whom Shares acquired upon exercise of this Option or cash from the sale of such Shares may be deposited. The Participant acknowledges that recipients of the Data may be located in different countries, and those countries may have data privacy laws and protections different from those in the country of the Participant's residence. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the Company, or to any third parties, is necessary for the Participant's participation in the Plan. The Participant understands that the Data will be held only as long as necessary to implement, administer and manage the Participant's participation in the Plan. For all transfers, the Participant's employer agrees and warrants that the processing, including the transfer itself, of the Data will be carried out in accordance with the French and European legal data protection regulation.**

(b) **The Participant may at any time amend the Data and/or withdraw the consents herein, by contacting the Participant's local human resources representative in writing. The Participant further acknowledges that withdrawal of consent may affect the Participant's ability to exercise or realize benefits from the Option, and the Participant's ability to participate in the Plan.**

16. No Entitlement or Claims for Compensation.

(a) The grant of options under the Plan is made at the discretion of the Board, and the Plan may be suspended or terminated by UGI at any time. The grant of an option in one year or at one time does not in any way entitle the Participant to an option grant in the future. The Plan is wholly discretionary in nature and is not to be considered part of the Participant's normal or expected compensation subject to severance, resignation, redundancy or similar compensation. The value of the Option is an extraordinary item of compensation which is outside the scope of the Participant's employment contract (if any).

(b) The Participant shall have no rights to compensation or damages as a result of the Participant's cessation of employment for any reason whatsoever, whether or not in breach of contract, insofar as those rights arise or may arise from the Participant's ceasing to have rights under or be entitled to exercise this Option as a result of such cessation or from the loss or diminution in value of such rights. If the Participant did acquire any such rights, the Participant is deemed to have waived them irrevocably by accepting the Option.

IN WITNESS WHEREOF, UGI has caused its duly authorized officers to execute and attest this Grant Letter, and the Participant has executed this Grant Letter, effective as of the Date of Grant.

Attest

Margaret M. Calabrese
Corporate Secretary

UGI Corporation

By: _____

Robert H. Knauss
Vice President and General Counsel

I hereby acknowledge receipt of the Plan, the Terms and Conditions and the Sub-Plan incorporated herein. I accept the Option described in this Grant Letter, and I agree to be bound by the terms of the Plan, including the Terms and Conditions, the Sub-Plan and this Grant Letter. I hereby further agree that all the decisions and determinations of the Board shall be final and binding on me and any other person having or claiming a right under this Grant.

_____

Participant

Exhibit 10.31b

Officer
French Sub-Plan

UGI CORPORATION
AMENDED AND RESTATED 2004 OMNIBUS EQUITY COMPENSATION PLAN
SUB-PLAN FOR FRENCH EMPLOYEES AND CORPORATE OFFICERS

PERFORMANCE UNIT GRANT LETTER

This PERFORMANCE UNIT GRANT, dated January 1, 2010 (the "Date of Grant"), is delivered by UGI Corporation ("UGI") to _____ (the "Participant").

RECITALS

The UGI Corporation Amended and Restated 2004 Omnibus Equity Compensation Plan (the "Plan") provides for the grant of performance units ("Performance Units") with respect to shares of common stock of UGI ("Shares"). The Sub-Plan for French Employees and Corporate Officers (the "Sub-Plan") sets forth the terms and conditions applicable to the Performance Units granted under Section 9 of the Plan to employees and corporate officers who are, or may become, liable to taxation on compensation in France. The Board of Directors of UGI (the "Board") has decided to grant Performance Units to the Participant under the Sub-Plan.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Performance Units. Subject to the terms and conditions set forth in this Grant Letter, in the Plan and in the Sub-Plan, the Board hereby grants to the Participant _____ Performance Units. The number of Performance Units set forth above is the maximum number of Shares that may be earned pursuant to this award. The Performance Units are contingently awarded and will be earned (and the corresponding ownership of Shares will be transferred to the Participant) after the expiration of the Measurement Period (as defined below) if and to the extent that the performance goals and other conditions of the Grant Letter are met.

2. Performance Goals.

(a) The Participant shall earn the right to issuance of Shares corresponding to the Performance Units after the expiration of the Measurement Period if the performance goals described in subsection (b) below are met for the Measurement Period, and if the Participant continues to be employed by, or provide service to, the Company (as defined in the Plan) at least until the expiration of the Measurement Period (except in the event of death, Disability or Retirement of the Participant). The Measurement Period is the period beginning January 1, 2010 and ending December 31, 2012. The Measurement Period will correspond under French law to the "période d'acquisition" as referred to under section L.225-197-1 of the French Commercial Code.

(b) The maximum number of Performance Units set forth in Section 1 hereof will be payable if UGI's Total Shareholder Return (TSR) equals the highest TSR of a peer group for the Measurement Period. The peer group is the group of companies that comprises the S&P Utilities Index as of the beginning of the Measurement Period; provided that if a company is added to the S&P Utilities Index during the Measurement Period, that company is not included in the TSR calculation. A company that is included in the S&P Utilities Index at the beginning of the Measurement Period will be removed from the TSR calculation only if the company ceases to exist during the Measurement Period. The actual amount of the award of Performance Units may be lower than the maximum award, or even zero, based on UGI's TSR percentile rank relative to the companies in the S&P Utilities Index, as follows:

UGI's TSR Rank (Percentile)	Percentage of Maximum Award Earned
Highest	100%
90th	87.5%
75th	75.0%
60th	62.5%
50th	50.0%
40th	25.0%
less than 40th	0%

The percentage of Performance Units earned will be interpolated between each of the measuring points.

(c) TSR shall be calculated by UGI using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of the calculation. The share price used for determining TSR at the beginning and the end of the Measurement Period will be the average price for the 90-day period preceding the beginning of the Measurement Period (i.e., the 90-day period ending on December 31, 2009) and the 90-day period ending on the last day of the Measurement Period (i.e., the 90-day period ending on December 31, 2012). The TSR calculation gives effect to all dividends throughout the three-year Measurement Period as if they had been reinvested.

(d) The percentage of the maximum award earned shall be based on UGI's TSR rank as described in clause (b) of this Section 2 and will determine the number of Performance Units (and the number of Shares corresponding to the Performance Units) acquired by the Participant.

(e) At the end of the Measurement Period, the Compensation and Management Development Committee of the Board (the "Committee") will determine whether and to what extent the performance goals have been met and the number of Shares to be issued with respect to the Performance Units. Except as described in Section 3 below, the Participant must be employed by, or providing service to, the Company on December 31, 2012 in order for the Participant to receive Shares with respect to the Performance Units.

3. Termination of Employment or Service.

(a) Except as described below, if the Participant's employment or service with the Company terminates on or before the end of the Measurement Period, the Performance Units granted under this Grant Letter will be forfeited.

(b) If the Participant terminates employment or service on account of Retirement (as defined in Section 8) or Disability (as defined in Section 8), the Participant will earn a pro-rata portion of the Participant's outstanding Performance Units, if the performance goals and the requirements of this Grant Letter are met. The prorated portion will be determined as the number of Shares that would otherwise be issuable after the end of the Measurement Period, based on achievement of the performance goals, multiplied by a fraction, the numerator of which is the number of calendar years during the Measurement Period in which the Participant has been employed by, or provided service to, the Company and the denominator of which is three. For purposes of the proration calculation, the calendar year in which the Participant's termination of employment or service on account of Retirement or Disability occurs will be counted as a full year.

(c) In the event of termination of employment or service on account of Retirement or Disability, the prorated number of Shares shall be issued after the end of the Measurement Period, pursuant to Section 4 below.

(d) In the event of termination of employment or service on account of death, the representative of the Participant's estate may ask within six months of the death to receive immediately the Shares issuable with respect to the Performance Units granted to the Participant.

4. Payment with Respect to Performance Units. If the Committee determines that the conditions to payment of the Performance Units have been met, the Company shall issue to the Participant, between January 1, 2013 and March 15, 2013, the number of Shares based on the achievement of the performance goals, up to the maximum award specified in Section 1 above.

5. Standstill Period.

(a) After the Measurement Period has expired and during the Standstill Period (as defined below), the Participant shall not sell, assign, transfer, pledge or otherwise dispose of the Shares granted under the Performance Units.

(b) The Standstill Period is the two-year period beginning after the expiration of the Measurement Period on the date of issuance of the Shares to the Participant (and will correspond under French law to the "période d'obligation de conservation" as referred to under section L.225-197-1 of the French Commercial Code). However, the Standstill Period shall not be applicable to the extent provided under French law in the event of death of the Participant or disability of the Participant corresponding to the classification of the second or third categories of Article L.341-4 of the French social security code.

6. Transfer of Shares. Except as otherwise provided below and subject to the Company's insider trading policies, after the Measurement and Standstill Periods have expired, the Participant shall have the right to transfer the Shares without any limitations. However, Shares cannot be transferred (i) during the ten trading days preceding and following the date on which the consolidated accounts or annual accounts of the Company are published and (ii) during a period (x) starting from the date on which the officers and directors of the Company became aware of any information which, if published, could significantly affect the Company's market price and (y) ending at the close of the tenth trading day following the publication of the information. In addition, ten percent (10%) of the Shares cannot be transferred until the Participant's termination of employment or service.

7. Change of Control. If a Change of Control occurs, the Board may take such action as it deems appropriate pursuant to the Plan and the Sub-Plan.

8. Definitions. For purposes of this Grant Letter, the following terms will have the meanings set forth below:

(a) "*Company*" means UGI and its Subsidiaries (as defined in the Plan).

(b) "*Disability*" means a long-term disability as defined in the Company's long-term disability plan applicable to the Participant.

(c) "*Employed by, or provide service to, the Company*" shall mean employment or service as an employee or director of the Company.

(d) "*Retirement*" means termination of employment after attaining age 55 with ten or more years of service with the Company.

9. Grant Subject to Plan Provisions. This grant is made pursuant to the Plan, the Terms and Conditions established by the Board with respect to the Plan and the Sub-Plan, all of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan and the Sub-Plan. The grant of Performance Units and the issuance of Shares thereunder are subject to interpretations, regulations and determinations concerning the Plan and the Sub-Plan established from time to time by the Board in accordance with the provisions of the Plan and the Sub-Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) changes in capitalization of the Company and (iii) other requirements of applicable law. The Board shall have the authority to interpret and construe the grant pursuant to the terms of the Plan and the Sub-Plan, and its decisions shall be conclusive as to any questions arising hereunder.

10. No Employment or Other Rights. The grant of Performance Units shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service at any time. The right of the Company to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

11. No Shareholder Rights. During the Measurement Period, neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares related to the Performance Units, unless and until certificates for Shares have been issued to the Participant or successor.

12. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, the representative of the Participant's estate may ask to receive the Shares acquired by the Participant's estate within 6 months of the death. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

13. Tax Considerations. Neither UGI Corporation nor any subsidiary shall be held liable for the personal tax treatment of any Participant under this Grant.

14. Applicable Law. The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

15. Notice. Any notice to UGI provided for in this instrument shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

16. **Authorization to Release Necessary Personal Information.**

(a) **The Participant hereby authorizes and directs the Participant's employer to collect, use and transfer in electronic or other form, any personal information (the "Data") regarding the Participant's employment, the nature and amount of the Participant's compensation and the fact and conditions of the Participant's participation in the Plan (including, but not limited to, the Participant's name, home address, telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Shares held and the details of all options or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding) for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Data may be transferred to the Company, or to any third parties assisting in the implementation, administration and management of the Plan, including any requisite transfer to a broker or other third party or with whom Shares acquired under the Performance Units or cash from the sale of such Shares may be deposited. The Participant acknowledges that recipients of the Data may be located in different countries, and those countries may have data privacy laws and protections different from those in the country of the Participant's residence. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the Company, or to any third parties, is necessary for the Participant's participation in the Plan. The Participant understands that the Data will be held only as long as necessary to implement, administer and manage the Participant's participation in the Plan. For all transfers, the Participant's employer agrees and warrants that the processing, including the transfer itself, of the Data will be carried out in accordance with the French and European legal data protection regulation.**

(b) **The Participant may at any time amend the Data and/or withdraw the consents herein, by contacting the Participant's local human resources representative in writing. The Participant further acknowledges that withdrawal of consent may affect the Participant's ability to exercise or realize benefits from the grant of Performance Units, and the Participant's ability to participate in the Plan.**

17. No Entitlement or Claims for Compensation.

(a) The grant of Performance Units under the Plan is made at the discretion of the Board, and the Plan may be suspended or terminated by UGI at any time. The grant of an award in one year or at one time does not in any way entitle the Participant to a grant in the future. The Plan is wholly discretionary in nature and is not to be considered part of the Participant's normal or expected compensation subject to severance, resignation, redundancy or similar compensation. The value of the Performance Units is an extraordinary item of compensation which is outside the scope of the Participant's employment contract (if any).

(b) The Participant shall have no rights to compensation or damages as a result of the Participant's cessation of employment for any reason whatsoever, whether or not in breach of contract, insofar as those rights arise or may arise from the Participant's ceasing to have rights under this grant as a result of such cessation or from the loss or diminution in value of such rights. If the Participant did acquire any such rights, the Participant is deemed to have waived them irrevocably by accepting the grant.

IN WITNESS WHEREOF, UGI has caused its duly authorized officers to execute and attest this Grant Letter, and the Participant has executed this Grant Letter, effective as of the Date of Grant.

Attest

Margaret M. Calabrese
Corporate Secretary

UGI Corporation

By: _____

Robert H. Knauss
Vice President and General Counsel

I hereby acknowledge receipt of the Plan, the Terms and Conditions and the Sub-Plan incorporated herein. I accept the Performance Units described in this Grant Letter, and I agree to be bound by the terms of the Plan, including the Terms and Conditions, the Sub-Plan and this Grant Letter. I hereby further agree that all the decisions and determinations of the Board shall be final and binding on me and any other person having or claiming a right under this Grant.

_____

Participant

EXHIBIT 10.32a

UGI CORPORATION
DESCRIPTION OF COMPENSATION ARRANGEMENT
FOR
LON R. GREENBERG

Lon R. Greenberg is Chairman and Chief Executive Officer of UGI Corporation. Mr. Greenberg has an oral compensation arrangement with UGI Corporation which includes the following:

Mr. Greenberg:

1. is entitled to an annual base salary, which for fiscal year 2010 is $1,067,500;

2. participates in UGI Corporation's annual bonus plan, with bonus payable based on the achievement of pre-approved financial and/or business performance objectives, which support business plans and strategic goals;

3. participates in UGI Corporation's long-term compensation plan, the 2004 Omnibus Equity Compensation Plan, as amended, with annual awards as determined by the Compensation and Management Development Committee;

4. will receive cash benefits upon termination of his employment without cause following a change in control of UGI Corporation; and

5. participates in UGI Corporation's benefit plans, including the Senior Executive Employee Severance Plan and the Supplemental Executive Retirement Plan and Supplemental Savings Plan.

UGI CORPORATION
DESCRIPTION OF COMPENSATION ARRANGEMENT
FOR
PETER KELLY

Peter Kelly is Vice President — Finance and Chief Financial Officer of UGI Corporation. Mr. Kelly has an oral compensation arrangement with UGI Corporation which includes the following:

Mr. Kelly:

1. is entitled to an annual base salary, which for fiscal year 2010 is $426,400;
2. participates in UGI Corporation's annual bonus plan, with bonus payable based on the achievement of pre-approved financial and/or business performance objectives, which support business plans and strategic goals;
3. participates in UGI Corporation's long-term compensation plan, the 2004 Omnibus Equity Compensation Plan, as amended, with annual awards as determined by the Compensation and Management Development Committee;
4. will receive cash benefits upon termination of his employment without cause following a change in control of UGI Corporation; and
5. participates in UGI Corporation's benefit plans, including the Senior Executive Employee Severance Plan and the Supplemental Executive Retirement Plan and Supplemental Savings Plan.

UGI CORPORATION
DESCRIPTION OF COMPENSATION ARRANGEMENT
FOR
JOHN L. WALSH

John L. Walsh is President and Chief Operating Officer of UGI Corporation. Mr. Walsh has an oral compensation arrangement with UGI Corporation which includes the following:

Mr. Walsh:

1. is entitled to an annual base salary, which for fiscal year 2010 is $648,440;
2. participates in UGI Corporation's annual bonus plan, with bonus payable based on the achievement of pre-approved financial and/or business performance objectives, which support business plans and strategic goals;
3. participates in UGI Corporation's long-term compensation plan, the 2004 Omnibus Equity Compensation Plan, as amended, with annual awards as determined by the Compensation and Management Development Committee;
4. will receive cash benefits upon termination of his employment without cause following a change in control of UGI Corporation; and
5. participates in UGI Corporation's benefit plans, including the Senior Executive Employee Severance Plan and the Supplemental Executive Retirement Plan and Supplemental Savings Plan.

UGI CORPORATION
DESCRIPTION OF COMPENSATION ARRANGEMENT
FOR
FRANÇOIS VARAGNE

François Varagne is President and Chief Executive Officer of Antargaz, a subsidiary of UGI Corporation. Mr. Varagne has an oral compensation arrangement with Antargaz which includes the following:

Mr. Varagne:

1. is entitled to an annual base salary, which for fiscal year 2010 is €335,000;
2. participates in an annual bonus;
3. participates in the long-term compensation plan, the UGI Corporation 2004 Omnibus Equity Compensation Plan subsidiary plan for French employees, as amended; and
4. participates in Antargaz' supplemental retirement plans.

EXHIBIT 10.33

UGI CORPORATION
SUMMARY OF DIRECTOR COMPENSATION

The table below shows the components of director compensation effective October 1, 2010. A director who is an officer or employee of the Registrant or its subsidiaries is not compensated for service on the Board of Directors or on any Committee of the Board.

DIRECTORS' COMPENSATION

	CASH COMPONENT	EQUITY COMPONENT (1)
Annual retainer	$ 62,000	2,550 Stock Units 8,500 Options for the purchase of shares of common stock of the Registrant.
Additional Annual Retainer for Audit Committee Members (other than the Chairperson)	$ 5,000	
Additional Annual Retainer for Audit Committee Chairperson	$ 10,000	
Additional Annual Retainer for Compensation and Management Development Committee Chairperson	$ 10,000	
Additional Annual Retainer for Corporate Governance Committee Chairperson	$ 5,000	

(1) Stock Units and Options are granted under the UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006

Exhibit 10.37

TRADEMARK LICENSE AGREEMENT

This TRADEMARK LICENSE AGREEMENT ("Agreement") is effective on the 19th day of April, 1995 among UGI Corporation, a Pennsylvania Corporation ("Licensor"), AmeriGas, Inc., a Pennsylvania Corporation ("AmeriGas"), AmeriGas Propane, Inc., a Pennsylvania Corporation ("General Partner"), AmeriGas Partners, L.P., a Delaware limited partnership ("Partnership"), and AmeriGas Propane, L.P., a Delaware limited partnership ("Operating Partnership"). AmeriGas, the General Partner, the Partnership, and the Operating Partnership may be referred to in this Agreement individually as "License" or collectively as "Licensees."

Introduction

1. Licensor owns all right, title and interest in the service mark AMERIGAS, including the federal registration for this mark, Reg. No. 1,811,297 (the "Mark"), and the goodwill associated with the Mark.

2. Licensor and/or its controlled affiliates have used the Mark in connection with liquefied petroleum ("LP") gas, LP gas products, LP gas equipment, and the sale, distribution, transportation and storage of LP gas, LP gas products, and LP gas equipment, including but not limited to those services covered by Reg. No. 1,811,297 (the "Goods and Services").

3. Licensor desires that Licensees, each of which is affiliated with Licensor, use the Mark in connection with the Goods and Services in accordance with the terms and conditions of this Agreement.

4. Each Licensee desires to obtain from Licensor a license to use the Mark in connection with the Goods and Services in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree as follows:

Agreement

1. Grant of License. Subject to the other provisions of this Agreement, Licensor grants to each Licensee an exclusive (except as otherwise provided in this Agreement), royalty-free license during the term of this Agreement to use the Mark in connection with the Goods and Services. Licensees acknowledge that Licensor and its assignees, designees and licensees may use the Mark in connection with the Goods and Services and the business of the Partnership and the Operating Partnership in the same territory as Licensees.

2. Limitations on Use. Licensees shall not use the Mark other than in connection with the Goods and Services or use the Mark in their corporate, business or trade names without the prior written consent of Licensor, provided that no prior approval is required for the continued use of the Mark by AmeriGas, the General Partner, the Partnership and the Operating Partnership in their respective corporate names in their current form, and the General Partner's use of the mark in the corporate name "AmeriGas Propane, Inc."

3. Ownership of the Mark. Licensees acknowledge that Licensor owns all right, title and interest in the Mark and the goodwill associated with the Mark, and that any use of the Mark by Licensees and any goodwill associated with such use shall inure to the benefit of Licensor. Each Licensee agrees not to attack or contest the Mark or Licensor's rights in the Mark, directly or indirectly. Each Licensee agrees not to register or attempt to register the Mark, or cause the Mark to be registered, in any country, state or other jurisdiction. Licensor agrees to take reasonable steps to maintain the Mark.

4. Quality Control.

(a) In order to comply with Licensor's quality control standards, each Licensee shall: (i) use its best efforts to maintain the quality of the Mark; (ii) use the Mark only in a manner consistent with past uses of the Mark by Licensor and its affiliates; (iii) adhere to such other specific reasonable quality control standards that Licensor may from time to time promulgate and communicate to Licensees with respect to the Mark; (iv) comply materially with all U.S. federal, state and local laws and regulations, and, where applicable, Canadian laws and regulations, governing the use of the Mark and the provision of the Goods and Services; and (v) not alter or modify the Mark in any way.

(b) In order to confirm that Licensee's use of the Mark complies with this Section 4, Licensor shall have the right, in its sole discretion, (i) to require that any Licensee submit to Licensor representative samples of any materials bearing the Mark, and (ii) to inspect, without prior advance notice, any Licensee's facilities, products, records and/or operations in connection with the use of the Mark.

(c) If any Licensee fails to comply with any of the provisions in this Section 4, such failure shall be deemed to be a material breach of Licensee's obligations under this Agreement for the purposes of the termination provisions of Section 6 below.

5. Assignment, Collateral Assignment and Sublicensing

(a) Except as provided in subsection (b) below, Licensees shall not assign or sublicense any right or interest in the Mark or the license granted in this Agreement, whether voluntarily or by operation by law, with out the prior written consent of Licensor, which consent may be withheld in Licensor's absolute discretion.

(b) Notwithstanding the foregoing, the Partnership or the Operating Partnership may grant a sublicense to any "Subsidiary" for use in connection with the Goods and Services as long as the Subsidiary agrees in writing to the terms and conditions of this Agreement and any collateral assignment of this Agreement to any secured lenders or any person acting on their behalf. For the purposes of this subsection, "Subsidiary" shall have the same meaning as in the Amended and Restated Agreement of Limited Partnership of the Partnership or the Operating Partnership, respectively. Any Licensee may also assign all of its right, title and interest in and to its rights under this Agreement by way of collateral security to any creditor of the Licensee (the "Secured Creditors") and upon any realization on the collateral afforded by such collateral assignment, such Secured Creditors (or their authorized representative) shall have the right to assign Licensee's rights and responsibilities under this Agreement to any purchaser or purchasers of the Business with respect to which the Mark has been used (a "Permitted Transferee") provided only that such Permitted Transferee shall agree in writing to be bound by the provisions of this Agreement. A Permitted Transferee shall be a Licensee hereunder and shall have rights of transfer of rights and responsibilities to additional parties succeeding to all or a portion of the Business and who shall also be Permitted Transferees hereunder.

(c) Licensor may, upon prior written notice to Licensees, assign, transfer, delegate or otherwise dispose of any and all its rights and/or responsibilities under this Agreement to an "Affiliate" of the Partnership or Operating Partnership, subject to the prior written consent of any collateral assignee if this Agreement is then subject to a collateral assignment for security purposes. For the purposes of this subsection "Affiliate" shall have the same meaning as in the Amended and Restated Agreement of Limited Partnership of the Partnership or the Operating Partnership, respectively.

6. Term and Termination

(a) The license granted in this Agreement shall remain in effect unless terminated by mutual agreement of the parties or by Licensor as provided below, provided that any termination pursuant to this Section 6 shall be subject to the prior written consent of any collateral assignee if this Agreement is then subject to a collateral assignment for security purposes.

(b) Licensor may terminate this Agreement as to any Licensee if (i) the General Partner ceases to be the sole general partner of the Partnership or the Operating Partnership, or (ii) Licensor deems it necessary, in it sole discretion, to terminate the Agreement in order to settle any claim of infringement, unfair competition or similar claim, against Licensor and/or any Licensee, that arises out of or relates to the use of the Mark by Licensor or any Licensee; provided that no such termination pursuant to subsection (b)(i) shall be permitted with respect to any Licensee that is a Permitted Transferee. Termination of this Agreement under subsection (b)(i) shall be effective upon 12 months' prior notice to Licensees. Termination pursuant to subsection (b)(ii) shall be effective immediately upon receipt of written notice to the affected Licensee(s).

(c) Licensor may terminate this Agreement as to any Licensee that materially breaches any of the provisions of this Agreement, provided that such Licensee shall have 15 days after receiving written notice from Licensor within which to cure such breach. If such Licensee has not cured such breach to the satisfaction of Licensor, in Licensor's sole discretion, at the end of said 15 day period, then Licensor may terminate the Agreement effective immediately upon further written notice to such Licensee.

(d) In the event of termination as to any Licensee, such Licensee shall promptly cease all use of the Mark in any form. Such Licensee shall use all commercially reasonable efforts to remove the Mark promptly from all property owned or controlled by Licensee, including without limitation any signs, storage units, facilities, or promotional materials. Any sublicenses granted pursuant to Section 5(b) of this Agreement shall automatically terminate.

(e) If the General Partner has ceased to be the general partner of the Partnership or the Operating Partnership for any reason except removal other than for cause, and Licensor terminates this Agreement pursuant to subsection (b)(i), Licensor shall pay to the Operating Partnership a fee equal to the fair market value of the Mark. Otherwise, Licensor shall not owe any fee to any Licensee upon termination.

7. Indemnification. Each Licensee shall, jointly and severally with the other Licensees, indemnify and hold Licensor, its successors and assigns, all of the their respective directors, officers, employees, shareholders, principals, agents and legal representatives harmless against any and all damages, losses, costs and expenses (including, without limitation, legal fees and other expenses) that arise out of or relate to (i) any Licensee's use of the Mark in a manner other than as specifically contemplated by this Agreement, or (ii) any other breach of this Agreement by any Licensee.

8. Infringement Proceedings

(a) Each Licensee shall promptly notify Licensor of any known, threatened or suspected infringement, imitation or unauthorized use of the Mark by any third party brought to the attention of any of its officers or in-house counsel. Licensor, in its sole discretion, shall determine what action, if any, should be taken in response to any infringement, imitation or unauthorized use of the Mark by a third party. Licensees shall cooperate with Licensor in any action taken by Licensor to enforce Licensor's rights in the Mark. No Licensee shall itself take any action to prevent any infringement, imitation or unauthorized use of the Mark without the prior written approval of Licensor, which Licensor may withhold in its sole discretion.

(b) Licensor shall have the sole right, at its expense, to defend and settle, for monetary and/or other damages, any claim made against Licensor or any Licensee by a third party alleging that the use of the Mark infringes upon any rights of others. Licensor expressly reserves the right to terminate this Agreement, pursuant to Section 6(b)(ii) above, to settle any such claim. If Licensor decides to defend against any such claim, Licensees shall cooperate with Licensor to a reasonable extent, at Licensor's expense.

9. Waiver. Waiver by Licensor of any breach of any condition or covenant of this Agreement by any Licensee shall not be deemed a waiver of any subsequent breach of the same or any other condition of this Agreement. No waiver shall be effective unless made in writing.

10. Entire Agreement. This Agreement contains all agreements of the parties with respect to the subject matter of this Agreement. No prior agreement or understanding pertaining to any such matter shall be effective. This agreement may only be modified in a written instrument executed by the pertinent parties. Each Licensee acknowledges that Licensor might later agree to modify this Agreement with respect to an individual Licensee and has no obligation to so modify this Agreement with respect to any other Licensee. Each party acknowledges that no representations, inducements, promises or agreements have been made, orally or otherwise, by any party, or anyone acting on behalf of any party, which are not expressly embodied in this Agreement.

11. Governing Law. This Agreement shall be governed by, and construed in accordance with, applicable federal law and the laws of the Commonwealth of Pennsylvania without giving effect to the choice of law provisions thereof.

12. Successors. Subject to Section 5 above, this Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their permitted respective successors, representatives and assigns.

13. Notices. All notices that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be sufficient in all respects if (1) delivered or mailed by registered or certified mail, postage prepaid; (2) sent by fax (in each case promptly confirmed by registered or certified mail, postage prepaid); (3) sent by overnight courier as follows:

If to Licensor, to:	UGI Corporation 460 North Gulph Road King of Prussia, PA 19406 Attention: General Counsel Fax: (610) 992-3258
If to AmeriGas, to:	AmeriGas, Inc. 460 North Gulph Road King of Prussia, PA 19406 Attention: General Counsel Fax: (610) 992-3258
If to General Partner, to:	AmeriGas Propane, Inc. 460 North Gulph Road King of Prussia, PA 19406 Attention: General Counsel Fax: (610) 992-3258

If to Partnership, to:	AmeriGas Partners, L.P. 460 North Gulph Road King of Prussia, PA 19406 Attention: General Counsel Fax: (610) 992-3258
If to Operating Partnership, to:	AmeriGas Propane, L.P. 460 North Gulph Road King of Prussia, PA 19406 Attention: General Counsel Fax: (610) 992-3258

or to such other address as any party shall have designated by notice in writing to the other parties. Unless otherwise provided in this Agreement, all notices, demands and requests sent in the manner provided in this Agreement shall be effective upon the earlier of (1) delivery thereof; (2) three days after the mailing of such notice, demand or request by registered or certified mail; (3) or the next business day if sent by overnight courier.

14. No Rights by Implication. Licensees acknowledge that Licensor does not grant any rights or licenses with respect to the Mark other than those rights or licenses expressly granted in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective duly authorized representatives as of the date above written.

UGI Corporation

By: _____
Name:
Title:

AmeriGas, Inc.

By: _____
Name:
Title:

AmeriGas Propane, Inc.

By: _____
Name:
Title:

AmeriGas Partners, L.P.

By: AmeriGas Propane, Inc., as its
General Partner

By: _____
Name:
Title:

AmeriGas Propane, L.P.

By: AmeriGas Propane, Inc., as its
General Partner

By: _____
Name:
Title:

Exhibit 10.39

Execution Copy

CREDIT AGREEMENT

Dated as of April 17, 2009

among

AMERIGAS PROPANE, L.P.,
as Borrower,

AMERIGAS PROPANE, INC.,
as a Guarantor,

PETROLANE INCORPORATED,
as a Guarantor,

CITIZENS BANK OF PENNSYLVANIA,
as Syndication Agent,

JPMORGAN CHASE BANK, N.A.,

as Documentation Agent,

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent,

and

THE OTHER FINANCIAL INSTITUTIONS PARTY HERETO

WACHOVIA CAPITAL MARKETS, LLC J.P. MORGAN SECURITIES INC. RBS SECURITIES, INC. d/b/a RBS,
Each as Joint Lead Arranger and Joint Bookrunner

CREDIT AGREEMENT

This CREDIT AGREEMENT (as the same may be amended, supplemented, assigned or otherwise modified from time to time in accordance with the terms hereof, this "***Agreement***"), dated as of April 17, 2009, among AMERIGAS PROPANE, L.P., a Delaware limited partnership (the "***Borrower***"), AMERIGAS PROPANE, INC., a Pennsylvania corporation (the "***General Partner***"), PETROLANE INCORPORATED, a Pennsylvania corporation ("***Petrolane***"; the General Partner and Petrolane are, on a joint and several basis, the "***Guarantors***"; the Borrower, the General Partner and Petrolane are, on a joint and several basis, the "***Obligors***"), CITIZENS BANK OF PENNSYLVANIA, as Syndication Agent, JPMORGAN CHASE BANK, N.A., as Documentation Agent, the several financial institutions from time to time party to this Agreement (collectively, the "***Banks***"; individually, a "***Bank***") and WACHOVIA BANK, NATIONAL ASSOCIATION, as administrative agent for the Banks (the "***Agent***").

WHEREAS, the Obligors have requested $75,000,000 of Revolving Commitments under this Agreement, the proceeds of which are to be used by the Borrower for working capital and general purposes of the Borrower; and

WHEREAS, the Banks are willing, on the terms and subject to the conditions set forth in this Agreement, to enter into, and to extend credit under, this Agreement as more particularly hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Certain Defined Terms. The following terms have the following meanings:

"***Acquired Debt***" means with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person merged with or into or became a Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Subsidiary of such specified Person and (ii) Indebtedness encumbering any asset acquired by such specified Person.

"***Acquisition***" means, as to any Person, any acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, guaranty of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) an Asset Acquisition.

"***AEPH***" means AmeriGas Eagle Holdings, Inc., a Delaware corporation.

"***AEPI***" means AmeriGas Eagle Propane, Inc., a Delaware corporation.

"***AEPLP***" means AmeriGas Eagle Propane, L.P., a Delaware limited partnership.

"***AEPLP Acquisitions***" has the meaning specified in Section 8.16.

"***AEPLP Available Date***" means the earliest of (i) 180 days after the expiration of the Debt Indemnity provided under the National Propane Purchase Agreement, (ii) the purchase by AEPLP of the partnership interest of the Special Limited Partner (as defined in the AEPLP Partnership Agreement) in AEPLP pursuant to the Special Limited Partner's put option under Section 4.5 of the AEPLP Partnership Agreement and (iii) the purchase by AEPLP of the partnership interest of the Special Limited Partner in AEPLP pursuant to AEPLP's call option under Section 4.5 of the AEPLP Partnership Agreement.

"***AEPLP Guaranty Date***" has the meaning specified in Section 8.18.

"***AEPLP Partnership Agreement***" means that certain Amended and Restated Agreement of Limited Partnership of National Propane, L.P. (renamed AEPLP), dated as of July 19, 1999, by and among AEPI, AEPH, and National Propane Corporation, as amended, supplemented, or otherwise modified from time to time.

"***AEPLP Taxes***" means all federal, state, local or foreign taxes, governmental fees or like charges of any kind whatsoever, whether disputed or not.

"***Affected Bank***" has the meaning specified in Section 4.7.

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

"***Agent***" means Wachovia in its capacity as administrative agent for the Banks hereunder, and any successor agent arising under Section 10.9.

"***Agent-Related Persons***" means the Agent, together with its Affiliates (including, in the case of Wachovia in its capacity as the Agent, the Arranger), and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

"***Agent's Payment Office***" means the address for payments set forth on Schedule 12.2 hereto in relation to the Agent, or such other address as the Agent may from time to time specify by written notice to the Borrower and the Banks.

"***Agreement***" has the meaning specified in the introductory clause hereto.

"***AmeriGas Eagle Parts & Service***" means AmeriGas Eagle Parts & Service, Inc., a Pennsylvania corporation.

"***Annual Limit***" has the meaning specified in Section 8.4(c).

"***Applicable Margin***" means

(i) with respect to Base Rate Loans: 2.25%; and

(ii) with respect to Eurodollar Rate Loans: 3.25%

"***Arranger***" means individually and collectively, Wachovia Capital Markets, LLC, J.P. Morgan Securities Inc. and RBS Securities, Inc. d/b/a RBS.

"***Asset Acquisition***" means (a) an Investment by the Borrower or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged with or into the Borrower or any Restricted Subsidiary, (b) the acquisition by the Borrower or any Restricted Subsidiary of the assets of any Person (other than a Restricted Subsidiary) which constitute all or substantially all of the assets of such Person or (c) the purchase or other acquisition by the Borrower or any Restricted Subsidiary (in one or a series of transactions) of any division or line of business of any Person (other than a Restricted Subsidiary).

"***Asset Sale***" has the meaning specified in Section 8.8(c).

"***Assets***" means the assets owned by, licensed to, leased or otherwise used in the business by the Borrower and its Subsidiaries.

"***Assignee***" has the meaning specified in Section 12.9(a).

"***Attorney Costs***" means and includes all reasonable fees and disbursements of any law firm or other external counsel, the reasonable allocated cost of internal legal services and all reasonable disbursements of internal counsel.

"***Available Cash***" as to any calendar quarter means

(a) the sum of (i) all cash of the Borrower and the Restricted Subsidiaries on hand at the end of such quarter and (ii) all additional cash of the Borrower and the Restricted Subsidiaries on hand on the date of determination of Available Cash with respect to such quarter resulting from borrowings subsequent to the end of such quarter, less

(b) the amount of cash reserves that is necessary or appropriate in the reasonable discretion of the General Partner to (i) provide for the proper conduct of the business of the Borrower and the Restricted Subsidiaries (including reserves for future capital expenditures) subsequent to such quarter, (ii) provide funds for distributions under Sections 5.3(a), (b) and (c) or 5.4(a) of the partnership agreement of the Public Partnership (such Sections as in effect on the Closing Date, together with all related definitions, being hereby incorporated herein in the form included in such partnership agreement on the Closing Date and without regard to any subsequent amendments or waivers of the provisions of, or any termination of, such partnership agreement) in respect of any one or more of the next four quarters, or (iii) comply with applicable law or any debt instrument or other agreement or obligation to which the Borrower or any Restricted Subsidiary is a party or its assets are subject; provided, however, that Available Cash attributable to any Restricted Subsidiary shall be excluded to the extent dividends or distributions of such Available Cash by such Restricted Subsidiary are not at the date of determination permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or other regulation.

In addition, without limiting the foregoing, Available Cash shall reflect a reserve equal to 50% of the interest to be paid on the Series E First Mortgage Notes and the Acquisition Loans in the next fiscal quarter and, beginning with a date three fiscal quarters before a scheduled principal payment date on the Series E First Mortgage Notes, and the "Revolving Loans" (as defined in the Existing Credit Agreement) under the Existing Credit Agreement, the Revolving Loans hereunder or the Acquisition Loans, 25% of the aggregate principal amount thereof due on any such payment date in the third succeeding fiscal quarter, 50% of the aggregate principal amount due on any such quarterly payment date in the second succeeding fiscal quarter and 75% of the aggregate principal amount due on any quarterly payment date in the next succeeding fiscal quarter on such notes and facilities. The foregoing reserves for principal amounts to be paid shall be reduced by the aggregate amount of advances available to the Borrower from responsible financial institutions under binding, irrevocable credit facility commitments (and which are subject to no conditions which the Borrower is unable to meet) and letters of credit to be used to refinance such principal (so long as no repayment obligations under such credit facilities and no reimbursement obligation with respect to any such letter of credit would come due within three quarters).

"***Bank***" has the meaning specified in the introductory clause hereto.

"***Bankruptcy Code***" means the Federal Bankruptcy Reform Act of 1978, as amended (11 U.S.C. § 101, et seq.).

"***Base Rate***" means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the Prime Rate and (c) the LIBOR Market Index Rate plus 1%.

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

"***Borrower***" has the meaning specified in the introductory clause hereto.

"***Borrower Financials***" has the meaning specified in Section 7.1.

"***Borrower's Account***" means the account maintained by the Borrower with Mellon Bank, N.A. and designated as account number 094-0764 or such other account designated by the Borrower in writing.

"***Borrowing***" means a borrowing hereunder consisting of Loans of the same Type made to the Borrower on the same day by the Banks and, in the case of Eurodollar Rate Loans, having the same Interest Period, in either case under Article II.

"***Borrowing Date***" means any date on which a Borrowing occurs under Section 2.3.

"***Business***" means the business of wholesale and retail sales, distribution and storage of propane gas and related petroleum derivative products and the retail sale of propane related supplies and equipment, including home appliances.

"***Business Day***" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Agent's Payment Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"***Capital Adequacy Regulation***" means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of any bank or of any corporation controlling a bank.

"***Capital Stock***" means with respect to any Person, any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, including, with respect to partnerships and limited liability companies, partnership interests (whether general or limited) or membership interests and any other interest or participation that confers upon a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership or limited liability company, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such capital stock.

"***Capitalized Lease Liabilities***" means all monetary obligations of the Borrower or any of its Restricted Subsidiaries under any leasing or similar arrangement which, in accordance with GAAP, would be classified as capitalized leases, and, for purposes of this Agreement and each other Loan Document, the amount of such obligations shall be the principal components thereof.

"***Capped Investments***" has the meaning specified in Section 8.18(a).

"***Carryover Threshold***" has the meaning specified in Section 8.16.

"***Cash Equivalents***" has the meaning specified in Section 8.4(a).

"***CERCLA***" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"***Change of Control***" means (i) UGI shall fail to own directly or indirectly 100% of the general partnership interests in the Borrower, or, if the Borrower shall have been converted to a corporate form, at least 51% of the voting shares of the Borrower; or (ii) UGI shall fail to own directly or indirectly at least a 30% ownership interest in the Borrower.

"***Closing Date***" means the date on which all conditions precedent set forth in Section 5.1 are satisfied or waived by the Banks.

"***Code***" means the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, in each case as in effect from time to time.

"***Columbia Acquisition***" means the acquisition by the Borrower of the propane distribution business of Columbia Energy Group, a Delaware corporation, pursuant to the Columbia Purchase Agreement.

"***Columbia Purchase Agreement***" means that certain Purchase Agreement, dated as of January 30, 2001, and amended and restated on August 7, 2001 by and among Columbia Energy Group, a Delaware corporation, AEPI, AEPLP, the Borrower, the Public Partnership and the General Partner, as amended, supplemented or otherwise modified from time to time.

"***Commitment***", as to each Bank, means its Revolving Commitment.

"***Compliance Certificate***" means a certificate substantially in the form of Exhibit C.

"***Consolidated Cash Flow***" means with respect to the Borrower and the Restricted Subsidiaries for any period, (1) the sum of, without duplication, the amounts for such period, taken as a single accounting period, of (a) Consolidated Net Income, (b) Consolidated Non-Cash Charges, (c) Consolidated Interest Expense and (d) Consolidated Income Tax Expense less (2) any non-cash items increasing Consolidated Net Income for such period that had previously been added to Consolidated Net Income when incurred as a Consolidated Non-Cash Charge. Consolidated Cash Flow shall be calculated after giving effect, on a pro forma basis for the four full fiscal quarters immediately preceding the date of the transaction giving rise to the need to calculate Consolidated Cash Flow, to, without duplication, any Asset Sales or Asset Acquisitions (including without limitation any Asset Acquisition giving rise to the need to make such calculation as a result of the Borrower or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Debt) occurring during the period commencing on the first day of such period to and including the date of the transaction (the "***Reference Period***"), as if such Asset Sale or Asset Acquisition occurred on the first day of the Reference Period; provided, however, that Consolidated Cash Flow generated by an acquired business or asset shall be determined by the actual gross profit (revenues minus cost of goods sold) of such acquired business or asset during the immediately preceding four full fiscal quarters in the Reference Period minus the pro forma expenses that would have been incurred by the Borrower and the Restricted Subsidiaries in the operation of such acquired business or asset during such period computed on the basis of personnel expenses for employees retained or to be retained by the Borrower and the Restricted Subsidiaries in the operation of such acquired business or asset and non-personnel costs and expenses incurred by the Borrower and the Restricted Subsidiaries in the operation of the Borrower's business at similarly situated Borrower facilities or Restricted Subsidiary facilities.

"***Consolidated Income Tax Expense***" means with respect to the Borrower and the Restricted Subsidiaries for any period, the provision for federal, state, local and foreign income taxes of the Borrower and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"***Consolidated Interest Expense***" means, with respect to the Borrower and the Restricted Subsidiaries for any period, without duplication, the sum of (i) the interest expenses of the Borrower and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP, including without limitation (a) any amortization of debt discount, (b) the net cost under Interest Rate Agreements, (c) the interest portion of any deferred payment obligation, (d) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and (e) all accrued interest plus (ii) the interest component of capital leases paid, accrued or scheduled to be paid or accrued by the Borrower and the Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP.

"***Consolidated Net Income***" means the net income of the Borrower and the Restricted Subsidiaries, as determined on a consolidated basis in accordance with GAAP and as adjusted to exclude (i) net after-tax extraordinary gains or losses, (ii) net after-tax gains or losses attributable to Asset Sales, (iii) the net income or loss of any Person which is not a Restricted Subsidiary and which is accounted for by the equity method of accounting, provided, that Consolidated Net Income shall include the amount of dividends or distributions actually paid to the Borrower or any Restricted Subsidiary, (iv) the net income of any Restricted Subsidiary to the extent that dividends or distributions of such net income are not at the date of determination permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or other regulation and (v) the cumulative effect of any changes in accounting principles.

"***Consolidated Net Worth***" means, of any Person, at any date of determination, the total partners' equity (in the case of a partnership), total stockholders' equity (in the case of a corporation) or total membership interests (in the case of a limited liability company) of such Person at such date, as would be shown on a balance sheet (consolidated, if applicable) of such Person and, if applicable, its Subsidiaries (Restricted Subsidiaries in the case of the Borrower) prepared in accordance with GAAP (less, in the case of the Borrower, the Net Amount of Unrestricted Investment as of such date).

"***Consolidated Net Tangible Assets***" means, as of any date, (i) the Total Assets, as of such date, *minus* (ii) all current liabilities of the Borrower and the Restricted Subsidiaries, as of such date (other than (A) any current liabilities which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed and (B) current maturities of long term debt), *minus* (iii) all goodwill, trade names, trademarks, patents, licenses, purchased technology, unamortized debt discount and expenses and other like intangible assets of the Borrower and the Restricted Subsidiaries, as of such date, in each case in clauses (i), (ii) and (iii), as determined on a consolidated basis in accordance with GAAP.

"***Consolidated Non-Cash Charges***" means, with respect to the Borrower and the Restricted Subsidiaries for any period, the aggregate depreciation, amortization and any other non-cash charges resulting in write downs in non-current assets, in each case reducing Consolidated Net Income of the Borrower and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"***Contingent Obligation***" means, as to any Person, any direct or indirect liability of that Person, whether or not contingent, with or without recourse (otherwise than for collection or deposit in the ordinary course of business), (a) with respect to any Indebtedness, lease, dividend, letter of credit or other obligation (the "primary obligations) of another Person (the "primary obligor"), including any obligation of that Person (i) to purchase, repurchase or otherwise acquire such primary obligations or any security therefor, (ii) to advance or provide funds for the payment or discharge of any such primary obligation, or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of any such primary obligation against loss in respect thereof (each, a "***Guaranty Obligation***"); (b) with respect to any Surety Instrument issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings or payments; (c) to purchase any materials, supplies or other property from, or to obtain the services of, another Person if the relevant contract or other related document or obligation requires that payment for such materials, supplies or other property, or for such services, shall be made regardless of whether delivery of such materials, supplies or other property is ever made or tendered, or such services are ever performed or tendered, or (d) in respect of any Swap Contract. The amount of any Contingent Obligation shall, in the case of Guaranty Obligations, be deemed equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability in respect thereof, and in the case of other Contingent Obligations, shall be equal to the maximum reasonably anticipated liability in respect thereof.

"***Control Affiliate***" means UGI, the Public Partnership, the General Partner and any Person controlling or controlled by, or under common control with, UGI, the Public Partnership or the General Partner (other than the Borrower or any of its Subsidiaries).

"***Conversion/Continuation Date***" means any date on which, under Section 2.4, any Borrower (a) converts Loans of one Type to the other Type, or (b) continues as Eurodollar Rate Loans, but with a new Interest Period, Eurodollar Rate Loans having Interest Periods expiring on such date.

"***Covered Persons***" shall have the meaning specified in the definition of Restricted Payment.

"***Credit Extension***" means and includes the making of any Loan hereunder.

"***Credit Parties***" means the Obligors and any Restricted Subsidiary party to the Subsidiary Guarantee.

"***Debt Indemnity***" means the indemnity provided by Triarc Companies, Inc. under Section 5.9 of the National Propane Purchase Agreement.

"***Default***" means any event or circumstance which, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"***Defaulting Bank***" means any Bank, as determined by the Agent, that has (a) failed to fund any portion of its Loans within three Business Days of the date required to be funded by it hereunder unless the subject of a good faith dispute or the result of administrative error or otherwise failed to pay over to the Agent or any other Bank any amount (other than a Loan) required to be paid by it hereunder within three Business Days of the date when due unless the subject of a good faith dispute or the result of administrative error, (b) has notified the Borrower or the Agent that it does not intend to comply with its obligations under this Agreement or (c) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

"***Designation Amounts***" has the meaning specified in Section 7.8(a).

"***Designee***" has the meaning specified in Section 7.8(d).

"***Disinterested Directors***" means, with respect to any transaction or series of transactions with Affiliates, a member of the Board of Directors of the General Partner who has no financial interest, and whose employer has no financial interest, in such transaction or series of transactions.

"***Dollars***", "***dollars***" and "***$***" each mean lawful money of the United States.

"***EBIT***" means, for any period, the Borrower's and its Restricted Subsidiaries' Consolidated Net Income (without duplication, not including losses resulting from the extinguishment of debt and extraordinary gains or losses, other than losses arising from reserves established in connection with the Tax Indemnity Provisions (as defined in the National Propane Purchase Agreement)) plus Consolidated Interest Expense and Consolidated Income Tax Expense in each case for such period, as determined in accordance with GAAP.

"***EBITDA***" means, for any period, EBIT plus the Borrower's and its Restricted Subsidiaries' depreciation and amortization of property, plant and equipment and intangible assets, in each case as taken into account in calculating Consolidated Net Income, in each case for such period, as determined in accordance with GAAP.

For the purposes of calculating the Leverage Ratio, EBITDA for any period (the ***"Applicable Period"***) shall be adjusted by the addition of the EBITDA of any Asset Acquisitions made during the Applicable Period, as if such Asset Acquisitions occurred on the first day of the Applicable Period, plus the addition of the Savings Factor (as defined below).

The "***Savings Factor***" shall equal, with respect to any Asset Acquisition, an amount equal to 50% of the difference between (a) Actual Acquisition Expense (as defined below) minus (b) Pro Forma Acquisition Expense (as defined below). "***Actual Acquisition Expense***" means an amount equal to the personnel expenses and non personnel costs and expenses (which would be deducted from gross profits in calculating costs and EBITDA) related to the operation of any Asset Acquisition from the beginning of the Applicable Period to the date of the purchase of the Asset Acquisition. "***Pro Forma Acquisition Expense***" means an amount equal to the personnel and non-personnel costs and expenses (which would be deducted from gross profits in calculating costs and EBITDA) that would have been incurred with respect to the operation of any Asset Acquisition for the period from the beginning of the Applicable Period to the date of purchase of the Asset Acquisition, on the assumption that the ongoing personnel and non personnel cost and expense savings projected as of the date of the Asset Acquisition had been realized on the first day of the Applicable Period. In no event shall the aggregate Savings Factor for any Applicable Period exceed 10% of EBITDA, before taking into effect the EBITDA relating to such Asset Acquisition, for the Borrower and its Restricted Subsidiaries for such Applicable Period.

"***Effective Amount***" means: with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any Borrowings and prepayments or repayments of Loans occurring on such date.

"***Eligible Assignee***" means (i) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least $100,000,000; and (ii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "***OECD***"), or a political subdivision of any such country, and having a combined capital and surplus of at least $100,000,000, provided, that such bank is acting through a branch or agency located in the United States.

"***Environmental Laws***" means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental matters.

"***ERISA***" means the Employee Retirement Income Security Act of 1974 and the regulations thereunder. References to sections of ERISA also refer to any successor sections.

"***ERISA Affiliate***" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"***ERISA Event***" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure to make a required contribution to a Pension Plan if such failure is sufficient to give rise to a Lien under Section 302(f) of ERISA; (c) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (d) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (e) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (f) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"***Eurodollar Base Rate***" has the meaning set forth in the definition of Eurodollar Rate.

"***Eurodollar Rate***" means for any Interest Period with respect to any Eurodollar Rate Loan, a rate per annum determined by the Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{\text{1.00 - Eurodollar Reserve Percentage}}$$

Where,

"***Eurodollar Base Rate***" means, for such Interest Period:

(a) the rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) equal to the rate determined by the Agent to be the offered rate that appears on Reuters BBA Libor Rates Page 3750 (or on any successor or substitute page of such page) that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(b) if the rate referenced in the preceding clause (a) does not appear on such page or service or such page or service shall not be available, the rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) equal to the rate determined by the Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(c) if the rates referenced in the preceding clauses (a) and (b) are not available, the rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) determined by the Agent as the rate of interest at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by Wachovia and with a term equivalent to such Interest Period would be offered by Wachovia's London branch to major banks in the London interbank eurodollar market at their request at approximately 4:00 p.m. (London time) two Business Days prior to the first day of such Interest Period; and

"***Eurodollar Reserve Percentage***" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Bank, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"***Eurodollar Rate Loan***" means a Loan that bears interest at a rate based on the Eurodollar Rate.

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

"***Exchange Act***" means the Securities Exchange Act of 1934, and regulations promulgated thereunder.

"***Existing Credit Agreement***" means that certain Credit Agreement, dated as of November 6, 2006, among the Obligors, the financial institutions party thereto, Citigroup Global Markets, Inc., as syndication agent, J.P. Morgan Securities, Inc. and Credit Suisse Securities (USA) LLC, as co-documentation agents, and Wachovia as administrative agent, as modified, supplemented or otherwise amended from time to time in accordance with its terms.

"***Existing Credit Agreement Commitment Reduction***" shall have the meaning set forth in Section 2.7.

"***Existing Credit Agreement Prepayment***" shall have the meaning set forth in Section 2.7.

"***FDIC***" means the Federal Deposit Insurance Corporation, and any Governmental Authority succeeding to any of its principal functions.

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

"***First Mortgage Note Agreement***" means the Note Agreement, dated as of March 15, 2000, among the Borrower, the General Partner and the holders of the Series E First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time.

"***Foreign Bank***" has the meaning specified in Section 10.13(a).

"***FRB***" means the Board of Governors of the Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions.

"***GAAP***" has the meaning specified in Section 1.3(a).

"***Guaranteeing Entity***" has the meaning specified in Section 7.9(f).

"***Guarantors***" has the meaning specified in the introductory clause hereto.

"***General Partner***" has the meaning specified in the introductory clause hereto.

"***Governmental Authority***" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"***Guaranty Obligation***" has the meaning specified in the definition of "Contingent Obligation".

"***Hazardous Material***" means:

(a) any "hazardous substance", as defined by CERCLA;

(b) any "hazardous waste", as defined by the Resource Conservation and Recovery Act, as amended;

(c) any petroleum product other than propane; or

(d) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material or substance within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended or hereafter amended.

"***Incorporated Covenant***" has the meaning specified in Section 7.9(d).

"***Indebtedness***" of any Person means, without duplication, (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables and accrued expenses arising in the ordinary course of business on ordinary terms); (c) all non-contingent reimbursement or payment obligations with respect to Surety Instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (f) all Capitalized Lease Liabilities; (g) all indebtedness referred to in clauses (a) through (f) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; (h) all Redeemable Capital Stock of such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends; (i) any Preferred Stock of any Subsidiary of such Person valued at the sum of the liquidation preference thereof or any mandatory redemption payment obligations in respect thereof plus, in either case, accrued dividends thereon and (j) all Guaranty Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (i) above.

"***Indemnified Liabilities***" has the meaning specified in Section 12.5.

"***Indemnified Parties***" has the meaning specified in Section 12.5.

"***Insolvency Proceeding***" means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of a Person's creditors generally or any substantial portion of a Person's creditors; in each case undertaken under U.S. Federal, state or foreign law, including in each case the Bankruptcy Code.

"***Intercompany Loan Agreement***" means that certain Loan Agreement, dated July 19, 1999, between National Propane, L.P. (renamed AEPLP) and Columbia Propane Corporation (renamed AEPI), as amended, supplemented or otherwise modified from time to time.

"***Intercompany Note***" means that certain Promissory Note, dated July 19, 1999, by AEPLP in favor of the Borrower by endorsement from AEPI in the original principal amount of $137,997,000, as amended, supplemented or otherwise modified from time to time.

"***Interest Payment Date***" means, (i) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan, and (ii) as to any Base Rate Loan, the last Business Day of each calendar quarter; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the date that falls three months after the beginning of such Interest Period is also an Interest Payment Date.

"***Interest Period***" means, as to any Eurodollar Rate Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as a Eurodollar Rate Loan, and ending on the date one or two weeks or one month thereafter as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation; provided, that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period for any Loan shall extend beyond the Termination Date.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement or arrangement designed to protect the Borrower against fluctuations in interest rates on Senior Indebtedness.

"***Investment***" means, as applied to any Person, any direct or indirect purchase or other acquisition by such Person of stock or other securities of any other Person, or any direct or indirect loan, advance or capital contribution by such Person to any other Person, and any other item which would be classified as an "investment" on a balance sheet of such Person prepared in accordance with GAAP, including without limitation any direct or indirect contribution of such Person of property or assets to a joint venture, partnership or other business entity in which such Person retains an interest (it being understood that a direct or indirect purchase or other acquisition by such Person of assets of any other Person (other than stock or other securities) shall not constitute an "Investment" for purposes of this Agreement). For purposes of Section 8.4(c), the amount involved in Investments made during any period shall be the aggregate cost to the Borrower and its Restricted Subsidiaries of all such Investments made during such period, determined in accordance with GAAP, but without regard to unrealized increases or decreases in value, or write-ups, write-downs or write-offs, of such Investments and without regard to the existence of any undistributed earnings or accrued interest with respect thereto accrued after the respective dates on which such Investments were made, less any net return of capital realized during such period upon the sale, repayment or other liquidation of such Investments (determined in accordance with GAAP, but without regard to any amounts received during such period as earnings (in the form of dividends not constituting a return of capital, interest or otherwise) on such Investments or as loans from any Person in whom such Investments have been made).

"***Investment Condition***" has the meaning specified in Section 7.8(a).

"***Investment Limit***" has the meaning specified in Section 8.4(c).

"***IRS***" means the Internal Revenue Service, and any Governmental Authority succeeding to any of its principal functions under the Code.

"***Keep Well Agreement***" means that certain Keep Well Agreement, dated as of August 21, 2001, between the Borrower and Columbia Propane Corporation (renamed AEPI).

"***Lending Office***" means, as to any Bank, the office or offices of such Bank specified as its "Lending Office" or "Domestic Lending Office" or "Eurodollar Lending Office", as the case may be, on Schedule 12.2, or such other office or offices as such Bank may from time to time notify the Borrower and the Agent.

"***Leverage Ratio***" means, as of any date of determination, the ratio of (i) Total Debt to (ii) EBITDA.

"LIBOR Market Index Rate" means, for any day, the rate for one month U.S. dollar deposits as reported on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, for such day, provided, if such day is not a London business day, the immediately preceding London business day.

"***Lien***" means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the Uniform Commercial Code or any comparable law) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease.

"***Loan***" means an extension of credit by a Bank to the Borrower under Article II, and may be a Base Rate Loan or a Eurodollar Rate Loan (each a "***Type***" of Loan).

"***Loan Documents***" means this Agreement, any Notes, the fee letter, the Subsidiary Guarantee, each Notice of Borrowing, each Notice of Conversion/Continuation and each Compliance Certificate.

"***Long Term Funded Debt***" means, as applied to any Person, all Indebtedness of such Person which by its terms or by the terms of any instrument or agreement relating thereto matures one year or more from the date of execution of the instruments governing any such Indebtedness or, if applicable, the execution of any instrument extending the maturity date of such Indebtedness, provided, that Long Term Funded Debt shall include any Indebtedness which does not otherwise come within the foregoing definition but which is directly or indirectly renewable or extendible at the option of the debtor to a date one year or more (including an option of the debtor under a revolving credit or similar agreement obligating the bank or banks to extend credit over a period of one year or more) from the date of execution of the instruments governing any such Indebtedness or, if applicable, the execution of any instrument extending the maturity date of such Indebtedness.

"***Margin Stock***" means "margin stock" as such term is defined in Regulation U or X of the FRB.

"***Material Adverse Effect***" means (a) a material adverse effect on the business, Assets or financial condition of the Borrower and its Restricted Subsidiaries taken as a whole; or (b) a material impairment of the ability of the Borrower or any Restricted Subsidiary to perform any of its obligations under this Agreement, the Notes or the other Loan Documents to which it is a party.

"***Multiemployer Plan***" means a "multiemployer plan", within the meaning of Section 4001(a)(3) of ERISA, with respect to which the Borrower or any ERISA Affiliate may have any liability.

"***National Propane Purchase Agreement***" means that certain Purchase Agreement, dated April 5, 1999, by and among AEPLP, AEPH, AEPI, National Propane Partners, L.P., National Propane Corporation, National Propane SGP, Inc. and Triarc Companies, Inc., as amended, supplemented or otherwise modified from time to time.

"***Net Amount of Unrestricted Investment***" means the sum of, without duplication, (x) the aggregate amount of all Investments made after the date hereof pursuant to Section 8.4(h) (computed as provided in the last sentence of the definition of Investment) and (y) the aggregate of all Designation Amounts in connection with the designation of Unrestricted Subsidiaries pursuant to the provisions of Section 7.8 less all Designation Amounts in respect of Unrestricted Subsidiaries which have been designated as Restricted Subsidiaries in accordance with the provisions of Section 7.8 and otherwise reduced in a manner consistent with the provisions of the last sentence of the definition of Investment.

"***Net Proceeds***" means with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents net of (i) reasonable brokerage commissions and other reasonable fees and expenses (including without limitation reasonable fees and expenses of legal counsel and accountants and reasonable fees, expenses and discounts or commissions of underwriters, placement agents and investment bankers) related to such Asset Sale; (ii) provisions for all taxes payable as a result of such Asset Sale; (iii) amounts required to be paid to any Person (other than the Borrower or any Restricted Subsidiary) owning a beneficial interest in the assets subject to such Asset Sale; (iv) appropriate amounts to be provided by the Borrower or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the Borrower or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale; and (v) amounts required to be applied to the repayment of Indebtedness (other than the Obligations and the other Senior Indebtedness) secured by a Lien on the asset or assets sold in such Asset Sale.

"***Non-AEPLP Restricted Subsidiary***" has the meaning specified in Section 8.18(a).

"***Non-PP&E Assets***" has the meaning specified in Section 8.18(b).

"***Note***" means a promissory note executed by the Borrower in favor of a Bank pursuant to Section 2.2(d), substantially in the form of Exhibit E, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"***Notice of Borrowing***" means a notice in substantially the form of Exhibit A.

"***Notice of Conversion/Continuation***" means a notice in substantially the form of Exhibit B.

"***Obligations***" means all advances, debts, liabilities, obligations, covenants and duties arising under any Loan Document owing by any of the Obligors or other Credit Parties to any Bank, the Agent or any Indemnified Party, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising.

"***Obligors***" has the meaning specified in the introductory clause hereto.

"***OFAC***" means the U.S. Department of the Treasury's Office of Foreign Assets Control and any successor Governmental Authority.

"***Officers' Certificate***" means as to any corporation, a certificate executed on its behalf by the Chairman of the Board of Directors (if an officer) or its President or one of its Vice Presidents, and its Treasurer, or Controller, or one of its Assistant Treasurers or Assistant Controllers, and, as to any partnership, a certificate executed on behalf of such partnership by its general partner in a manner which would qualify such certificate (a) if such general partner is a corporation, as an Officers' Certificate of such general partner hereunder or (b) if such general partner is a partnership or other entity, as a certificate executed on its behalf by Persons authorized to do so pursuant to the constituting documents of such partnership or other entity.

"***Organization Documents***" means, for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation and as to any partnership, its partnership agreement, certificate of partnership and related agreements and as to any other entity, such other entity's analogous organizational documents, as the same may be amended, supplemented or otherwise modified from time to time.

"***Originating Bank***" has the meaning specified in Section 12.9(e).

"***Other Taxes***" means any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Documents.

"***Participant***" has the meaning specified in Section 12.9(e).

"***Partnership Agreement***" means the Amended and Restated Agreement of Limited Partnership of the Borrower, as the same may from time to time be amended, supplemented or otherwise modified.

"***Partnership Unrestricted Subsidiaries***" means the Unrestricted Subsidiaries of the Public Partnership as defined in the Public Partnership Indenture as in effect on the Closing Date.

"***PBGC***" means the Pension Benefit Guaranty Corporation, or any Governmental Authority succeeding to any of its principal functions under ERISA.

"***Pension Plan***" means a "pension plan", as such term is defined in section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in section 4001(a)(3) of ERISA) with respect to which the Borrower or any ERISA Affiliates may have any liability.

"***Permitted Banks***" has the meaning specified in Section 8.4(a).

"***Person***" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority or other entity.

"***Petrolane***" has the meaning specified in the introductory clause hereto.

"***Plan***" means an employee benefit plan (as defined in Section 3(3) of ERISA) which the Borrower sponsors or maintains or to which the Borrower makes, is making, or is obligated to make contributions and includes any Pension Plan.

"***PP&E Acquisition/Investment/Transfer Limit***" has the meaning specified in Section 8.16.

"***PP&E Assets***" means assets that would, in accordance with GAAP, be classified and accounted for as "property, plant and equipment" on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries.

"***PP&E Transfer***" has the meaning specified in Section 8.18(b).

"***PPD/GP Debt Contribution***" means the amount of aggregate net cash proceeds previously received by the Borrower from time to time from the Public Partnership as a capital contribution made with the proceeds of Public Partnership Indebtedness and the General Partner in connection with its related and contemporaneous capital contribution and designated as such by such Persons at the time of contribution in the corporate or other records of such Persons.

"***Preferred Stock***", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated), which is preferred as to the payment of distributions or dividends, or upon any voluntary or involuntary liquidation or dissolution of such Person, over shares or units of Capital Stock of any other class of such Person.

"***Prime Rate***" means, at any time, the rate of interest in effect for such day as publicly announced from time to time by Wachovia as its "prime rate" (which is not necessarily the lowest rate charged to any customer). Any change in such rate announced by Wachovia shall take effect at the opening of business on the day specified in the public announcement of such change.

"***Pro Rata Share***" means, as to any Bank at any time, the percentage equivalent (expressed as a decimal, rounded to the ninth decimal place) at such time of such Bank's Commitment divided by the combined Commitments of all Banks.

"***Public Partnership***" means AmeriGas Partners, L.P., a Delaware limited partnership.

"***Public Partnership Indenture***" means each of the Indentures among the Public Partnership, its financing subsidiaries, and Wachovia, as trustee, with respect to the Public Partnership Notes, as the same may be amended, supplemented or otherwise modified from time to time.

"***Public Partnership Notes***" means the notes issued, from time to time, jointly and severally, by the Public Partnership and its financing subsidiaries, as the same may be amended, supplemented or otherwise modified from time to time.

"***Purchase Money Lien***" has the meaning specified in Section 8.3(h).

"***Redeemable Capital Stock***" means any shares of any class or series of Capital Stock, that, either by the terms thereof, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is or upon the happening of an event or passage of time would be, required to be redeemed prior to the date of the last scheduled payment of any Loan then outstanding or is redeemable at the option of the holder thereof at any time prior to such date, or is convertible into or exchangeable for Indebtedness at any time prior to such date.

"***Reference Period***" shall have the meaning specified in the definition of Consolidated Cash Flow.

"***Replacement Bank***" has the meaning specified in Section 4.7.

"***Reportable Event***" means, any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"***Required Banks***" means at any time Banks then holding at least 66-2/3% of the then aggregate unpaid principal amount of the Loans, or, if no amounts are outstanding, Banks then having at least 66-2/3% of the aggregate amount of the Commitments.

"***Requirement of Law***" means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

"***Resource Conservation and Recovery Act***" means the Resource Conservation and Recovery Act, 42 U.S.C. Section 690, et seq., as in effect from time to time.

"***Responsible Officer***" means the chief executive officer or the president of the Borrower, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants, the chief financial officer or the treasurer of the Borrower, or any other officer having substantially the same authority and responsibility.

"***Restricted Payment***" means with respect to the Borrower and its Restricted Subsidiaries (the "***Covered Persons***"), (a) in the case of any Covered Person that is a partnership, (i) any payment or other distribution, direct or indirect, in respect of any partnership interest in such Covered Person, except a distribution payable solely in additional partnership interests in such Covered Person, and (ii) any payment, direct or indirect, by such Covered Person on account of the redemption, retirement, purchase or other acquisition of any partnership interest in such Covered Person, except to the extent that such payment consists of additional partnership interests in such Covered Person; or (b) in the case of any Covered Person that is a corporation, (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of such Covered Person then outstanding, except a dividend payable solely in shares of stock of such Covered Person, and (ii) any payment, direct or indirect, by such Covered Person on account of the redemption, retirement, purchase or other acquisition of any shares of any class of stock of such Covered Person then outstanding, or of any warrants, rights or options, to acquire any such shares, except to the extent that such payment consists of shares of Capital Stock of such Covered Person; (c) in the case of any Covered Person that is a limited liability company, (i) any payment or other distribution, direct or indirect, in respect of any membership interest in such Covered Person, except a distribution payable solely in additional membership interests in such Covered Person, and (ii) any payment, direct or indirect, by such Covered Person on account of the redemption, retirement, purchase or other acquisition of any membership interest in such Covered Person, except to the extent that such payment consists of additional membership interests in such Covered Person; or (d) any indemnification payment made by AEPLP, AEPH or AEPI pursuant to the Tax Indemnity Provisions (as defined in the National Propane Purchase Agreement), including any payment made by the Borrower to AEPI pursuant to the Keep Well Agreement or (e) any payment by Borrower with respect to unsecured Indebtedness of the Borrower owing to the General Partner or an Affiliate of the General Partner.

"***Restricted Subsidiary***" means any Subsidiary of the Borrower organized under the laws of the United States or any state thereof or Canada or any province thereof or the District of Columbia, none of the Capital Stock or ownership interests of which is owned by Unrestricted Subsidiaries and substantially all of the operating assets of which are located in, and substantially all of the business of which is conducted within, the United States or Canada and which is designated as a Restricted Subsidiary in Schedule 6.2 or which shall be designated as a Restricted Subsidiary by the General Partner at a subsequent date as provided in Section 7.8; provided, however, that (a) to the extent a newly formed or acquired Subsidiary is not declared either a Restricted Subsidiary or an Unrestricted Subsidiary within 90 days of its formation or acquisition, such Subsidiary shall be deemed a Restricted Subsidiary and (b) a Restricted Subsidiary may be designated as an Unrestricted Subsidiary in accordance with the provisions of Section 7.8.

"***Revolving Commitment***" has the meaning specified in Section 2.1.

"***Revolving Loan***" has the meaning specified in Section 2.1.

"***Routine Permits***" has the meaning specified in Section 6.8(a).

"***Sale and Lease-Back Transaction***" of a Person (a "***Transferor***") means any arrangement (other than between the Borrower and a Wholly-Owned Restricted Subsidiary or between Wholly-Owned Restricted Subsidiaries) whereby (a) property (the "***Subject Property***") has been or is to be disposed of by such Transferor to any other Person with the intention on the part of such Transferor of taking back a lease of such Subject Property pursuant to which the rental payments are calculated to amortize the purchase price of such Subject Property substantially over the useful life of such Subject Property, and (b) such Subject Property is in fact so leased by such Transferor or an Affiliate of such Transferor.

"***Sale Condition***" has the meaning specified in Section 7.8(a).

"***Sanctioned Entity***" means (a) an agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a Person resident in, in each case, a country that is subject to a sanctions program identified on the list maintained by the OFAC and published from time to time, as such program may be applicable to such agency, organization or Person.

"***Sanctioned Person***" means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by the OFAC as published from time to time.

"***Senior Indebtedness***" means the Obligations, the obligations of the Borrower and the General Partner under the Series E First Mortgage Notes, the obligations of the Obligors or other Credit Parties under the Existing Credit Agreement and any other Indebtedness incurred pursuant to Section 8.1(a) and Section 8.1(b).

"***Series E First Mortgage Notes***" means the notes in an aggregate principal amount of $80,000,000, issued pursuant to that certain Note Agreement, dated as of March 15, 2000, among the Borrower, the General Partner and the purchasers named in Schedule I thereto, as amended, supplemented, assigned or otherwise modified from time to time.

"***Significant Subsidiary Group***" means any Subsidiary of the Borrower which is, or any group of Subsidiaries of the Borrower all of which are, at any time of determination, subject to one or more of the proceedings or conditions described in subsection (f) or (g) of Section 9.1 and which Subsidiary or group of Subsidiaries accounted for (or in the case of a recently formed or acquired Subsidiary would have so accounted for on a pro forma basis) more than 1% of consolidated operating revenues of the Borrower for the fiscal year most recently ended or more than 1% of consolidated Total Assets of the Borrower as of the end of the most recently ended fiscal quarter, in each case computed in accordance with GAAP.

"Subject Property" shall have the meaning specified in the definition of Sale and Lease-Back Transaction.

"***Subsidiary***" means, with respect to any Person, any corporation, limited liability company, partnership, joint venture, association, trust or other entity of which (or in which) more than 50% of (a) the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interests in the capital or profits of such partnership, limited liability company, joint venture or association with ordinary voting power to elect a majority of the board of directors (or Persons performing similar functions) of such partnership, limited liability company, joint venture or association, or (c) the beneficial interests in such trust or other entity with ordinary voting power to elect a majority of the board of trustees (or Persons performing similar functions) of such trust or other entity, is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries, or by one or more of such Person's other Subsidiaries.

"***Subsidiary Guarantee***" means that certain Restricted Subsidiary Guarantee, dated as of the date hereof, by all of the Restricted Subsidiaries (other than AEPLP and any Subsidiary of AEPLP) for the benefit of the Agent, as the same may be amended, supplemented, assigned or otherwise modified from time to time.

"***Surety Instruments***" means all letters of credit (including standby and commercial), bankers acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments.

"***Swap Contract***" means any agreement (including any master agreement and any agreement, whether or not in writing, relating to any single transaction) that is an interest rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, forward foreign exchange agreement, rate cap, collar or floor agreement, currency swap agreement, cross-currency rate swap agreement, swaption, currency option or any other, similar agreement (including any option to enter into any of the foregoing).

"***Taxes***" means any and all present or future taxes, levies, imposts or withholdings, and all penalties, interest and additions to taxes with respect thereto, excluding, in the case of each Bank and the Agent, such taxes (including income taxes or franchise taxes) as are imposed on or measured by each Bank's net income or capital by the jurisdiction (or any political subdivision thereof) under the laws of which such Bank or the Agent, as the case may be, is organized or maintains a lending office.

"***Termination Date***" means the earlier to occur of:

(a) July 1, 2010; and

(b) the date on which the Commitments terminate in accordance with the provisions of this Agreement.

"***Total Assets***" means as of any date of determination, the consolidated total assets of the Borrower and the Restricted Subsidiaries as would be shown on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries prepared in accordance with GAAP as of that date.

"***Total Debt***" means as of any date of determination, the aggregate principal amount of all Indebtedness of the Borrower and the Restricted Subsidiaries at the time outstanding (other than Indebtedness permitted by Section 8.1(c)). For purposes of computing the Leverage Ratio pursuant to Section 8.14, Total Debt shall also include the obligations described in clause (c) of the definition of "Contingent Obligation."

"***Transfer***" has the meaning specified in Section 8.18(b).

"***Transferor***" shall have the meaning specified in the definition of Sale and Lease-Back Transaction.

"***Type***" has the meaning specified in the definition of "Loan."

"***UGI***" means UGI Corporation, a Pennsylvania corporation.

"***United States***" and "***U.S.***" each means the United States of America.

"***Unrestricted Subsidiary***" means a Subsidiary of the Borrower which is not a Restricted Subsidiary.

"***Wachovia***" means Wachovia Bank, National Association and its successors.

"***Wholly-Owned Restricted Subsidiary***" means any Restricted Subsidiary that is also a Wholly-Owned Subsidiary of the Borrower.

"***Wholly-Owned Subsidiary***" means, as applied to any Subsidiary of any Person, a Subsidiary in which (other than directors' qualifying shares required by law) 100% of the Capital Stock of each class having ordinary voting power, and 100% of the Capital Stock of every other class, in each case, at the time as of which any determination is being made, is owned, beneficially and of record, by such Person, or by one or more of such Person's other Wholly-Owned Subsidiaries, or both; provided, that for the purposes of this Agreement, (a) AEPLP shall be deemed a "Wholly-Owned Subsidiary" of the Borrower for so long as the Borrower directly or indirectly owns at least 99% of the Capital Stock of AEPLP and 100% of the general partnership interests therein, and (b) AmeriGas Eagle Parts & Service shall be deemed a "Wholly-Owned Subsidiary" of the Borrower for so long as (i) AEPLP remains a Restricted Subsidiary and a "Wholly-Owned Subsidiary" of the Borrower and (ii) AEPLP directly or indirectly owns at least 100% of the Capital Stock of AmeriGas Eagle Parts & Service.

1.2 Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term “including” is not limiting and means “including without limitation.”

(ii) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.”

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are independent and shall each be performed in accordance with their terms.

(g) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to the Agent, the Borrower and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Banks or the Agent merely because of the Agent’s or Banks’ involvement in their preparation.

1.3 Accounting Principles. (a) Unless otherwise specified, all accounting terms used herein or in any other Loan Document shall be interpreted, all accounting determinations and computations hereunder or thereunder shall be made, and all financial statements required to be delivered hereunder or thereunder shall be prepared in accordance with, those generally accepted accounting principles in effect in the United States of America from time to time (“***GAAP***”). Notwithstanding the foregoing, if the Borrower, the Required Banks or the Agent determines that a change in GAAP from that in effect on the date hereof has altered the treatment of certain financial data to its detriment under this Agreement, such party may seek of the others a renegotiation of any financial covenant affected thereby. If the Borrower, the Required Banks and Agent cannot agree on renegotiated covenants, then, for the purposes of this Agreement, GAAP will refer to generally accepted accounting principles on the date just prior to the date on which the change that gave rise to the renegotiation occurred.

(b) References herein to “fiscal year” and “fiscal quarter” refer to such fiscal periods of the Borrower.

ARTICLE II

THE CREDITS

2.1 Amounts and Terms of Commitments.

(a) The Revolving Credit. Each Bank severally agrees, on the terms and conditions set forth herein, to make loans to the Borrower (each such loan, a "***Revolving Loan***") from time to time on any Business Day during the period from the Closing Date to the Termination Date, in an aggregate principal amount not to exceed at any time outstanding the amount set forth opposite such Bank's name on Schedule 2.1 (such amount as the same may be reduced under Section 2.5 or reduced or increased as a result of one or more assignments under Section 12.9, the Bank's "***Revolving Commitment***"); provided, that after giving effect to any Borrowing of Revolving Loans, the Effective Amount of all outstanding Revolving Loans shall not exceed the Revolving Commitments. Within the limits of each Bank's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.1(a), prepay under Section 2.6 and reborrow under this Section 2.1(a).

(b) Utilization of Existing Credit Agreement. The obligation of each Bank to make a Loan hereunder is subject to the satisfaction by the Borrower of the following conditions and other conditions further described in this Agreement as of the date such Loan is requested and made:

(i) The "Effective Amount" (as defined in the Existing Credit Agreement) of all outstanding "Acquisition Loans" ((as defined in the Existing Credit Agreement) after giving effect to any "Acquisition Loans" in respect of which an irrevocable "Notice of Borrowing" (as defined in the Existing Credit Agreement) has been properly delivered to the "Agent" (as defined in the Existing Credit Agreement) pursuant to Section 2.3(a) of the Existing Credit Agreement, but in respect of which the Borrower has not yet received the proceeds of such "Acquisition Loan") must not be less than the "Acquisition Commitments" (as defined in the Existing Credit Agreement).

(ii) The "Effective Amount" (as defined in the Existing Credit Agreement) of all outstanding "Revolving Loans" ((as defined in the Existing Credit Agreement) after giving effect to any "Revolving Loans" in respect of which an irrevocable "Notice of Borrowing" (as defined in the Existing Credit Agreement) has been properly delivered to the "Agent" (as defined in the Existing Credit Agreement) pursuant to Section 2.3(a) of the Existing Credit Agreement, but in respect of which the Borrower has not yet received the proceeds of such "Revolving Loan" plus the "Effective Amount" (as defined in the Existing Credit Agreement) of all outstanding "L/C Obligations" (as defined in the Existing Credit Agreement) after giving effect to any "Letters of Credit" in respect of which an irrevocable written request of the Borrower has been properly delivered to the "Issuing Bank" (as defined in the Existing Credit Agreement) pursuant to Section 3.2(a) of the Existing Credit Agreement, but which has not yet been issued) shall not be less than the "Revolving Commitments" (as defined in the Existing Credit Agreement).

(iii) So long as the Borrower delivers a Notice of Borrowing in compliance with Section 5.2 of the Existing Credit Agreement, in the event one or more "Banks" (as defined in the Existing Credit Agreement) do not fund a request by the Borrower for a "Loan" (as defined in the Existing Credit Agreement) under the Existing Credit Agreement then for purposes of clauses (i) and (ii) above, the amount not funded will be considered funded under the Existing Credit Agreement.

2.2 Loan Accounts. (a) The Loans made by each Bank shall be evidenced by one or more loan accounts or records maintained by such Bank in the ordinary course of business. Each Bank will make reasonable efforts to maintain the accuracy of its loan account or accounts and to update promptly its loan account or accounts from time to time, as necessary.

(b) The Agent shall maintain the Register pursuant to Section 12.9(d) and a loan subaccount for each Bank, in which Register and loan subaccount (taken together) shall be recorded (i) the date, amount, and Interest Period, if applicable, of each Loan, and whether such Loan is a Base Rate Loan or a Eurodollar Rate Loan, (ii) the amount of any principal or interest due and payable or to become due and payable to each Bank hereunder and (iii) the amount of any sum received by the Agent hereunder from or for the loan account of the Borrower and each Bank's percentage share thereof. The Agent will make reasonable efforts to maintain the accuracy of the subaccounts referred to in the preceding sentence and to update promptly such loan subaccounts from time to time, as necessary.

(c) The entries made in the Register and loan subaccounts maintained pursuant to subsection (b) of this Section 2.2, to the extent permitted by applicable law, shall be prima facie evidence of the existence and amounts of such obligations of the Borrower therein recorded; provided, however, that the failure of the Agent or any Bank to maintain any such Register, loan subaccount or loan account, as applicable, or any error therein, shall not in any manner affect the obligations of the Borrower to repay the Loans in accordance with the terms hereof.

(d) Upon the request of any Bank made through the Agent, and at the expense of the Borrower, the Loans made by such Bank may be evidenced by one or more Notes, instead of loan accounts. Each such Bank shall endorse on the schedules annexed to its Note(s) the date, amount and maturity of each Loan made by it and the amount of each payment of principal made by the Borrower with respect thereto. Each such Bank is irrevocably authorized by the Borrower to so endorse its Note(s) and each Bank's record shall be rebuttable presumptive evidence of the amount of the Loans made by such Bank to the Borrower and the interest and principal payments thereon; provided, however, that the failure of a Bank to make, or an error in making, a notation thereon with respect to any Loan shall not limit or otherwise affect the obligations of the Borrower hereunder or under any such Note to pay any amount owing with respect to the Loans made by such Bank.

(e) Each Bank represents that at no time shall any part of the funds used to make any Loan constitute, or deemed under ERISA, the Code or any other applicable law, or any ruling or regulation issued thereunder, or any court decision, to constitute, the assets of any employee benefit plan (as defined in section 3(3) of ERISA) or any plan (as defined in section 4975(e)(1) of the Code).

2.3 Procedure for Borrowing. (a) Each Borrowing of Loans shall be made upon the Borrower's irrevocable written notice delivered to the Agent in the form of a Notice of Borrowing which notice must be received by the Agent prior to 1:00 p.m. (New York City time) (i) one Business Day prior to the requested Borrowing Date, in the case of Eurodollar Rate Loans and (ii) on the requested Borrowing Date, in the case of Base Rate Loans, and such notice shall specify:

(A) the amount of the Borrowing, which shall be in an aggregate minimum amount of $5,000,000 in the case of Eurodollar Rate Loans or $1,000,000 in the case of Base Rate Loans, or any multiple of $1,000,000 in excess thereof; provided, however, that the Borrower may request (x) up to two Borrowings of Base Rate Loans in a minimum amount of $500,000 in any fiscal quarter and (y) Borrowings of Base Rate Loans in such amount as is necessary to pay to the Agent the amounts required by the last sentence of Section 2.13(a);

(B) the requested Borrowing Date, which shall be a Business Day;

(C) the Type of Loans comprising the Borrowing; and

(D) other than in the case of Base Rate Loans, the duration of the Interest Period applicable to the Loans included in such notice. If the Notice of Borrowing fails to specify the duration of the Interest Period for any Borrowing comprised of Eurodollar Rate Loans, such Interest Period shall be one month;

provided, however, that with respect to any Borrowing to be made on the Closing Date, the Notice of Borrowing shall be delivered to the Agent no later than 1:00 p.m. (New York City time) on the Closing Date and such Borrowing will consist of Base Rate Loans only.

(b) The Agent will promptly notify each Bank of its receipt of any Notice of Borrowing and of the amount of such Bank's Pro Rata Share of that Borrowing.

(c) Each Bank will make the amount of its Pro Rata Share of each Borrowing available to the Agent for the account of the Borrower at the Agent's Payment Office by 3:00 p.m. (New York City time) on the Borrowing Date requested by the Borrower in funds immediately available to the Agent. The proceeds of all such Loans will then be made available to the Borrower by the Agent on the Borrowing Date by crediting the Borrower's Account with the aggregate of such amounts made available to the Agent by the Banks and in like funds as received by the Agent.

(d) After giving effect to any Borrowing, there may not be more than four different Interest Periods in effect.

2.4 Conversion and Continuation Elections. (a) The Borrower may, upon irrevocable written notice to the Agent in accordance with Section 2.4(b):

(i) elect, as of any Business Day, in the case of Base Rate Loans, or as of the last day of the applicable Interest Period, in the case of Eurodollar Rate Loans, to convert any such Loans (or any part thereof in an amount not less than $5,000,000 in the case of a conversion to a Eurodollar Rate Loan or $1,000,000 in the case of a conversion to a Base Rate Loan, or that is in an integral multiple of $1,000,000 in excess thereof) into Loans of the other Type; or

(ii) elect, as of the last day of the applicable Interest Period, to continue as Eurodollar Rate Loans any Eurodollar Rate Loans having Interest Periods expiring on such day (or any part thereof in an amount not less than $5,000,000, or that is in an integral multiple of $1,000,000 in excess thereof);

provided, that if at any time the aggregate amount of Eurodollar Rate Loans in respect of any Borrowing is reduced, by payment, prepayment, or conversion of part thereof to be less than $5,000,000, such Eurodollar Rate Loans shall automatically convert into Base Rate Loans, and on and after such date the right of the Borrower to continue such Loans as, and convert such Loans into, Eurodollar Rate Loans shall terminate.

(b) The Borrower shall deliver a Notice of Conversion/Continuation to be received by the Agent not later than 1:00 p.m. (New York City time) (i) three Business Days in advance of the Conversion/Continuation Date, if the Loans are to be converted into or continued as Eurodollar Rate Loans; and (ii) one Business Day in advance of the Conversion/Continuation Date, if the Loans are to be converted into Base Rate Loans, specifying:

(A) the proposed Conversion/Continuation Date;

(B) the aggregate amount of Loans to be converted or continued;

(C) the Type of Loans resulting from the proposed conversion or continuation; and

(D) other than in the case of conversions into Base Rate Loans, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period, the Borrower has failed to select timely a new Interest Period to be applicable to the Eurodollar Rate Loans having the expired Interest Period or if any Default or Event of Default then exists, the Borrower shall be deemed to have elected to convert such Eurodollar Rate Loans into Base Rate Loans effective as of the expiration date of such Interest Period.

(d) The Agent will promptly notify each Bank of its receipt of a Notice of Conversion/Continuation, or, if no timely notice is provided by the Borrower, the Agent will promptly notify each Bank of the details of any automatic conversion. All conversions and continuations shall be made ratably according to the respective outstanding principal amounts of the Loans with respect to which the notice was given held by each Bank.

(e) Unless the Required Banks otherwise agree, during the existence of a Default or unless all the Banks otherwise agree, during the existence of an Event of Default, the Borrower may not elect to have a Loan converted into or continued as a Eurodollar Rate Loan.

(f) After giving effect to any conversion or continuation of Loans, there may not be more than four different Interest Periods in effect.

2.5 Voluntary Termination or Reduction of Commitments. The Borrower may, upon prior notice to the Agent no later than 11:00 a.m. (New York City time) two Business Days prior to a proposed termination, terminate the Revolving Commitments, or permanently reduce the Commitments by an aggregate minimum amount of $3,000,000 or any multiple of $1,000,000 in excess thereof; unless, after giving effect thereto and to any prepayments of Loans made on the effective date thereof subject to Sections 2.6 and 4.4, the then Effective Amount of all Revolving Loans would exceed the amount of the Revolving Commitments then in effect. Once received, any notice delivered by the Borrower to the Agent under this Section 2.5 shall be irrevocable. Once reduced in accordance with this Section 2.5, the Commitments may not be increased. Any reduction of the Commitments shall be applied to each Bank according to its Pro Rata Share. All accrued facility fees to, but not including, the effective date of any reduction or termination of Commitments, shall be paid on the last day of each calendar quarter and the effective date of any such termination. The Agent will promptly notify each Bank of its receipt of a notice under this Section 2.5.

2.6 Optional Prepayments.

Subject to Section 4.4, the Borrower may, upon notice to the Agent, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; provided that such notice must be received by the Agent not later than 1:00 p.m. (New York City time) on the date of prepayment. Such notice of prepayment shall be irrevocable and specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Agent will promptly notify each Bank of its receipt of any such notice, and of such Bank's Pro Rata Share of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein, together with, in the case of Eurodollar Rate Loans, accrued interest to such date on the amount prepaid.

2.7 Mandatory Prepayments of Loans.

(a) Prepayments or Commitment Reductions Under Existing Credit Agreement. Immediately prior to any prepayment of any "Loan" (as defined in the Existing Credit Agreement) pursuant to Section 2.6 of the Existing Credit Agreement (any such prepayment an "***Existing Credit Agreement Prepayment***") and/or any reduction of "Commitments" (as defined in the Existing Credit Agreement) pursuant to Section 2.5 of the Existing Credit Agreement (any such commitment reduction an "***Existing Credit Agreement Commitment Reduction***"), Borrower shall prepay in full any Loans outstanding hereunder. Borrower shall notify Agent not later than 1:00 p.m. (New York City time) (i) three (3) Business Days prior to any Existing Credit Agreement Prepayment of a "Eurodollar Rate Loan" (as defined in the Existing Credit Agreement), (ii) on the date of any Existing Credit Agreement Prepayment of a "Base Rate Loan" (as defined in the Existing Credit Agreement) or (iii) two (2) Business Days prior to any Existing Credit Agreement Commitment Reduction; provided that the failure to provide such notice shall not limit, be deemed to waive, or otherwise affect the Borrower's obligation to prepay in full any outstanding Loans in accordance with the immediately preceding sentence. The Agent will promptly notify each Bank of its receipt of any such notice, and of such Bank's Pro Rata Share of such prepayment of Loans. The Borrower shall make such prepayment prior to the Existing Credit Agreement Prepayment or Existing Credit Agreement Commitment Reduction, as applicable, together with, in the case of Eurodollar Rate Loans, accrued interest to the date of such prepayment.

(b) Excess Outstandings. If on any date the Effective Amount of all Revolving Loans exceeds the Revolving Commitments, then the Borrower shall immediately, and without notice or demand, prepay the outstanding principal amount of the Revolving Loans by an amount equal to such excess.

2.8 Repayment. The Borrower shall repay to the Agent, for the benefit of the Banks, in full on the Termination Date the aggregate principal amount of Revolving Loans outstanding on such date, together with all accrued and unpaid interest thereon.

2.9 Interest. (a) Each Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the Eurodollar Rate or the Base Rate, as the case may be (and subject to the Borrower's right to convert to the other Type of Loan under Section 2.4), plus the Applicable Margin.

(b) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of Eurodollar Rate Loans under Section 2.6 or 2.7 for the portion of the Loans so prepaid and upon payment (including prepayment) in full thereof and, during the existence of any Event of Default, interest shall be paid on demand of the Agent at the request or with the consent of the Required Banks.

(c) Notwithstanding subsection (a) of this Section, if any amount of principal of or interest on any Loan, or any other amount payable hereunder or under any other Loan Document is not paid in full when due (whether at stated maturity, by acceleration, demand or otherwise), the Borrower agrees to pay interest on such unpaid principal or other amount, from the date such amount becomes due to the date such amount is paid in full, and after as well as before any entry of judgment thereon to the extent permitted by law, payable on demand (but not more frequently than once per week), at a fluctuating rate per annum equal to the Base Rate plus 2%.

(d) Anything herein to the contrary notwithstanding, the obligations of the Borrower hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment would be contrary to the provisions of any applicable law limiting the highest rate of interest that may be lawfully contracted for, charged or received by the Agent or the applicable Bank, and in such event the Borrower shall pay such Bank interest for such period at the highest rate permitted by applicable law.

2.10 Fees. The Borrower shall pay an unused commitment fee (the "***Unused Fee***") to the Agent for the ratable account of each Bank equal to 50 basis points per annum multiplied by the difference between (i) the average daily Commitments (as reduced from time to time in accordance with the terms of this Agreement) and (ii) the aggregate principal amount of outstanding Loans. The Unused Fees shall be calculated from the Closing Date until the date all Commitments have been terminated in full. The Unused Fees shall be payable quarterly in arrears on the last day of each fiscal quarter of the Borrower and on the Termination Date.

2.11 Computation of Fees and Interest. (a) All computations of interest for Base Rate Loans when the Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall bear interest for one day.

(b) Each determination of an interest rate by the Agent shall be conclusive and binding on the Borrower and the Banks in the absence of manifest error.

2.12 Payments by the Borrower. (a) All payments to be made by the Borrower shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to the Agent for the account of the Banks at the Agent's Payment Office, and shall be made in dollars and in immediately available funds, no later than 1:00 p.m. (New York City time) on the date specified herein. The Agent will promptly distribute to each Bank its Pro Rata Share (or other applicable share as expressly provided herein) of such payment in like funds as received. Any payment received by the Agent later than 1:00 p.m. (New York City time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue to such Business Day.

(b) Subject to the provisions set forth in the definition of "Interest Period" herein, whenever any payment is due on a day other than a Business Day, such payment shall be made on the following Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(c) Unless the Agent receives notice from the Borrower prior to the date on which any payment is due to the Banks that the Borrower will not make such payment in full as and when required, the Agent may assume that the Borrower has made such payment in full to the Agent on such date in immediately available funds and the Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent the Borrower has not made such payment in full to the Agent, each Bank shall repay to the Agent on demand such amount distributed to such Bank, together with interest thereon at the Federal Funds Rate for each day from the date such amount is distributed to such Bank until the date repaid.

2.13 Payments by the Banks to the Agent, etc. (a) Unless the Agent receives notice from a Bank on or prior to the Closing Date or, with respect to any Borrowing after the Closing Date, at least one Business Day prior to the date of such Borrowing, that such Bank will not make available as and when required hereunder to the Agent for the account of the Borrower the amount of that Bank's Pro Rata Share of the Borrowing, the Agent may assume that each Bank has made or will make such amount available to the Agent in immediately available funds on the Borrowing Date and the Agent may (but shall not be so required), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent any Bank shall not have made the full amount of its Pro Rata Share of any Borrowing available to the Agent in immediately available funds and the Agent in such circumstances has made available to the Borrower such amount, that Bank shall on the Business Day following such Borrowing Date make such amount available to the Agent, together with interest at the Federal Funds Rate for each day during such period. A notice of the Agent submitted to any Bank with respect to amounts owing under this subsection (a) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Agent shall constitute such Bank's Loan on the date of Borrowing for all purposes of this Agreement. If such amount is not made available to the Agent on the Business Day following the Borrowing Date, the Agent will notify the Borrower of such failure to fund and, upon demand by the Agent, the Borrower shall pay such amount to the Agent for the Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing.

(b) The failure of any Bank to make any Loan on any Borrowing Date shall not relieve any other Bank of any obligation hereunder to make a Loan on such Borrowing Date, but no Bank shall be responsible for the failure of any other Bank to make the Loan to be made by such other Bank on any Borrowing Date. No Bank shall be entitled to take any action to protect or enforce its rights arising out of any Loan Document without the prior written consent of the Required Banks, including the exercise, or attempt to exercise, any right of set-off, banker's lien, or any similar such action, against any deposit account or property of the Borrower held by any such Bank.

(c) Notwithstanding any provision of this Agreement to the contrary, if any Bank becomes a Defaulting Bank, then, at the direction of the Borrower, the following provisions shall apply for so long as such Bank is a Defaulting Bank:

(i) at any time there is a Defaulting Bank, the aggregate Commitment amount shall be reduced by an amount equal to the remainder of (A) such Defaulting Bank's Commitment amount minus (B) the principal amount of such Defaulting Bank's outstanding Loans at such time;

(ii) the Agent shall distribute to the Defaulting Bank its ratable share (based upon its Pro Rata Share before giving effect to the reduction described in clause (i) above) of any subsequent payment of interest or fees to the Agent for the account of the Banks with respect to any period before the reduction of the Commitment of such Defaulting Bank, however, the Defaulting Bank shall have no right to any subsequent payment of Unused Fees accruing during the period when it is a Defaulting Bank; and

(iii) the Commitment of such Defaulting Bank shall not be included in determining whether all Banks or the Required Banks have taken or may take any action hereunder (including any consent or any amendment or waiver pursuant to Section 12.1), provided that any waiver, amendment or modification requiring the consent of all Banks or each affected Bank which affects such Defaulting Bank differently than other affected Banks shall required the consent of such Defaulting Bank.

2.14 Sharing of Payments, etc. If, other than as expressly provided elsewhere herein, any Bank shall obtain on account of the Loans made by it, any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise, except pursuant to Sections 4.7, 12.1, and 12.9) in excess of its Pro Rata Share, such Bank shall immediately (a) notify the Agent of such fact, and (b) purchase from the other Banks such participations in the Loans made by them as shall be necessary to cause such purchasing Bank to share the excess payment pro rata with each of them; provided, that if all or any portion of such excess payment is thereafter recovered from the purchasing Bank, such purchase shall to that extent be rescinded and each other Bank shall repay to the purchasing Bank the purchase price paid therefor, together with an amount equal to such paying Bank's ratable share (according to the proportion of (i) the amount of such paying Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank) of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. The Borrower agrees that any Bank so purchasing a participation from another Bank may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 12.11) with respect to such participation as fully as if such Bank were the direct creditor of the Borrower in the amount of such participation. The Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify the Banks following any such purchases or repayments.

2.15 Termination Date. The Commitments shall terminate and each Bank shall be relieved of its obligations to make any Loan on the Termination Date.

ARTICLE III

Intentionally Omitted

ARTICLE IV

TAXES, YIELD PROTECTION AND ILLEGALITY

4.1 Taxes. (a) Except as provided in Section 4.1(c), any and all payments by the Borrower to each Bank or the Agent under this Agreement and any other Loan Document shall be made free and clear of, and without deduction or withholding for any Taxes. In addition, the Borrower shall pay all Other Taxes.

(b) The Borrower agrees to indemnify and hold harmless each Bank and the Agent for the full amount of Taxes or Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Bank or the Agent and any liability (including penalties, interest, additions to tax and expenses arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted). Payment under this indemnification shall be made within 30 days after the date the Bank or the Agent provides written proof of payment of the related Taxes or Other Taxes to the Borrower. Such written proof shall be conclusive absent manifest error.

(c) If the Borrower shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to any Bank or the Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) such Bank or the Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) the Borrower shall make such deductions and withholdings;

(iii) the Borrower shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) the Borrower shall also pay to each Bank or the Agent for the account of such Bank, at the time interest is paid, all additional amounts which the respective Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes or Other Taxes had not been imposed.

(d) Within 30 days after their receipt of a written request therefor by Agent, the Borrower shall furnish the Agent the original or a certified copy of a receipt evidencing any payment by the Borrower of Taxes or Other Taxes, or other evidence of payment satisfactory to the Agent.

(e) If the Borrower is required to pay additional amounts to any Bank or the Agent pursuant to subsection (c) of this Section, then such Bank shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office so as to eliminate any such additional payment by the Borrower which may thereafter accrue, if such change in the judgment of such Bank is not illegal or otherwise disadvantageous to such Bank.

(f) No Foreign Bank shall be entitled to claim that the provisions of this Section 4.1 apply to it with respect to Taxes unless such Foreign Bank shall have delivered to the Agent and the Borrower, prior to the time that any payments are to be made under this Agreement to such Foreign Bank, a properly completed (i) Treasury Form W-8ECI, specifying that the payments to be received by such Foreign Bank pursuant to this Agreement are effectively connected with the conduct of a United States trade or business or (ii) Treasury Form W-8BEN, specifying that the payments to be received by such Foreign Bank pursuant to this Agreement are wholly exempt from United States federal income tax pursuant to the provisions of an applicable income tax treaty with the United States and, in either case, has otherwise complied with Section 10.13 hereof. Each Foreign Bank that shall have provided a Form W-8ECI or a Form W-8BEN to the Agent and the Borrower, if permitted by law, shall be required to provide the Borrower with a new form (also showing no withholding) no later than 3 years from the date that it provided the original form to the Agent and the Borrower in order to claim advantage of this Section 4.1 from and after such time.

4.2 Illegality. (a) If the introduction after the date hereof of any Requirement of Law, or any change after the date hereof in any Requirement of Law, or in the interpretation or administration of any Requirement of Law, has made it unlawful, or that any central bank or other Governmental Authority has asserted after the date hereof that it is unlawful, for any Bank or its applicable Lending Office to make Eurodollar Rate Loans, then, on notice thereof by the Bank to the Borrower through the Agent, any obligation of that Bank to make Eurodollar Rate Loans shall be suspended until the Bank notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist.

(b) If it is unlawful for any Bank to maintain any Eurodollar Rate Loan, the Borrower shall, upon receipt by the Borrower of notice of such fact and demand from such Bank (such notice to be delivered through the Agent), prepay in full such Eurodollar Rate Loans of that Bank then outstanding, together with interest accrued thereon, either on the last day of the Interest Period thereof, if the Bank may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if the Bank may not lawfully continue to maintain such Eurodollar Rate Loan. If the Borrower is required to so prepay any Eurodollar Rate Loan, then concurrently with such prepayment, the Borrower shall borrow from the affected Bank, in the amount of such prepayment, a Base Rate Loan.

(c) If the obligation of any Bank to make or maintain Eurodollar Rate Loans has been so terminated or suspended, the Borrower may elect, by giving notice to the Bank through the Agent that all Loans which would otherwise be made by the Bank as Eurodollar Rate Loans shall be instead Base Rate Loans.

(d) Before giving any notice to the Agent under this Section, the affected Bank shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office with respect to its Eurodollar Rate Loans if such change will avoid the need for giving such notice or making such demand and will not, in the judgment of the Bank, be illegal or otherwise disadvantageous to the Bank.

4.3 Increased Costs and Reduction of Return. (a) If, due to either (i) the introduction after the date hereof of, or any change after the date hereof (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the Eurodollar Rate or in respect of the assessment rate payable by any Bank to the FDIC for insuring U.S. deposits) in or in the interpretation of any law or regulation applicable to any Bank (other than any such introduction or change announced prior to the date hereof) or (ii) the compliance by any Bank with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law) not in effect prior to the date hereof, there shall be any increase in the cost to such Bank of agreeing to make or making, funding or maintaining any Eurodollar Rate Loans then the Borrower shall be liable for, and shall from time to time, upon demand (such demand to be delivered through the Agent), pay to the Agent for the account of such Bank additional amounts as are sufficient to compensate such Bank for such increased costs.

(b) If (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or (iv) compliance by any Bank (or its Lending Office) or any corporation controlling the Bank with any Capital Adequacy Regulation, in each case occurring after the date hereof, affects or would affect the amount of capital required or expected to be maintained by the Bank or any corporation controlling the Bank and (taking into consideration such Bank's or such corporation's commercially reasonable policies with respect to capital adequacy and such Bank's or such corporation's desired return on capital) the amount of such capital is increased as a consequence of its Commitment, loans, credits or obligations under this Agreement, then, upon written demand of such Bank to the Borrower through the Agent, the Borrower shall pay to the Agent for the account of such Bank, from time to time as specified by the Bank or such controlling corporation, additional amounts sufficient to compensate the Bank for such increase.

4.4 Funding Losses. Excluding losses or expenses incurred by a Bank pursuant to Section 4.2 (other than in connection with Section 4.2(b)), the Borrower shall reimburse each Bank and hold each Bank harmless from any loss or expense (but excluding in any event all consequential or exemplary damages) which the Bank may sustain or incur as a consequence of:

(a) the failure of the Borrower to make on a timely basis any payment of principal of any Eurodollar Rate Loan;

(b) the failure of the Borrower to borrow, continue or convert into a Eurodollar Rate Loan after the Borrower has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/Continuation (except as a result of a breach by a Bank of its obligations hereunder); or

(c) the failure of the Borrower to make any prepayment in accordance with any notice delivered under Section 2.6;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its Eurodollar Rate Loans or from fees payable to terminate the deposits from which such funds were obtained. For the avoidance of doubt, any loss or expense of a Bank sustained or incurred as a consequence of (i) the repayment or prepayment (including pursuant to Sections 2.7 and 4.2(b)) or other payment (including after acceleration thereof) of a Eurodollar Rate Loan on a day that is not the last day of the relevant Interest Period, or (ii) the automatic conversion under Section 2.4 of any Eurodollar Rate Loan to a Base Rate Loan on a day that is not the last day of the relevant Interest Period, shall not be reimbursed hereunder. For purposes of calculating amounts payable by the Borrower to the Banks under this Section and under Section 4.3(a), each Eurodollar Rate Loan made by a Bank (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Eurodollar Rate Loan by matching deposit or other borrowing in the interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan is in fact so funded. Each Bank shall exercise its reasonable efforts to minimize such losses, costs and expenses, except that each Bank shall not be obligated to take any action to reduce net balances due to its non-U.S. offices from its U.S. offices.

4.5 Inability to Determine Rates If the Agent or the Required Banks determine that for any reason adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan, or that the Eurodollar Rate applicable pursuant to Section 2.9(a) for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to the Banks of funding such Loan, the Agent will promptly so notify the Borrower and each Bank. Thereafter, the obligation of the Banks to make or maintain Eurodollar Rate Loans hereunder shall be suspended until the Agent upon the instruction of the Required Banks revokes such notice in writing. Upon receipt of such notice, the Borrower may revoke any Notice of Borrowing or Notice of Conversion/Continuation then submitted by it. If the Borrower does not revoke such Notice, the Banks shall make, convert or continue the Loans, as proposed by the Borrower, in the amount specified in the applicable notice submitted by the Borrower, but such Loans shall be made, converted or continued as Base Rate Loans instead of Eurodollar Rate Loans.

4.6 Certificates of Banks. Except as specifically provided in Section 4.1, any Bank claiming reimbursement or compensation under this Article IV shall deliver to the Borrower (with a copy to the Agent) a certificate setting forth in reasonable detail the amount payable to the Bank hereunder and the circumstances giving rise to such claim, and such certificate shall be prima facie evidence of the correctness thereof. Each Bank agrees to deliver such certificate to the Borrower within reasonable time after it determines the additional amount required to be paid under this Article IV; provided, however, that in no event shall any Bank deliver such certificate to the Borrower more than 180 days after any vice-president of such Bank knows, or upon the discharge of such vice-president's duties in the ordinary course should have known, of the occurrence of an event giving rise to the additional amount required to be paid in respect of this Article IV and if it fails to deliver such certificate within such 180 day period, the Borrower will not be obligated for any costs incurred prior to 180 days before such notice. The Borrower shall pay such Bank the amount shown as due on any such certificate timely delivered in accordance with the foregoing within ten days after its receipt of the same; provided, however, that the Borrower shall not be required to pay any amounts (other than with respect to Taxes under Section 4.1) which were due for any period occurring more than 90 days prior to the Borrower's receipt of such certificate (other than periods with respect to which such costs or expenses are retroactively imposed). This Article IV shall survive termination of this Agreement and payment of the outstanding Obligations. Notwithstanding the foregoing provisions of this Article IV, the Borrower shall not be liable for any increased cost pursuant to this Article IV if and to the extent that such increased cost results from the change in any Bank's Lending Office and such change (x) is made solely in the discretion of such Bank and not required by any applicable Requirement of Law or Governmental Authority, (y) is made for such Bank's benefit and without any benefit to the Borrower, and (z) results, at the time of such change, in an increased cost greater than that which would have been incurred had the Bank not so changed its Lending Office. Each Bank shall use its reasonable efforts to avoid or minimize increased costs under this Article IV unless, in the sole opinion of such Bank, such action would adversely affect it.

4.7 Substitution of Banks. Upon the receipt by the Borrower from any Bank (an "***Affected Bank***") of a claim for compensation under Section 4.3, the Borrower may: (i) request the Affected Bank to use its reasonable efforts to obtain a replacement bank or financial institution satisfactory to the Borrower to acquire and assume all or a ratable part of all of such Affected Bank's Loans and Commitments (a "***Replacement Bank***"); (ii) request one or more of the other Banks to acquire and assume all or part of such Affected Bank's Loans and Commitments; or (iii) designate a Replacement Bank. Any such designation of a Replacement Bank under clause (i) or (iii) shall be subject to the prior written consent of the Agent (which consent shall not be unreasonably withheld or delayed); provided, that any Replacement Bank shall meet the requirements to be an Eligible Assignee and shall purchase the same pro rata share of the Loans, and the Revolving Commitment and the replacement shall be made pursuant to an assignment subject to the provisions of Section 12.9 and shall be an expense of the Borrower.

4.8 Survival. The agreements and obligations of the Borrower, the Agent and the Banks in this Article IV shall survive the payment of all other Obligations.

ARTICLE V

CONDITIONS PRECEDENT

5.1 Conditions to Effectiveness. The effectiveness of this Agreement is subject to the condition that the Agent shall have received all of the following, in form and substance satisfactory to the Agent and each Bank, and in sufficient copies for each Bank:

(a) Loan Documents. This Agreement, the Subsidiary Guarantee and any Notes requested by the Banks pursuant to Section 2.2(d), duly executed by each party thereto.

(b) Resolutions; Incumbency.

(i) Copies of partnership authorizations for the Borrower and resolutions of the board of directors of each of the General Partner, Petrolane and the Restricted Subsidiaries authorizing the transactions contemplated hereby to which it is a party, certified as of the Closing Date by the Secretary or an Assistant Secretary of such Person; and

(ii) A certificate of the Secretary or Assistant Secretary of each of the General Partner, Petrolane and the Restricted Subsidiaries certifying the names and true signatures of its officers authorized to execute, deliver and perform, as applicable, on behalf of such Person the Loan Documents to which it is a party.

(c) Organization Documents; Good Standing. Each of the following documents:

(i) the articles or certificate of incorporation and the bylaws of the General Partner and Petrolane and the Certificate of Limited Partnership and the Partnership Agreement of the Borrower, in each case as in effect on the Closing Date, certified by the Secretary or an Assistant Secretary of the General Partner or Petrolane, as applicable, as of the Closing Date; and

(ii) a good standing certificate for Petrolane, the General Partner and the Borrower from the Secretary of State (or similar, applicable Governmental Authority) of its state of incorporation or organization, as applicable, and each other state where such Obligor is qualified to do business as a foreign corporation, in each case as of a recent date (in no case earlier than 60 days prior to the date hereof).

(d) Legal Opinions. An opinion of Morgan, Lewis & Bockius LLP, special counsel for the Credit Parties, in form and substance reasonably satisfactory to the Agent and the Banks.

(e) Payment of Fees. Evidence of payment by the Borrower of all accrued and unpaid fees, costs and expenses to the extent due and payable hereunder (subject to the limitations set forth in Section 12.4) on the Closing Date to the Agent, the Arranger and the Banks, together with Attorney Costs of the Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of Attorney Costs as shall constitute the Agent's reasonable estimate by category of Attorney Costs incurred or to be incurred by it through the closing proceedings (provided, that such estimate shall not thereafter preclude final settling of accounts between the Borrower and the Agent) including any such costs, fees and expenses arising under or referenced in Sections 2.10 and 12.4.

(f) Ownership. UGI shall own indirectly more than 40% of the partnership interests of the Borrower.

(g) Certificate. A certificate signed by a Responsible Officer, dated as of the Closing Date, stating that:

(i) the representations and warranties contained in Article VI of this Agreement and in the other Loan Documents, are true and correct in all material respects on and as of such date, as though made on and as of such date except to the extent that such representations and warranties expressly relate to an earlier time or date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier time or date;

(ii) there has occurred since December 31, 2008, no event or circumstance that has resulted in, or presents a reasonable likelihood of having, a Material Adverse Effect;

(iii) no Default of Event of Default shall exist; and

(iv) the condition set forth in clause (f) above shall have been satisfied.

(h) Certified Documents. Copies of the following documents certified by the Secretary or an Assistant Secretary of the General Partner or a certificate of the Secretary or an Assistant Secretary stating that the following documents have not been amended, modified or terminated since August 28, 2003:

(i) First Mortgage Note Agreement;

(ii) National Propane Purchase Agreement;

(iii) Columbia Purchase Agreement;

(iv) Intercompany Loan Agreement;

(v) Intercompany Note; and

(vi) Keep Well Agreement.

(i) Fee Letter. An executed fee letter in form and substance reasonably satisfactory to the Agent and the Banks.

(j) 2008 Credit Agreement. Evidence satisfactory to the Agent that the credit agreement dated November 14, 2008 among the Obligors, the financial institutions party thereto, Citizens Bank of Pennsylvania, as syndication agent, and Wachovia as administrative agent, as modified, supplemented or otherwise amended from time to time in accordance with its terms, shall have been paid in full (including, interest, fees and other amounts owing thereunder) and all commitments thereunder will be irrevocably terminated pursuant to Borrower's irrevocable written notice delivered to Agent.

(k) Other Documents. Such other approvals, opinions, documents or materials as the Agent or any Bank may reasonably request.

At the request of the Borrower or any Bank, the Agent will confirm in writing to the Banks, with a copy to the Borrower, whether, and to what extent, the conditions have been fulfilled.

5.2 Conditions to All Borrowings The obligation of each Bank to make any Loan (including its initial Loan) is subject to the satisfaction of the following conditions precedent on or prior to the relevant Borrowing Date:

(a) Notice of Borrowing. The Agent shall have received a Notice of Borrowing;

(b) Continuation of Representations and Warranties. The representations and warranties in Article VI shall be true and correct in all material respects on and as of such Borrowing Date, with the same effect as if made on and as of such Borrowing Date (except to the extent such representations and warranties expressly relate to an earlier time or date, in which case they shall have been true and correct in all material respects as of such earlier time or date);

(c) No Existing Default. No Default or Event of Default shall exist or shall result from such Borrowing; and

(d) Utilization of Existing Credit Agreement. Each of the conditions described in Section 2.1(b) shall be satisfied.

Each Notice of Borrowing, submitted or deemed submitted by the Borrower hereunder shall constitute a representation and warranty by the Borrower hereunder, as of the date of each such notice and as of each Borrowing Date that the conditions in Section 5.2 are satisfied.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and each Bank as set forth below in Sections 6.1 through 6.14 and Sections 6.17 through 6.23, Petrolane represents and warrants to the Agent and each Bank as set forth below in Section 6.15 and such other Sections of this Article VI that are expressly related to Petrolane, and the General Partner represents and warrants to the Agent and each Bank as set forth below in Section 6.16 and such other Sections of this Article VI that are expressly related to the General Partner, that:

6.1 Organization, Standing, etc. The Borrower is a limited partnership duly organized, validly existing and in good standing under the Delaware Revised Uniform Limited Partnership Act and has all requisite partnership power and authority to own and operate its properties (including without limitation its Assets), to conduct its business, to enter into this Agreement and such other Loan Documents to which it is a party and to carry out the terms of this Agreement and such other Loan Documents. Each Restricted Subsidiary is a corporation or limited partnership, as the case may be, duly organized, validly existing and in good standing under the laws of its state of incorporation or organization, as the case may be, and has all requisite corporate power and authority to own and operate its properties (including without limitation its Assets), to conduct its business and to execute and deliver the Loan Documents to which such Restricted Subsidiary is a party and to carry out the terms of this Agreement and such other Loan Documents.

6.2 Partnership Interests and Subsidiaries. The sole general partner of the Borrower is the General Partner, which on the Closing Date owns a 1.0101% general partnership interest in the Borrower and is an indirect Wholly-Owned Subsidiary of UGI. On the Closing Date (a) the only limited partner of the Borrower is the Public Partnership, which owns a 98.9899% limited partnership interest in the Borrower, and (b) the Borrower does not have any partners other than the General Partner and the Public Partnership. As of the Closing Date, the Borrower does not have any Subsidiary other than as set forth on Schedule 6.2 or any Investments in any Person (other than as set forth on Schedule 6.2 or Investments of the types described in Section 8.4(a)).

6.3 Qualification; Corporate or Partnership Authorization. The Borrower is duly qualified or registered and is in good standing as a foreign limited partnership for the transaction of business, and each of the General Partner, Petrolane (except as permitted pursuant to Section 7.9(e)) and the Restricted Subsidiaries is qualified or registered and is in good standing as a foreign corporation or foreign limited partnership for the transaction of business, in the states listed in Schedule 6.3, which are the only jurisdictions in which the nature of their respective activities or the character of the properties they own, lease or use makes such qualification or registration necessary as of the Closing Date and in which the failure to so qualify or to be so registered as of the Closing Date would have a Material Adverse Effect. Each of the Borrower, the General Partner and Petrolane has taken all necessary partnership action or corporate action, as the case may be, to authorize the execution, delivery and performance by it of this Agreement and other Loan Documents to which it is a party. Each Restricted Subsidiary has taken all necessary corporate or partnership action, as the case may be, to authorize the execution, delivery and performance by it of each of the Loan Documents to which it is a party. Each of the Borrower, the General Partner and Petrolane has duly executed and delivered each of this Agreement and the other Loan Documents to which it is a party, and each of them constitutes the Borrower's, the General Partner's or Petrolane's, as the case may be, legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally. Each Restricted Subsidiary has duly executed and delivered each of the Loan Documents to which it is a party, and each of them constitutes such Restricted Subsidiary's legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

6.4 Financial Statements. The audited consolidated financial statements of the Borrower and its consolidated Subsidiaries for the fiscal years ended September 30, 2008 and September 30, 2007, and the unaudited balance sheet, statement of operations, statement of cash flows and statement of partners capital of the Borrower and its consolidated Subsidiaries for the fiscal period ended December 31, 2008, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods specified (except as described in the footnotes thereto) and present fairly, in all material respects, the financial position of the Borrower as of the respective dates specified (except for the absence of footnotes and subject to changes resulting from normal year-end audit adjustments, in the case of unaudited financial statements).

6.5 Changes, etc. Except as contemplated by this Agreement or the other Loan Documents, (a) for the period from December 31, 2008 to and including the Closing Date, none of the Borrower and any of its Restricted Subsidiaries has incurred any material liabilities or obligations, direct or contingent, nor entered into any material transaction, in each case other than in the ordinary course of its business, and (b) since the date of the last financial statements delivered pursuant to Section 6.4 or 7.1 there has not been any material adverse change in or effect on the financial condition or prospects of the Borrower or in the Business or Assets. Since December 31, 2008, no Restricted Payment of any kind has been declared, paid or made by the Borrower other than Restricted Payments permitted by Section 8.5.

6.6 Tax Returns and Payments. Each of the Borrower, the General Partner, Petrolane and the Restricted Subsidiaries has filed all material tax returns required by law to be filed by it or has properly filed for extensions of time for the filing thereof, and has paid all material taxes, assessments and other governmental charges levied upon it or any of its properties, assets, income or franchises which are shown to be due on such returns, other than those which are not past due or are presently being contested in good faith by appropriate proceedings diligently conducted for which such reserves or other appropriate provisions, if any, as shall be required by GAAP have been made. The Borrower is a limited partnership and so long as it is a limited partnership it will be treated as a pass-through entity for U.S. federal income tax purposes and as of the Closing Date is not subject to taxation with respect to its income or gross receipts under applicable state (other than Michigan, New Hampshire, Tennessee, Texas and Wisconsin) laws.

6.7 Indebtedness. As of the Closing Date, none of the Borrower, the General Partner, Petrolane, or their respective Subsidiaries has any secured or unsecured Indebtedness outstanding, except as set forth in Schedule 6.7 and other than the Indebtedness represented by this Agreement, the other Loan Documents, the Existing Credit Agreement and the Series E First Mortgage Notes. As of the Closing Date, no instrument or agreement to which the Borrower or any of its Subsidiaries is a party or by which the Borrower or any such Subsidiary is bound (other than this Agreement, the Existing Credit Agreement and the agreements governing the Series E First Mortgage Notes and other than as indicated in Schedule 6.7) contains any restriction on the incurrence by the Borrower or any of its Subsidiaries of additional Indebtedness.

6.8 Title to Properties. (a) As of the Closing Date, except as set forth in Schedule 6.8(a), each of the Borrower and its Subsidiaries is in possession of, and operating in compliance in all material respects with, all franchises, grants, authorizations, approvals, licenses, permits (other than permits required by Environmental Laws), easements, rights-of-way, consents, certificates and orders (collectively, the "***Permits***") required (i) to own, lease or use its properties (including without limitation to own, lease or use its Assets) and (ii) considering all such Permits in the possession of, and complied with by, the General Partner, Petrolane, the Borrower and its Subsidiaries taken together, to permit the conduct of the Business as now conducted and proposed to be conducted, except for those Permits (collectively, the "***Routine Permits***") (x) which are routine or administrative in nature and are expected in the reasonable judgment of the Borrower to be obtained or given in the ordinary course of business after the Closing Date, or (y) which, if not obtained or given, would not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect.

(b) Each of the Borrower and its Subsidiaries has good, marketable and legal title to, or a valid leasehold interest in, its respective assets. There are no Liens against any assets of the Borrower, any Subsidiary or any other Credit Party except for those Liens expressly permitted under Section 8.3.

6.9 Litigation, etc. As of the date hereof and the Closing Date, there is no action, proceeding or investigation pending or, to the knowledge of the Borrower upon reasonable inquiry, threatened against the Borrower, Petrolane, the Public Partnership, the General Partner or any of their respective Subsidiaries, and there is no action proceeding or investigation pending or, to the knowledge of the Borrower upon reasonable inquiry, threatened against the Borrower or its Restricted Subsidiaries, (a) which questions the validity or enforceability of this Agreement, the other Loan Documents or any action taken or to be taken pursuant to this Agreement or the other Loan Documents, or (b) except as set forth in Schedule 6.9, which would present a reasonable likelihood of having, either in any case or in the aggregate, a Material Adverse Effect.

6.10 Compliance with Other Instruments, etc. (a) On the Closing Date, none of the Borrower, the General Partner, Petrolane or any of their respective Subsidiaries will be in violation of (i) any provision of its certificate or articles of incorporation or other Organization Documents, (ii) any provision of any agreement or instrument to which it is a party or by which any of its properties is bound, including, without limitation the First Mortgage Note Agreement, and the Existing Credit Agreement or (iii) any applicable law, ordinance, rule or regulation of any Governmental Authority or any applicable order, judgment or decree of any court, arbitrator or Governmental Authority, except (in the case of clauses (ii) and (iii) above only) for such violations which would not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect. Neither the General Partner nor the Public Partnership is in violation of any provision of the Partnership Agreement.

(b) The execution, delivery and performance by each of the Borrower, the General Partner, Petrolane and the Restricted Subsidiaries of this Agreement and the other Loan Documents to which it is a party, and the completion of the transactions contemplated by this Agreement will not, (i) violate (x) any provision of the Partnership Agreement or the certificate or articles of incorporation or other Organization Documents of the Borrower, the General Partner, Petrolane or any of their respective Subsidiaries, (y) any applicable law, ordinance, rule or regulation of any Governmental Authority or any applicable order, judgment or decree of any court, arbitrator or Governmental Authority, or (z) any provision of any agreement or instrument to which the Borrower, the General Partner, Petrolane or any of their respective Subsidiaries is a party or by which any of its properties is bound, including, without limitation the First Mortgage Note Agreement and the Existing Credit Agreement, except (in the case of clauses (y) and (z) above) for such violations which would not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect, or (ii) result in the creation of (or impose any express obligation on the part of the Borrower to create) any Lien not permitted by Section 8.3.

6.11 Governmental Consent. Except as expressly contemplated by this Agreement and the other Loan Documents, and except for Routine Permits, (i) no consent, approval or authorization of, or declaration or filing with, any Governmental Authority is required for the valid execution, delivery and performance of this Agreement or the other Loan Documents to which the Borrower or any of the Restricted Subsidiaries, Petrolane or the General Partner is a party, and (ii) no such consent, approval, authorization, declaration or filing is required for the making of Loans pursuant to this Agreement.

6.12 Investment Company Act. None of the Borrower, Petrolane or the General Partner is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

6.13 Reserved

6.14 Reserved

6.15 Matters Relating to Petrolane. (a) As of the Closing Date, Petrolane is a Wholly-Owned Subsidiary of the General Partner, has no Subsidiaries and owns an approximate 14% limited partnership interest in the Public Partnership.

(b) Except as permitted by Section 7.9(e), Petrolane is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own and operate its properties, to conduct its business and to execute and deliver this Agreement and such other Loan Documents to which Petrolane is a party and to carry out the terms of this Agreement and such other Loan Documents.

6.16 Matters Relating to the General Partner. (a) As of the Closing Date, the General Partner is a Wholly Owned Subsidiary of AmeriGas, Inc., a Pennsylvania corporation, and owns, in addition to the interest in the Borrower described in Section 6.2, (i) a 1% general partnership interest in the Public Partnership, (ii) all of the outstanding shares of Capital Stock of Petrolane and (iii) an approximate 30% limited partnership interest in the Public Partnership. Other than AmeriGas Technology Group, Inc. and Petrolane, the General Partner has no other direct Subsidiaries as of the Closing Date.

(b) The General Partner is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own and operate its properties, to act as the sole general partner of the Borrower and to execute and deliver in its individual capacity and in its capacity as the sole general partner of the Borrower this Agreement and such other Loan Documents to which the General Partner is a party and to carry out the terms of this Agreement and such other Loan Documents.

6.17 ERISA Compliance. Except to the extent that any of the following would not, either alone or together, present a reasonable likelihood of having a Material Adverse Effect: (i) during the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement and prior to the date of any Borrowing hereunder, no steps have been taken to terminate any Pension Plan sponsored or maintained by any Obligor or any ERISA Affiliate of any Obligor, (ii) no contribution failure has occurred with respect to any Pension Plan sponsored or maintained by any Obligor or any ERISA Affiliate of any Obligor sufficient to give rise to a Lien under section 302(f) of ERISA and (iii) with respect to each Pension Plan sponsored or maintained by any Obligor or any ERISA Affiliate of any Obligor, none of the following events has occurred: termination of the plan, failure to make a required contribution to the plan, failure to satisfy the minimum funding standard for a year, request for a waiver of the minimum funding standard for any year, withdrawal from a multiple employer plan, adoption of an amendment which results in a funded current liability percentage of less than 60%, engaging in one or more prohibited transactions, failure to comply with reporting and disclosure requirements or engaging in any breach of fiduciary responsibility.

6.18 Use of Proceeds; Margin Regulations. The proceeds of the Loans are to be used solely for the purposes set forth in and permitted by Section 8.9. None of the Borrower and its Subsidiaries is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

6.19 Environmental Warranties. (a) Except as disclosed on Schedule 6.19 or where non-compliance would not present a reasonable likelihood of having a Material Adverse Effect, each of the Borrower and its Subsidiaries is in compliance with all Environmental Laws applicable to it and to the Business or Assets. Except as disclosed on Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented, the Borrower and its Subsidiaries have obtained and are in compliance with all permits, licenses and approvals required by Environmental Law. Except as disclosed in Schedule 6.19 or where the failure to timely and properly reapply would not present a reasonable likelihood of having a Material Adverse Effect, the Borrower and its Subsidiaries have submitted timely and complete applications to renew any expired or expiring Permits required by Environmental Law. Schedule 6.19 lists all notices from Federal, state or local Governmental Authorities or other Persons received within the last five years of the date hereof by the Borrower and its Subsidiaries, alleging or threatening any liability on the part of the Borrower or any of its Subsidiaries, pursuant to any Environmental Law, that present a reasonable likelihood of having a Material Adverse Effect. All reports, documents, or other submissions required by Environmental Laws to be submitted by the Borrower to any Governmental Authority or Person have been filed by the Borrower, except where the failure to file would not present a reasonable likelihood of having a Material Adverse Effect.

(b) Except as disclosed in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented: (i) there is no Hazardous Material present at any of the real property currently owned or leased by the Borrower or any of its Subsidiaries, and to the knowledge of the Borrower, there was no Hazardous Material present at any of the real property formerly owned or leased by the Borrower or any of its Subsidiaries during the period of ownership or leasing by such Person; and (ii) with respect to such real property and subject to the same knowledge and temporal qualifiers concerning Hazardous Material with respect to formerly owned or leased real properties, there has not occurred (x) any release, or to the knowledge of the Borrower, any threatened release of a Hazardous Material, or (y) any discharge or, to the knowledge of the Borrower, threatened discharge of any Hazardous Material into the ground, surface, or navigable waters which violates any Federal, state, local or foreign laws, rules or regulations concerning water pollution.

(c) Except as set forth in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented, none of the Borrower and its Subsidiaries has disposed of, transported, or arranged for the transportation or disposal of any Hazardous Material where such disposal, transportation, or arrangement would give rise to liability pursuant to CERCLA or any analogous state statute.

(d) Except as set forth in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented: (1) no Lien has been asserted by any Governmental Authority or person resulting from the use, spill, discharge, removal, or remediation of any Hazardous Material with respect to any real property currently owned or leased by the Borrower or any of its Subsidiaries, and (2) to the knowledge of the Borrower, no such Lien was asserted with respect to any of the real property formerly owned or leased by the Borrower or any its Subsidiaries during the period of ownership or leasing of the real property by such Person.

(e) Except as set forth in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented, (1) there are no underground storage tanks, asbestos-containing materials, polychlorinated biphenyls, or urea formaldehyde insulation at any of the real property currently owned or leased by the Borrower or any of its Subsidiaries in violation of Environmental Law and (2) to the knowledge of the Borrower, there were no underground storage tanks, asbestos-containing materials, polychlorinated biphenyls, or urea formaldehyde insulation at any of the real property formerly owned or leased by the Borrower or any of its Subsidiaries in violation of Environmental Law during the period of ownership or leasing of such real property by such Person.

(f) Except as set forth in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented, propane has been used, handled and stored by the Borrower and its Subsidiaries during the five year period ending on the Closing Date in compliance with Environmental Laws.

6.20 Copyrights, Patents, Trademarks and Licenses, etc. Except to the extent that the failure to do so would not present a reasonable likelihood of having a Material Adverse Effect, the Borrower and the Restricted Subsidiaries own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are reasonably necessary for the operation of the Business, without conflict with the rights of any other Person. To the best knowledge of the Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower or any Restricted Subsidiary infringes upon any rights held by any other Person, where such infringement would present a reasonable likelihood of having a Material Adverse Effect. Except as specifically disclosed in Schedule 6.20, no claim or litigation regarding any of the foregoing is pending or to the knowledge of the Borrower threatened, and no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code is pending or, to the knowledge of the Borrower, proposed, which, in either case, would present a reasonable likelihood of having a Material Adverse Effect.

6.21 Insurance. The Borrower and each of its Restricted Subsidiaries are in compliance with the terms and conditions contained in Section 7.5(b) hereof.

6.22 Full Disclosure. None of the representations or warranties made by any Obligor or the Restricted Subsidiaries in the Loan Documents as of the date such representations and warranties are made or deemed made, and none of the statements contained in any document, certificate or instrument furnished by or on behalf of any Obligor in connection with the Loan Documents, as of the date of such document, instrument or certificate, contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

6.23 Defaults. No Obligor or Restricted Subsidiary is in material default nor has any event or circumstance occurred which, but for the expiration of any applicable grace period or the giving of notice, or both, would constitute a material default under any material agreement or instrument to which any Obligor or any Restricted Subsidiary is a party or by which any Obligor or any Restricted Subsidiary is bound, which default would result in a Material Adverse Effect.

6.24 PPD/GP Debt Contributions. The aggregate amount of PPD/GP Debt Contributions made by the Public Partnership and the General Partner to the Borrower during the period from August 21, 2001 to the Closing Date is in excess of $105,000,000.

6.25 Foreign Assets Control. None of the Borrower, any Subsidiary or any Affiliate of the Borrower: (i) is a Sanctioned Person, (ii) has any of its assets in Sanctioned Entities, or (iii) derives any of its operating income from investments in, or transactions with, Sanctioned Persons or Sanctioned Entities.

ARTICLE VII

AFFIRMATIVE COVENANTS

So long as any Bank shall have any Commitment hereunder, or any Loan or other Obligation shall remain unpaid or unsatisfied, unless the Required Banks waive compliance in writing:

7.1 Information (a) The Borrower will maintain, and will cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with GAAP, and will accrue, and will cause each of its Subsidiaries to accrue, all such liabilities as shall be required by GAAP.

(b) The Borrower will furnish or cause to be furnished to the Agent, on behalf of the Banks, and, except as set forth in Section 7.1(c) below, the Agent will promptly distribute to each Bank at their respective addresses as set forth on Schedule 12.2 hereto, or such other office as may be designated by the Agent and Banks from time to time:

(i) as soon as practicable but in any event within 15 Business Days after the end of each month following the date hereof, consolidated balance sheets and statements of income of the Borrower and its Subsidiaries for the period as at the end of each month, all in reasonable detail and certified by the principal financial officer of the General Partner as presenting fairly, in all material respects the information contained therein (except for the absence of footnotes and subject to changes resulting from normal year-end and quarter-end adjustments), applied on a basis consistent with prior months except for inconsistencies resulting from changes in accounting principles and methods agreed to by Borrower's independent accountants;

(ii) as soon as practicable, but in any event within 45 days after the end of each of the first three quarterly fiscal periods in each fiscal year of the Borrower, consolidated and consolidating balance sheets of the Borrower and its Subsidiaries (except, as to consolidating balance sheets only, for inactive Subsidiaries) as at the end of such period and the related consolidated (and, as to statements of income, consolidating, except for inactive Subsidiaries) statements of income, partners' capital and cash flows of the Borrower and its Subsidiaries for such period and (in the case of the second and third quarterly periods) for the period from the beginning of the current fiscal year to the end of such quarterly period, setting forth in each case in comparative form the consolidated and, where applicable, consolidating figures for the corresponding periods of the previous fiscal year, all in reasonable detail and certified by the principal financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except for the absence of footnotes and subject to changes resulting from normal year-end adjustments), in accordance with GAAP applied on a basis consistent with prior fiscal periods except for inconsistencies resulting from changes in accounting principles and methods agreed to by the Borrower's independent accountants;

(iii) as soon as practicable, but in any event within 90 days after the end of each fiscal year of the Borrower, consolidated and consolidating balance sheets of the Borrower and its Subsidiaries (except, as to consolidating balance sheets only, for inactive Subsidiaries) as at the end of such year and the related consolidated (and, as to statements of income, consolidating except for inactive Subsidiaries) statements of income, partners' capital and cash flows of the Borrower and its Subsidiaries for such fiscal year, setting forth in each case in comparative form the consolidated and, where applicable, consolidating figures for the previous fiscal year, all in reasonable detail and (A) in the case of such consolidated financial statements, accompanied by a report thereon of PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing selected by the Borrower, which report shall not be qualified with respect to scope limitations imposed by the Borrower or any of its Restricted Subsidiaries or with respect to accounting principles followed by the Borrower or any of its Restricted Subsidiaries not in accordance with GAAP and shall state that such consolidated financial statements present fairly, in all material respects, the financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flows for the periods indicated in conformity with GAAP unless otherwise disclosed, applied on a basis consistent with prior years, and that the audit by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards then in effect in the United States, and (B) in the case of such consolidated and consolidating financial statements, certified by the principal financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except, in the case of such consolidating financial statements, for the absence of footnotes), in accordance with GAAP (the items in subsections (i), (ii) and (iii) of this Section 7.1(b), the "***Borrower Financials***");

(iv) together with each delivery of financial statements of the Borrower pursuant to subsections (i), (ii) and (iii) of this Section 7.1(b), a Compliance Certificate of the Borrower (A) stating that the signers have reviewed the terms of this Agreement and the other Loan Documents and have made, or caused to be made under their supervision, a review in reasonable detail of the transactions and condition of the Borrower and its Subsidiaries during the accounting period covered by such financial statements, and that the signers do not have knowledge of the existence and continuance as at the date of such Compliance Certificate of any Default or Event of Default, or, if any of the signers have knowledge that any Default or Event of Default then exists, specifying the nature and approximate period of existence thereof and what action the Borrower has taken or is taking or proposes to take with respect thereto, (B) specifying the amount available at the end of such accounting period for Restricted Payments in compliance with Section 8.5 and showing in reasonable detail all calculations required in arriving at such amount, (C) demonstrating in reasonable detail compliance at the end of such accounting period with the restrictions contained in Section 8.1, Section 8.2, Section 8.4(c), Section 8.4(h), Section 8.5, Section 8.8(a)(ii), Section 8.8(a)(iii), Section 8.13, Section 8.14, Section 8.15, Section 8.16 and Sections 8.18(a), (b) and (d), (D) if not specified in the related financial statements being delivered pursuant to subsections (i), (ii) and (iii) of Section 7.1(b), specifying the aggregate amount of interest paid or accrued by, and aggregate rental expenses of, the Borrower and its Subsidiaries, and the aggregate amount of depreciation, depletion and amortization charged on the books of the Borrower and its Subsidiaries, during the fiscal period covered by such financial statements, and (E) if at the time of the delivery of such financial statements the Borrower shall have any Unrestricted Subsidiaries, setting forth therein (or in an accompanying schedule) the adjustments required to be made to indicate the consolidated financial position, cash flows and results of operations of the Borrower and the Restricted Subsidiaries without regard to the financial position, cash flows or results of operations of such Unrestricted Subsidiaries;

(v) together with each delivery of consolidated financial statements of the Borrower pursuant to subsection (iii) of this Section 7.1(b), a written statement by the independent public accountants giving the report thereon stating that they have reviewed the terms of this Agreement and the other Loan Documents and that, in making the audit necessary for the certification of such financial statements, they have obtained no knowledge of the existence and continuance as at the date of such written statement of any Default or Event of Default, or, if they have obtained knowledge that any Default or Event of Default then exists, specifying, to the extent possible, the nature and approximate period of the existence thereof (such accountants, however, shall not be liable to anyone by reason of their failure to obtain knowledge of any Default or Event of Default which would not be disclosed in the course of an audit conducted in accordance with generally accepted auditing standards then in effect in the United States);

(vi) promptly following the receipt and timely review thereof by the Borrower, copies of all reports submitted to the Borrower by independent public accountants in connection with each special, annual or interim audit of the books of the Borrower or any Subsidiary thereof made by such accountants, including without limitation the comment letter submitted by each such accountant to management in connection with their annual audit;

(vii) promptly upon their becoming publicly available, copies of (A) all financial statements, reports, notices and proxy statements sent or made available by the Borrower or the Public Partnership to any of its security holders in compliance with the Exchange Act, or any comparable Federal or state laws relating to the disclosure by any Person of information to its security holders, (B) all regular and periodic reports and all registration statements and prospectuses filed by the Borrower or the Public Partnership with any securities exchange or with the Securities and Exchange Commission or any governmental authority succeeding to any of its functions (other than registration statements on Form S-8 and Annual Reports on Form 10-R), (C) all press releases and other similar written statements made available by the Borrower or the Public Partnership to the public concerning material developments in the business of the Borrower or the Public Partnership, as the case may be and (D) all reports, notices and other similar written statements sent or made available by the Borrower or the Public Partnership to any holder of its Indebtedness pursuant to the terms of any agreement, indenture or other instrument evidencing such Indebtedness, including without limitation the Series E First Mortgage Notes, the Existing Credit Agreement and the Public Partnership Indenture, except to the extent the same substantive information is already being sent to the Agent;

(viii) as soon as reasonably practicable, and in any event within five Business Days after a Responsible Officer obtains knowledge that any Default or Event of Default or any event of default under the First Mortgage Note Agreement or the Existing Credit Agreement has occurred, a written statement of such Responsible Officer setting forth details of such Default or Event of Default or event of default and the action which the Borrower has taken, is taking and proposes to take with respect thereto;

(ix) as soon as reasonably practicable, and in any event within five Business Days after a Responsible Officer obtains knowledge of (A) the occurrence of an adverse development with respect to any litigation or proceeding involving the Borrower or any of its Subsidiaries which in the reasonable judgment of the Borrower presents a reasonable likelihood of having a Material Adverse Effect or (B) the commencement of any litigation or proceeding involving the Borrower or any of its Subsidiaries which in the reasonable judgment of the Borrower presents a reasonable likelihood of having a Material Adverse Effect, a written notice of such Responsible Officer describing in reasonable detail such commencement of, or adverse development with respect to, such litigation or proceeding;

(x) as soon as reasonably practicable, and in any event within five Business Days after a responsible officer of any Obligor becomes aware of the occurrence or existence of any of the events or conditions specified below, and such event or condition has resulted in, or in the opinion of the principal financial officer of the General Partner might reasonably be expected to result in, a Material Adverse Effect: (A) the institution of any steps by any Obligor or any other Person to terminate any Pension Plan sponsored or maintained by an Obligor or any ERISA Affiliate of any Obligor, (B) the failure to make a required contribution to any Pension Plan sponsored or maintained by any Obligor if such failure is sufficient to give rise to a Lien under section 302(f) of ERISA, or (C) if any of the subsequently listed events have occurred with respect to any Pension Plan sponsored or maintained by any Obligor, or any ERISA Affiliate of any Obligor, the occurrence of termination of the plan, failure to make a required contribution to the plan, failure to satisfy the minimum funding standard for a year, request for a waiver of the minimum funding standard for any year, withdrawal from a multiple employer plan, adoption of an amendment which results in a funded current liability percentage of less than 60%, engaging in one or more prohibited transactions, failure to comply with reporting and disclosure requirements or engaging in any breach of fiduciary responsibility, notice thereof and copies of all documentation relating thereto;

(xi) Intentionally omitted;

(xii) as soon as reasonably practicable, and in any event within five Business Days after a Responsible Officer obtains knowledge of a violation or alleged violation of Environmental Law or the presence or release of any Hazardous Material within, on, from, relating to or affecting any property, which in the reasonable judgment of the Borrower presents a reasonable likelihood of having a Material Adverse Effect, provide notice thereof, and upon request, copies of relevant documentation, provided, however, no such notice is required with respect to matters disclosed in Schedule 6.19 or matters with respect to which notice has previously been provided pursuant to this Section 7.1(b)(xii);

(xiii) from time to time and promptly upon each request, information identifying the Borrower as a Bank may request in order to comply with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)); and

(xiv) with reasonable promptness, such other information and data (financial or other) with respect to the Obligors or any of their Subsidiaries as from time to time may be reasonably requested by the Agent or any Bank.

(c) (i) The Borrower may deliver documents, materials and other information required to be delivered pursuant to Sections 7.1(b)(i), 7.1(b)(ii) and 7.1(b)(iii) (collectively, "***Information***") in an electronic format acceptable to the Agent by e-mailing any such Information to an e-mail address of the Agent as specified by the Agent from time to time. The Agent may deliver such information to the Banks by posting such Information on the Borrower's behalf on an internet or intranet website to which each Bank and the Agent has access, whether a commercial, third-party website (such as Intralinks or SyndTrak) or a website sponsored by the Agent (the "***Platform***").

(ii) In addition, the Borrower may deliver Information required to be delivered pursuant to Sections 7.1(b)(i), 7.1(b)(ii), 7.1(b)(iii) and 7.1(b)(vii) by posting any such Information to the Borrower's internet website (as of the date hereof, www.amerigas.com). Any such Information provided in such manner shall only be deemed to have been delivered to the Agent or a Bank (A) on the date on which the Agent or such Bank, as applicable, receives notice from the Borrower that such Information has been posted to the Borrower's internet website and (B) only if such Information is publicly available without charge on such website. If for any reason, the Agent or a Bank either did not receive such notice or after reasonable efforts was unable to access such website, then the Agent or such Bank, as applicable, shall not be deemed to have received such Information. In addition to any manner permitted by Section 12.2, the Borrower may notify the Agent or a Bank that Information has been posted to such a website by causing an e-mail notification to be sent to an e-mail address specified from time to time by the Agent or such Bank, as applicable.

(iii) Notwithstanding anything in this Section to the contrary (A) the Borrower shall deliver paper copies of Information to the Agent or any Bank that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given to the Borrower by the Agent or such Bank and (B) in every instance the Borrower shall be required to provide to the Agent a paper original of the Compliance Certificate required by Section 7.1(b)(iv).

(iv) The Borrower acknowledges and agrees that the Agent may make Information, as well as any other written information, reports, data, certificates, documents, instruments, agreements and other materials relating to the Borrower, any Subsidiary or any other Credit Party or any other materials or matters relating to this Agreement, any of the other Loan Documents or any of the transactions contemplated by the Loan Documents, in each case to the extent that the Agent's communication thereof to the Banks is otherwise permitted hereunder (collectively, the "***Communications***") available to the Banks by posting the same on the Platform. The Borrower acknowledges that (A) the distribution of material through an electronic medium, such as the Platform, is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (B) the Platform is provided "as is" and "as available" and (C) neither the Agent nor any of its affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform.

(v) The Agent shall have no obligation to request the delivery or to maintain copies of any of the Information or other materials referred to above, and in no event shall have any responsibility to monitor compliance by the Borrower with any such requests. Each Bank shall be solely responsible for requesting delivery to it or maintaining its copies of such Information or other materials.

(vi) Within 15 days after being approved by the governing body of the Borrower, and in any event no later than November 15th each fiscal year, an annual operating forecast for the next fiscal year including but not limited to monthly statements of cash flow, balance sheets and income statements.

7.2 Adequate Reserves The Borrower will, and will cause each of its Restricted Subsidiaries to maintain, overall reserves on their respective books and records in accordance with GAAP, which overall reserves shall be adequate in the opinion of the management of the Borrower and each Restricted Subsidiary for the purposes for which they were established.

7.3 Partnership or Corporate Existence; Business; Compliance with Laws. (a) Except as otherwise expressly permitted in accordance with Section 8.7 or 8.8, (i) the Borrower will at all times preserve and keep in full force and effect its partnership existence and its status as a partnership not taxable as a corporation, (ii) the Borrower will cause each of the Restricted Subsidiaries to keep in full force and effect its partnership or corporate existence and (iii) the Borrower will, and will cause each Restricted Subsidiary to, at all times preserve and keep in full force and effect all of its material rights and franchises; provided, however, that the partnership or corporate existence of any Restricted Subsidiary, and any right or franchise of the Borrower or any Restricted Subsidiary, may be terminated notwithstanding this Section 7.3 if, in the good faith judgment of the Borrower, such termination (x) is in the best interest of the Borrower and the Restricted Subsidiaries, (y) is not disadvantageous to the Agent or the Banks in any material respect and (z) would not have a reasonable likelihood of having a Material Adverse Effect.

(b) The Borrower will, and will cause each of its Subsidiaries to, at all times comply with all laws, regulations and statutes (including without limitation any zoning or building ordinances) applicable to it, except for failures to so comply which, individually or in the aggregate, would not present a reasonable likelihood of having a Material Adverse Effect.

(c) The Borrower will not, and will not permit any Restricted Subsidiary to, engage in any lines of business other than its current Business as defined in this Agreement and other activities incidental or related to the Business.

7.4 Payment of Taxes and Claims. The Borrower will, and will cause each of its Subsidiaries to, pay all material Taxes, Other Taxes, assessments and other governmental charges imposed upon it or any of its Subsidiaries, or any Assets or in respect of any of its or any of its Subsidiaries' franchises, business, income or profits when the same becomes due and payable, and all claims (including without limitation claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or might become a Lien upon any Assets, and promptly reimburse the Banks for any such Taxes, Other Taxes, assessments, charges or claims paid by them; provided, that no such Tax, Other Tax, assessment, charge or claim need be paid or reimbursed if it is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor and be adequate in the good faith judgment of the General Partner.

7.5 Maintenance of Properties: Insurance. (a) The Borrower shall, and shall cause each Restricted Subsidiary to, (a) protect and preserve all of its respective material properties, including, but not limited to, all intellectual property, and maintain in good repair, working order and condition all tangible properties, ordinary wear and tear excepted, and (b) make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

(b) The Borrower will, and will cause each Restricted Subsidiary to, maintain or cause to be maintained, with financially sound and reputable insurance companies (or through self-insurance in accordance with applicable law), insurance with respect to its properties and business, and the properties and business of its Restricted Subsidiaries, against loss or damage of the kinds customarily insured against, and in such amounts as customarily maintained, by companies in the same or similar businesses operating in the same or similar locations. The Borrower will, from time to time, deliver to the Agent upon its request a detailed list of all insurance maintained by the Borrower and its Restricted Subsidiaries, together with copies of all policies of insurance then in effect and a statement including the names of insurance companies (or stating that such risks are self insured), amounts of insurance, dates of expiration thereof and risks covered thereby.

7.6 Guarantors. Promptly, and in any event within 15 days thereof, upon any Person becoming a Restricted Subsidiary of the Borrower, the Borrower will cause such Restricted Subsidiary to execute and deliver to the Agent such appropriate documents to become a guarantor under the Subsidiary Guarantee. Notwithstanding the foregoing, until the AEPLP Available Date, the Borrower shall not be required to cause AEPLP or any of AEPLP's Subsidiaries, and neither AEPLP nor any of its Subsidiaries shall be required to comply with this Section 7.6.

7.7 Further Assurances. At any time and from time to time promptly, the Borrower shall, at its expense, execute and deliver to the Agent and each Bank such further instruments and documents, and take such further action, as the Agent or any Bank may from time to time reasonably request, in order to further carry out the intent and purpose of this Agreement and the other Loan Documents and to establish, perfect, preserve and protect the rights, interests and remedies created, or intended to be created, in favor of the Banks hereunder and thereunder.

7.8 Designations With Respect to Subsidiaries. (a) The Borrower may designate any Restricted Subsidiary or newly acquired or formed Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary, in each case subject to satisfaction of the following conditions:

(i) immediately before and after giving effect to such designation, no Default or Event of Default shall exist and be continuing; and

(ii) in the case of a designation of a Restricted Subsidiary or a newly acquired or formed Subsidiary as an Unrestricted Subsidiary, the conditions set forth in subsection (ii)(A) of Section 8.8(c) (the "***Sale Condition***") and Section 8.4(h) (the "***Investment Condition***") would be satisfied, assuming for this purpose that such designation (and all prior designations of Restricted Subsidiaries or newly acquired or formed Subsidiaries as Unrestricted Subsidiaries during the current fiscal year) constitutes a sale by the Borrower of (in the case of the Sale Condition), and an Investment by the Borrower in an amount equal to (in the case of the Investment Condition), all the assets of the Subsidiary so designated, in each case for an amount equal to (x) the net book value of such assets in the case of a Restricted Subsidiary and (y) the cost of acquisition or formation in the case of a newly acquired or formed Subsidiary (such amounts being herein referred to as "***Designation Amounts***" and deemed to constitute Net Proceeds for the purposes of the Sale Condition); provided, however, that notwithstanding anything to the contrary contained herein, until the AEPLP Guaranty Date, AEPLP and each of its Subsidiaries shall at all times remain Restricted Subsidiaries and in no event shall the Borrower have any right to redesignate AEPLP or any of its Subsidiaries as an Unrestricted Subsidiary.

(b) A Subsidiary that has twice previously been designated an Unrestricted Subsidiary may not thereafter be designated as a Restricted Subsidiary.

(c) The Borrower shall deliver to the Agent and each Bank, within 20 Business Days after any such designation, an Officers' Certificate stating the effective date of such designation and stating that the foregoing conditions contained in this Section 7.8 have been satisfied. Such certificate shall be accompanied by a schedule setting forth in reasonable detail the calculations demonstrating compliance with such conditions, where appropriate.

(d) All Investments, Indebtedness, Liens, Guaranty Obligations and other obligations that an Unrestricted Subsidiary (the "***Designee***") has at the time of being designated a Restricted Subsidiary hereunder shall be deemed to have been acquired, made or incurred, as the case may be, at the time of such designation and in anticipation of such Designee becoming a Subsidiary and of acquiring its assets (except as otherwise specifically provided in Section 8.1(h).

7.9 Covenants of the General Partner and Petrolane. (a) Petrolane covenants that it will not engage (directly or indirectly) in any business or activity other than any of the lines of business and activities conducted by it on the Closing Date. The General Partner covenants that it will not create any Liens on the general partnership interests in the Borrower or the Public Partnership and each of the General Partner and Petrolane covenant that it will maintain and keep in effect its corporate existence and franchises, except, with respect to Petrolane, as permitted pursuant to Section 7.9(e).

(b) Except, with respect to Petrolane, in the event of the dissolution or merger of Petrolane as permitted by Section 7.9(e), each of the General Partner and Petrolane will deliver to the Agent, on behalf of the Banks, and the Agent will promptly distribute to each Bank at their respective addresses as set forth on Schedule 12.2 hereto, or such other office as may be designated by the Agent and Banks from time to time, (i) financial statements as to itself of the same character described in, and at the times specified in, Sections 7.1(a) and 7.1(b) with respect to the Borrower, in each case certified and reported on in the same manner as the Borrower Financials (except that the financial statements of Petrolane need not be audited), and (ii) with reasonable promptness, such other information and data (financial or other) with respect to the General Partner or Petrolane, as the case may be, as may from time to time be reasonably requested by the Agent.

(c) The General Partner will perform and comply with all of its obligations under the Partnership Agreement, will enforce the Partnership Agreement against each other party thereto and will not accept the termination of the Partnership Agreement or any amendment or supplement thereof or modification or waiver thereunder, unless any such failure to perform, comply or enforce or any such acceptance would not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect.

(d) Section 6.5 of the Partnership Agreement (the ***"Incorporated Covenant"***) as in effect on the Closing Date, together with all related definitions, is hereby incorporated herein in the form included in the Partnership Agreement on April 19, 1995 and without regard to any subsequent amendments or waivers of the provisions of, or any termination of, the Partnership Agreement. The General Partner agrees to fully perform and comply with the Incorporated Covenant.

(e) Notwithstanding anything to the contrary contained herein, Petrolane may be dissolved or may merge with or into the General Partner or a wholly owned subsidiary of UGI that provides a guaranty of the Obligations (the "***Guaranteeing Entity***") if the General Partner or such Guaranteeing Entity, as the case may be, is the surviving entity so long as, in connection with such dissolution or merger, all of the assets of Petrolane are distributed to, or otherwise held entirely by, the General Partner or such Guaranteeing Entity immediately following such dissolution or merger.

7.10 Books and Records. The Borrower will, and will cause each of its Restricted Subsidiaries to, keep books and records which accurately reflect all of its business affairs and transactions and permit the Agent and each Bank or any of their respective representatives, at reasonable times and intervals, to visit all of its offices, to discuss its financial matters with its officers and to examine (and, at the expense of the Borrower, photocopy extracts from) any of its books or other Borrower records. Upon the occurrence and during the continuance of any Default or Event of Default the Borrower hereby authorizes its independent public accountant to discuss the Borrower's financial matters with the Agent and each Bank or any of their respective representatives provided that a representative of the Borrower is present. So long as a Default or Event of Default has occurred and is continuing, the Borrower shall pay any fees of the Agent, each Bank and such independent public accountant incurred in connection with the Agent's or any Bank's exercise of its rights pursuant to this Section.

7.11 Environmental Covenant. The Borrower will, and will cause each of the Restricted Subsidiaries to:

(a) comply with all applicable Environmental Laws and any permit, license, or approval required under any Environmental Law, except for failures to so comply which would not present a reasonable likelihood of having a Material Adverse Effect;

(b) store, use, release, or dispose of any Hazardous Material in compliance with Environmental Laws at any property owned or leased by the Borrower or any of its Restricted Subsidiaries, except where such non-compliance would not present a reasonable likelihood of having a Material Adverse Effect;

(c) avoid committing any act or omission which would cause any Lien to be asserted against any property owned by the Borrower or any of its Restricted Subsidiaries pursuant to any Environmental Law, except where such Lien would not present a reasonable likelihood of having a Material Adverse Effect;

(d) use, handle or store propane in compliance with Environmental Laws, except where such non-compliance would not present a reasonable likelihood of having a Material Adverse Effect;

(e) take all steps required by Environmental Law to cure any violation thereof disclosed in Schedule 6.19; and

(f) provide such information and certificates which the Agent or any Bank may reasonably request from time to time to evidence compliance with this Section 7.11.

ARTICLE VIII

NEGATIVE COVENANTS

So long as any Bank shall have any Commitment hereunder, or any Loan or other Obligation shall remain unpaid or unsatisfied, shall remain outstanding, unless the Required Banks waive compliance in writing:

8.1 Indebtedness. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except that:

(a) the Borrower may become and remain liable with respect to the Indebtedness evidenced by the Series E First Mortgage Notes and Long Term Funded Debt incurred in connection with any extension, renewal, refunding or refinancing of Indebtedness evidenced by the Series E First Mortgage Notes, provided, that the principal amount of such Long Term Funded Debt shall not exceed the principal amount of such Indebtedness evidenced by the Series E First Mortgage Notes, together with any accrued interest and prepayment charges with respect thereto, being extended, renewed, refunded or refinanced;

(b) the Borrower may become and remain liable with respect to the Indebtedness evidenced by the Existing Credit Agreement and Long Term Funded Debt incurred in connection with any extension, renewal, refunding or refinancing of Indebtedness evidenced by the Existing Credit Agreement, provided, that the principal amount of such Long Term Funded Debt shall not exceed the principal amount of such Indebtedness evidenced by the Existing Credit Agreement, together with any accrued interest and prepayment charges with respect thereto, being extended, renewed, refunded or refinanced;

(c) subject to Section 8.4(c) any Restricted Subsidiary may become and remain liable with respect to unsecured Indebtedness of such Restricted Subsidiary owing to the Borrower or to a Wholly-Owned Restricted Subsidiary, and the Borrower may become and remain liable with respect to unsecured Indebtedness owing to a Wholly-Owned Restricted Subsidiary provided it is subordinated to the Obligations at least to the extent provided in the subordination provisions set forth in Exhibit F;

(d) the Borrower may become and remain liable with respect to unsecured Indebtedness of the Borrower owing to the General Partner or an Affiliate of the General Partner, provided, that (i) the aggregate principal amount of such Indebtedness outstanding at any time shall not be in excess of $50,000,000 and (ii) such Indebtedness is created and is outstanding under an agreement or instrument pursuant to which such Indebtedness is subordinated to the Obligations at least to the extent provided in the subordination provisions set forth in Exhibit F;

(e) the Borrower may become and remain liable with respect to Indebtedness incurred pursuant to this Agreement and the other Loan Documents;

(f) the Borrower and its Restricted Subsidiaries may become and remain liable with respect to the Indebtedness described on Schedule 6.7;

(g) the Borrower may become and remain liable with respect to obligations under Interest Rate Agreements entered into to hedge interest rate risk;

(h) any Person that after the Closing Date becomes a Restricted Subsidiary may become and remain liable with respect to any Indebtedness to the extent such Indebtedness existed at the time such Person became a Subsidiary (and was not incurred in anticipation of such Person becoming a Subsidiary); provided, that (x) immediately before and after giving effect to such Person becoming a Restricted Subsidiary, no Default or Event of Default shall exist and (y) if such Indebtedness is secured, such Liens are permitted under Section 8.3(h);

(i) the Borrower and any Restricted Subsidiary may become and remain liable with respect to Indebtedness relating to any business acquired by or contributed to the Borrower or such Restricted Subsidiary or which is secured by a Lien on any property or assets acquired by or contributed to the Borrower or such Restricted Subsidiary to the extent such Indebtedness existed at the time such business or property or assets were so acquired or contributed (and was not incurred in anticipation thereof) and if such Indebtedness is secured by such property or assets, such security interest (x) does not extend to or cover any other property of the Borrower or any of the Restricted Subsidiaries and (y) is permitted under Section 8.3(h), and that immediately after giving effect to such acquisition or contribution, no Default or Event of Default shall exist;

(j) Capitalized Lease Liabilities not in excess of $10,000,000 at any time outstanding;

(k) the Borrower may become and remain liable with respect to Indebtedness incurred by the Borrower (i) to finance the making of expenditures for the improvement or repair (to the extent such improvements and repairs may be capitalized on the books of the Borrower in accordance with GAAP) of or additions (including additions by way of acquisitions or capital contributions of businesses and related assets) to Assets or (ii) by assumption of Indebtedness in connection with additions (including additions by way of acquisitions or capital contributions of businesses and related assets) to Assets or to extend, renew, refund or refinance any such Indebtedness; provided, that (x) the amount of such assumed Indebtedness shall not exceed the purchase price of such additions and (y) any such extensions, renewals, refundings or refinancings of any such Indebtedness shall not exceed the principal amount thereof; and

(l) The Borrower may incur any other Indebtedness not described in clauses (a) through (k) of this Section 8.1 in an amount not in excess of $5,000,000.

Further, notwithstanding anything in this Agreement to the contrary, until the AEPLP Guaranty Date, the Borrower will not permit AEPLP or any of its Subsidiaries to create, incur, assume or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, other than (i) Indebtedness of the type described in Section 8.1(c), (ii) the Indebtedness of AEPLP on the date of closing of the Columbia Acquisition, as disclosed in the Columbia Purchase Agreement (which amount was not in excess of $10,000,000), and (iii) the Indebtedness of AEPLP owing to the Borrower which is evidenced by the Intercompany Note to the extent that the aggregate principal amount outstanding thereunder does not exceed $137,997,000.

Notwithstanding the foregoing, Section 8.1(i) and (k) shall not have an outstanding aggregate amount in excess of $50,000,000.00.

8.2 Minimum Interest Coverage. The Borrower will not permit the ratio of EBITDA to Consolidated Interest Expense as at any fiscal quarter end for the four fiscal quarters then ending to be less than 3.00 to 1.0.

8.3 Liens, etc. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired, or any income or profits therefrom, except:

(a) Liens for taxes, assessments or other governmental charges the payment of which is not yet due and payable or which is being contested in compliance with Section 7.4 hereof;

(b) Liens of lessors, landlords and carriers, vendors, warehousemen, mechanics, materialmen, repairmen and other like Liens incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings and (i) not incurred or made in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or (ii) incurred in the ordinary course of business securing the unpaid purchase price of property or services constituting current accounts payable; and precautionary Liens in favor of lessors under capital leases and leases of equipment in the ordinary course of business;

(c) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business (i) in connection with workers' compensation, unemployment insurance and other types of social security, or (ii) to secure (or to obtain letters of credit that secure) the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, performance bonds, purchase, construction or sales contracts and other similar obligations, in each case not incurred or made in connection with the borrowing of money;

(d) other deposits made to secure liability to insurance carriers under insurance or self-insurance arrangements;

(e) Liens securing reimbursement obligations under letters of credit, provided in each case that such Liens cover only the title documents and related goods (and any proceeds thereof) covered by the related letter of credit;

(f) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal or review, or shall not have been discharged within 60 days after expiration of any such stay;

(g) leases or subleases granted to others, easements, rights-of-way, restrictions and other similar charges or encumbrances, which, in each case either (i) are granted, entered into or created in the ordinary course of the business of the Borrower or any Restricted Subsidiary or (ii) do not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect;

(h) Liens existing on any property of any Person at the time it becomes a Subsidiary of the Borrower, or existing at the time of acquisition upon any property acquired by the Borrower or any such Subsidiary through purchase, merger or consolidation or otherwise, whether or not assumed by the Borrower or such Subsidiary to pay all or any part of the purchase price (a "***Purchase Money Lien***") of property (including without limitation Capital Stock and other securities) acquired by the Borrower or a Restricted Subsidiary, provided, that (i) any such Lien shall be confined solely to such item or items of property and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to or is acquired for use specifically in connection with such acquired property, (ii) in the case of a Purchase Money Lien, the principal amount of the Indebtedness secured by such Purchase Money Lien shall at no time exceed an amount equal to the lesser of (A) the cost to the Borrower and the Restricted Subsidiaries of such property and (B) the fair market value of such property at the time of the acquisition thereof (as determined in good faith by the General Partner), (iii) any such Purchase Money Lien shall be created not later than 30 days after the acquisition of such property and (iv) any such Lien (other than a Purchase Money Lien) shall not have been created or assumed in contemplation of such Person's becoming a Subsidiary of the Borrower or such acquisition of property by the Borrower or any Subsidiary;

(i) Liens securing other obligations otherwise permitted under this Agreement, including, but not limited to, Capitalized Lease Obligations, which obligations secured by such Liens shall not exceed an amount equal to 3% of Consolidated Net Tangible Assets at such time;

(j) Liens securing the Series E First Mortgage Notes that attach to the assets of the Borrower or any Restricted Subsidiary pursuant to Section 1.3 of the First Mortgage Note Agreement; provided, that at no time when such Liens exist, shall the Leverage Ratio exceed 2.00 to 1.00; and

(k) easements, exceptions or reservations in any property of the Borrower or any Restricted Subsidiary granted or reserved for the purpose of pipelines, roads, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which are incidental to, and do not materially interfere with, the ordinary conduct of the business of the Borrower or any Restricted Subsidiary.

Notwithstanding anything in this Agreement to the contrary, until the AEPLP Guaranty Date, other than Liens permitted by subsections (a), (b), (c), (d), (f), (g), (h) and (i) of this Section 8.3, the Borrower will not permit AEPLP or any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of AEPLP or such Subsidiary, whether such property or assets are now owned or held or hereafter acquired, or any income or profits therefrom.

8.4 Investments, Contingent Obligations, etc. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly (i) make or own any Investment in any Person (including an Investment in a Subsidiary of the Borrower), (ii) create or become liable with respect to any Contingent Obligation with respect to any Indebtedness of a Control Affiliate, or (iii) create or become liable with respect to any Contingent Obligation (provided, however, that nothing contained in this Section 8.4, except clause (ii) above, is intended to limit the making of any Contingent Obligation which would be permitted as Indebtedness under Section 8.1), except:

(a) the Borrower or any Restricted Subsidiary may make and own Investments in the following (collectively, "***Cash Equivalents***"):

(i) marketable obligations issued or unconditionally guaranteed by the United States of America, or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing one year or less from the date of acquisition thereof;

(ii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and having as at such date the highest rating obtainable from either Standard & Poor's Rating Group or Moody's Investors Service, Inc.;

(iii) commercial paper maturing no more than 270 days from the date of creation thereof and having as of the date of acquisition thereof one of the two highest ratings obtainable from either Standard & Poor's Rating Group or Moody's Investors Service, Inc.;

(iv) certificates of deposit maturing one year or less from the date of acquisition thereof issued by commercial banks incorporated under the laws of the United States of America or any state thereof or the District of Columbia or Canada, (A) the commercial paper or other short term unsecured debt obligations of which are as of such date rated either A-2 or better (or comparably if the rating system is changed) by Standard & Poor's Rating Group or Prime-2 or better (or comparably if the rating system is changed) by Moody's Investors Service, Inc. or (B) the long-term debt obligations of which are as at such date rated either A or better (or comparably if the rating system is changed) by either Standard & Poor's Rating Group or A-2 or better or comparably if the rating system is changed by Moody's Investors Service, Inc. ("***Permitted Banks***");

(v) Eurodollar time deposits having a maturity of less than 270 days from the date of acquisition thereof purchased directly from any Permitted Bank;

(vi) bankers' acceptances eligible for rediscount under requirements of the FRB and accepted by Permitted Banks, and

(vii) obligations of the type described in clause (i), (ii), (iii), (iv) or (v) above purchased from a securities dealer designated as a "primary dealer" by the Federal Reserve Bank of New York or from a Permitted Bank as counterparty to a written repurchase agreement obligating such counterparty to repurchase such obligations not later than 14 days after the purchase thereof and which provides that the obligations which are the subject thereof are held for the benefit of the Borrower or a Restricted Subsidiary by a custodian which is a Permitted Bank and which is not a counterparty to the repurchase agreement in question;

(b) the Borrower or any Restricted Subsidiary may acquire Capital Stock or other ownership interests, whether in a single transaction or a series of related transactions, of a Person (i) located in the United States or Canada, (ii) incorporated or otherwise formed pursuant to the laws of the United States or Canada or any state or province thereof or the District of Columbia and (iii) engaged in substantially the same business as the Borrower such that, upon the completion of such transaction or series of transactions, such Person becomes a Restricted Subsidiary;

(c) subject to the provisions of subsection (h) below, the Borrower or any Restricted Subsidiary may make and own Investments (in addition to Investments permitted by subsections (a), (b), (d), (e), (f) and (g) of this Section 8.4) in any Person incorporated or otherwise formed pursuant to the laws of the United States or Canada or any state or province thereof or the District of Columbia which is engaged in the United States or Canada in substantially the same business as the Borrower; provided, that (i) the aggregate amount of all such Investments made by the Borrower and its Restricted Subsidiaries following April 19, 1995 (including without limitation the transactions contemplated by this Agreement) and outstanding pursuant to this subsection (c) and subsection (h) below shall not at any date of determination exceed 10% of Total Assets (the "***Investment Limit***"), provided, that in addition to Investments that would be permitted under the Investment Limit, during any fiscal year the Borrower and its Restricted Subsidiaries may invest up to $25,000,000 (the "***Annual Limit***") pursuant to the provisions of this subsection (c), but the unused amount of the Annual Limit shall not be carried over to any future years and provided, further, that neither the Annual Limit nor the Investment Limit shall include the aggregate principal amount of the Intercompany Note outstanding on August 21, 2001 to the extent that such amount is not in excess of $137,997,000 at the time of determination, and (ii) such Investments shall not be made in Capital Stock or Indebtedness of the Public Partnership or any of its Subsidiaries (other than the Borrower and the Restricted Subsidiaries);

(d) the Borrower or any Restricted Subsidiary may make and own Investments (x) arising out of loans and advances to employees incurred in the ordinary course of business not in excess of $1,000,000 at any time outstanding, (y) arising out of extensions of trade credit or advances to third parties in the ordinary course of business and (z) acquired by reason of the exercise of customary creditors' rights upon default or pursuant to the bankruptcy, insolvency or reorganization of a debtor;

(e) the Borrower and any Restricted Subsidiary may create or become liable with respect to any Contingent Obligation constituting an obligation, warranty or indemnity, not guaranteeing Indebtedness of any Person, which is undertaken or made in the ordinary course of business;

(f) the Borrower and any Restricted Subsidiary may create and become liable with respect to any Interest Rate Agreements;

(g) any Restricted Subsidiary may make Investments in the Borrower;

(h) the Borrower or any Restricted Subsidiary may make or own Investments in Unrestricted Subsidiaries, provided, that the Net Amount of Unrestricted Investment shall not at any time exceed $5,000,000 (and subject to the limitations specified in subsection (c) above);

(i) the Borrower may own Investments consisting of the Intercompany Note to the extent that the aggregate principal amount of the Intercompany Note does not exceed $137,990,000;

(j) AEPI, AEPH and AEPLP may remain liable for any obligations, warranties or indemnities set forth in the National Propane Purchase Agreement as such agreement is in effect on the August 28, 2003; and

(k) the Borrower may remain (i) liable for its indemnification and guarantee obligations under the Columbia Purchase Agreement, as in effect on August 21, 2001, and (ii) under the Keep Well Agreement, as in effect on August 21, 2001.

Notwithstanding the foregoing, the Borrower may have outstanding undrawn letters of credit not in excess of $100,000,000.

8.5 Restricted Payments. The Borrower will not directly or indirectly declare, order, pay, make or set apart any sum for any Restricted Payment, except that the Borrower may declare or order, and make, pay or set apart, once during each calendar quarter a Restricted Payment if (a) such Restricted Payment is in an amount not exceeding Available Cash for the immediately preceding calendar quarter, and (b) immediately after giving effect to any such proposed action no Event of Default (or Default under Sections 9.1(a), (f) or (g)) shall exist and be continuing. The Borrower will comply with, and accrue on its books, the reserve provisions required under the definition of Available Cash. The Borrower will not, in any event, directly or indirectly declare, order, pay or make any Restricted Payment except in cash. The Borrower will not permit any Restricted Subsidiary to declare, order, pay or make any Restricted Payment or to set apart any sum or property for any such purpose (it being understood that nothing in this Section 8.5 shall prohibit any such Restricted Subsidiary from declaring, ordering, paying, making, or setting apart any sum or property for, any payment or other distribution or dividend to (i) the Borrower or any Wholly-Owned Restricted Subsidiary and (ii) so long as no Default or Event of Default shall occur and be continuing, all holders of Capital Stock of such Restricted Subsidiary on a pro rata basis) (with any such distribution or dividend to a Control Affiliate being subject to the limitation of the first sentence of this Section 8.5).

8.6 Transactions with Affiliates. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any transaction with any Affiliate, including without limitation the purchase, transfer, disposition, sale, lease or exchange of assets or the rendering of any service, unless (1)(a) such transaction or series of related transactions is on fair and reasonable terms that are no less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than those which would be obtained in an arm's-length transaction at the time such transaction is agreed upon between Persons which are not Affiliates, and (b) with respect to a transaction or series of transactions involving aggregate payments or value equal to or greater than $15,000,000, the Borrower shall have delivered an Officers' Certificate to the Agent certifying that such transaction or series of transactions complies with the preceding clause (a) and that such transaction or series of transactions has been approved by a majority of the Board of Directors of the General Partner (including a majority of the Disinterested Directors), or (2) such transaction or series of related transactions is between the Borrower and any Wholly-Owned Restricted Subsidiary or between two Wholly-Owned Restricted Subsidiaries, provided, however, that this Section 8.6 will not restrict the Borrower, any Restricted Subsidiary or the General Partner from entering into (i) any employment agreement, stock option agreement, restricted stock agreement or other similar agreement or arrangement in the ordinary course of business, (ii) transactions permitted by Section 8.5 and (iii) transactions in the ordinary course of business in connection with reinsuring the self-insurance programs or other similar forms of retained insurable risks of the retail propane business operated by the Borrower, its Subsidiaries and its Affiliates.

8.7 Subsidiary Stock and Indebtedness. The Borrower will not:

(a) directly or indirectly sell, assign, pledge or otherwise dispose of any Indebtedness of or any shares of stock or similar interests of (or warrants, rights or options to acquire stock or similar interests of) any Restricted Subsidiary, except to a Wholly-Owned Restricted Subsidiary;

(b) permit any Restricted Subsidiary directly or indirectly to sell, assign, pledge or otherwise dispose of any Indebtedness of the Borrower or any other Restricted Subsidiary, or any shares of stock or similar interests of (or warrants, rights or options to acquire stock or similar interests of) any other Restricted Subsidiary, except to the Borrower or a Wholly-Owned Restricted Subsidiary;

(c) permit any Restricted Subsidiary to have outstanding any shares of stock or similar interests which are preferred over any other shares of stock or similar interests in such Restricted Subsidiary owned by the Borrower or a Wholly-Owned Restricted Subsidiary unless such shares of preferred stock or similar interests are owned by the Borrower or a Wholly-Owned Restricted Subsidiary; or

(d) permit any Restricted Subsidiary directly or indirectly to issue or sell (including without limitation in connection with a merger or consolidation of such Subsidiary otherwise permitted by Section 8.8(a)) any shares of its stock or similar interests (or warrants, rights or options to acquire its stock or similar interests) except to the Borrower or a Wholly-Owned Restricted Subsidiary;

provided, that (i) any Restricted Subsidiary may sell, assign or otherwise dispose of Indebtedness of the Borrower if, assuming such Indebtedness were incurred immediately after such sale, assignment or disposition, such Indebtedness would be permitted under Section 8.1 (other than Section 8.1(c)) (in which case such Indebtedness need not be subject to the subordination provisions required by Section 8.1(c)) and (ii) subject to compliance with Section 8.8(c), all Indebtedness and shares of stock or partnership interests of any Restricted Subsidiary owned by the Borrower or any other Restricted Subsidiary may be simultaneously sold as an entirety for an aggregate consideration at least equal to the fair value thereof (as determined in good faith by the General Partner) at the time of such sale if (x) such Restricted Subsidiary does not at the time own (A) any Indebtedness of the Borrower or any other Restricted Subsidiary (other than Indebtedness which, if incurred immediately after such transaction, would be permitted under Section 8.1, other than Section 8.1(c)) (in which case such Indebtedness need not be subject to the subordination provisions required by Section 8.1(c)) or (B) any stock or other interest in any other Restricted Subsidiary which is not also being simultaneously sold as an entirety in compliance with this proviso or Section 8.8(b)(ii) and (iii) AEPLP may issue or sell its Capital Stock to the Special Limited Partner (as defined in the AEPLP Partnership Agreement) of AEPLP in accordance with Section 5.3 of the AEPLP Partnership Agreement, as such Section 5.3 was in effect on August 21, 2001.

8.8 Consolidation, Merger, Sale of Assets, etc. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly,

(a) consolidate with or merge into any other Person or permit any other Person to consolidate with or merge into it, except that:

(i) any Restricted Subsidiary may consolidate with or merge into the Borrower or a Wholly-Owned Restricted Subsidiary if the Borrower or a Wholly-Owned Restricted Subsidiary, as the case may be, shall be the surviving Person and if, immediately after giving effect to such transaction, no Default or Event of Default shall exist and be continuing; and

(ii) any entity (other than a Restricted Subsidiary) may consolidate with or merge into the Borrower or a Wholly-Owned Restricted Subsidiary if the Borrower or a Wholly-Owned Restricted Subsidiary, as the case may be, shall be the surviving Person and if, immediately after giving effect to such transaction, (x) the Borrower (1) shall not have a Consolidated Net Worth, determined in accordance with GAAP applied on a basis consistent with the consolidated financial statements of the Borrower most recently delivered pursuant to Section 7.1(b)(iii), of less than the Consolidated Net Worth of the Borrower immediately prior to the effectiveness of such transaction, satisfaction of this requirement to be set forth in reasonable detail in an Officers' Certificate delivered to the Agent at the time of such transaction, and (2) shall not be liable with respect to any Indebtedness or allow its property to be subject to any Lien which it could not become liable with respect to or allow its property to become subject to under this Agreement (including without limitation under Section 8.1 or 8.3) on the date of such transaction, (y) substantially all of the assets of the Borrower and its Restricted Subsidiaries shall be located and substantially all of their business shall be conducted within the United States and Canada and (z) no Default or Event of Default shall exist and be continuing; and

(iii) subject to compliance with Section 12.1, the Borrower may consolidate with or merge into any other entity if (w) the surviving entity is a corporation or limited partnership organized and existing under the laws of the United States of America or any state thereof or the District of Columbia, with substantially all of its properties located and its business conducted (without giving effect to the properties owned by, and the business conducted by, Unrestricted Subsidiaries) within the United States and Canada, (x) such corporation or limited partnership expressly and unconditionally assumes the obligations of the Borrower under this Agreement, and the other Loan Documents, and delivers to the Agent an opinion of counsel reasonably satisfactory to the Required Banks with respect to the due authorization and execution of the related agreement of assumption and the enforceability of such agreement against such corporation or partnership, (y) immediately after giving effect to such transaction, such corporation or limited partnership (1) shall not have (without giving effect to Unrestricted Subsidiaries) a Consolidated Net Worth, determined in accordance with GAAP applied on a basis consistent with the consolidated financial statements of the Borrower most recently delivered pursuant to Section 7.1(b)(iii), of less than the Consolidated Net Worth of the Borrower immediately prior to the effectiveness of such transaction, satisfaction of this requirement to be set forth in reasonable detail in an Officers' Certificate delivered to the Agent at the time of such transaction, (2) shall not be liable with respect to any Indebtedness or allow its property to be subject to any Lien which it could not become liable with respect to or allow its property to become subject to under this Agreement (including without limitation under Section 8.1 or 8.3) on the date of such transaction and (z) immediately after giving effect to such transaction no Default or Event of Default shall exist and be continuing; or

(b) sell, lease, abandon or otherwise dispose of all or substantially all its assets, except that:

(i) any Restricted Subsidiary may sell, lease or otherwise dispose of all or substantially all its assets to the Borrower or to a Wholly-Owned Restricted Subsidiary; and

(ii) subject to compliance with clause (c) of this Section 8.8, any Restricted Subsidiary may sell, lease or otherwise dispose of all or substantially all its assets as an entirety for an aggregate consideration at least equal to the fair value thereof (as determined in good faith by the General Partner) at the time of such sale if (x) the assets being sold, leased or otherwise disposed of do not include (A) any Indebtedness of the Borrower or any other Restricted Subsidiary (other than Indebtedness which, if incurred immediately after such transaction, would be permitted under Section 8.1 (other than Section 8.1(c)) so long as such Indebtedness is held by a Person other than the Borrower or a Restricted Subsidiary), in which case such Indebtedness need not be subject to the subordination provisions required by Section 8.1(d) or (B) any stock of or other equity interest in any other Restricted Subsidiary which is not also being simultaneously sold as an entirety in compliance with this subsection (b)(ii) or the proviso of Section 8.7; and

(iii) subject to compliance with Section 12.1, the Borrower may sell, lease or otherwise dispose of all or substantially all its assets to any corporation or limited partnership into which the Borrower could be consolidated or merged in compliance with subsection (a)(iii) of this Section 8.8, provided, that each of the conditions set forth in such subsection (a)(iii) shall have been fulfilled; or

(c) (1) sell, lease, convey, abandon or otherwise dispose of any of its assets (except in a transaction permitted by subsection (a)(i), (a)(iii), (b)(i) or (b)(iii) of this Section 8.8 or sales of inventory in the ordinary course of business consistent with past practice), including by way of a Sale and Lease-Back Transaction, or (2) issue or sell Capital Stock of the Borrower or any Subsidiary (other than to the Borrower or a Wholly-Owned Restricted Subsidiary), in the case of either clause (1) or (2) above, whether in a single transaction or a series of related transactions (each of the foregoing non-excepted transactions, an "***Asset Sale***"), unless:

(i) immediately after giving effect to such proposed disposition, no Default or Event of Default shall exist and be continuing; and

(ii) (A) the consideration received for such assets is at least equal to their aggregate fair market value (as determined in good faith by the Board of Directors of the General Partner) at the time of such disposition and that such consideration has been applied or is being held for application in accordance with the terms of this Agreement and (B) at least 80% of the consideration therefor received is in the form of cash; provided, however, that the amount of (1) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Borrower or any Restricted Subsidiary (other than liabilities that are by their terms subordinated in right of payment to the Loans) that are assumed by the transferee of any such assets and (2) any notes or other obligations received by the Borrower or any such Restricted Subsidiary from such transferee that are immediately converted by the Borrower or such Restricted Subsidiary into cash (to the extent of the cash received), shall be deemed to be cash for purposes of this clause (B); and provided, further, that the 80% limitation referred to in this clause (B) shall not apply to any Asset Sale in which the cash portion of the consideration received therefrom, determined in accordance with the foregoing proviso, is equal to or greater than what the after-tax proceeds would have been had such Asset Sale complied with the aforementioned 80% limitation.

Notwithstanding the foregoing, Asset Sales shall not be deemed to include (1) any transfer of assets or issuance or sale of Capital Stock by the Borrower or any Restricted Subsidiary to the Borrower or a Wholly-Owned Restricted Subsidiary, (2) any transfer of assets or issuance or sale of Capital Stock by the Borrower or any Restricted Subsidiary to any Person in exchange for other assets used in a line of business permitted under Section 7.3(c) and having a fair market value (as determined in good faith by the General Partner) not less than that of the assets so transferred or Capital Stock so issued or sold and (3) any transfer of assets pursuant to an Investment permitted by Section 8.4.

8.9 Use of Proceeds. (a) The Obligors will not, and will not suffer or permit any Subsidiary to, use any portion of the Loan proceeds, directly or indirectly, (i) to purchase or carry Margin Stock, (ii) to repay or otherwise refinance Indebtedness of the Borrower or others incurred to purchase or carry Margin Stock, (iii) to extend credit for the purpose of purchasing or carrying any Margin Stock, (iv) to acquire any security in any transaction that is subject to Section 13 or 14 of the Exchange Act or (v) to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or Sanctioned Entity.

(b) The proceeds of the Revolving Loans will be used for working capital purposes and general purposes of the Borrower and its Restricted Subsidiaries.

8.10 Change in Business. The Borrower will not, and will not suffer or permit any Restricted Subsidiary to, engage in any material line of business substantially different from the Business.

8.11 Accounting Changes. The Borrower will not, and will not suffer or permit any Restricted Subsidiary to, make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change the fiscal year of the Borrower or of any Subsidiary.

8.12 Intentionally Omitted

8.13 Receivables. The Borrower will not, and will not permit any Restricted Subsidiary to, discount, pledge or sell (with or without recourse) any of its accounts or notes receivable, except for sales of receivables (i) made in the ordinary course of business with a face amount not to exceed $500,000 in the aggregate which have been sold and remain unpaid by the account debtors, (ii) without recourse which are seriously past due and which have been substantially written off as uncollectible or collectible only after extended delays, (iii) from a Restricted Subsidiary to the Borrower or (iv) made in connection with the sale of a business but only with respect to the receivables directly generated by the business so sold.

8.14 Leverage Ratio. The Borrower will not permit the Leverage Ratio at any time to exceed 4.00 to 1.00. For purposes of this Section 8.14, the Borrower may elect whether to calculate EBITDA (i) as at the end of any fiscal quarter for the four full consecutive fiscal quarters most recently ended or (ii) as at the end of any fiscal quarter for the eight full consecutive fiscal quarters most recently ended (in which case EBITDA shall be divided by two); provided, that on any given date of determination, the Borrower shall calculate EBITDA for the same period used by the Borrower on such date of determination in calculating EBITDA for purposes of determining its compliance with Section 8.15.

8.15 Minimum Consolidated EBITDA. The Borrower will not permit EBITDA to be less than $200,000,000 (as calculated pursuant to the following sentence). For purposes of this Section 8.15, the Borrower may elect whether to calculate EBITDA (i) as at the end of any fiscal quarter for the four full consecutive fiscal quarters most recently ended or (ii) as at the end of any fiscal quarter for the eight full consecutive fiscal quarters most recently ended (in which case EBITDA shall be divided by two); provided, that on any given date of determination, the Borrower shall calculate EBITDA for the same period used by the Borrower on such date of determination in calculating EBITDA for purposes of determining its Leverage Ratio pursuant to Section 8.14.

8.16 Acquisitions. After the date hereof and until the AEPLP Guaranty Date, the Borrower will not, and will not permit any Restricted Subsidiary to, make any Acquisition unless, after giving effect to the consummation of such Acquisition (including any substantially concurrent mergers), (a) all PP&E Assets acquired in connection with such Acquisition shall be owned by the Borrower or a Restricted Subsidiary, (b) the aggregate net book value of the PP&E Assets of AEPLP and its Subsidiaries (both prior to and after giving effect to such Acquisition) shall not exceed the sum of (i) 33-1/3% of the aggregate net book value of all PP&E Assets of the Borrower and its Restricted Subsidiaries and (ii) $70,000,000 and (c) the aggregate net book value (as determined in good faith by the General Partner) of all PP&E Assets acquired by AEPLP or any of its Subsidiaries in any fiscal year pursuant to Acquisitions (other than PP&E Assets acquired with the proceeds of any prior or concurrent Capped Investments or PP&E Transfers) ("***AEPLP Acquisitions***") shall not, together with any Capped Investments and any PP&E Transfers made in such fiscal year pursuant to Section 8.18(a) and Section 8.18(b)(iii), respectively, in the aggregate, exceed (i) $35,000,000, plus (ii) the amount of any Carryover Threshold (such sum is referred to herein as the "***PP&E Acquisition/Investment/Transfer Limit***"). "***Carryover Threshold***" shall mean, for any fiscal year, an amount equal to the PP&E Acquisition/Investment/Transfer Limit for the prior fiscal year minus the aggregate AEPLP Acquisitions, Capped Investments and PP&E Transfers in such prior fiscal year, provided, that the Carryover Threshold shall in no event exceed $100,000,000. As of December 31, 2008 the Carryover Threshold was $100,000,000 and the PP&E Acquisition/Investment/Transfer Limit for the period ending December 31, 2008 was $135,000,000.

8.17 Limitation on Restricted Agreements. The Borrower will not, and will not permit any Subsidiary to, enter into, or suffer to exist, any agreement (other than the National Propane Purchase Agreement) with any Person which, directly or indirectly, prohibits or limits the ability of any Restricted Subsidiary to (a) pay dividends or make other distributions to the Borrower or prepay any Indebtedness owed to the Borrower, (b) make loans or advances to the Borrower or (c) transfer any of its properties or assets to the Borrower.

8.18 AEPLP. Notwithstanding anything in this Agreement to the contrary (including the final paragraph of Section 8.8 hereof), until the first date as of which AEPLP and each of its Subsidiaries have become guarantors under the Subsidiary Guarantee in accordance with Section 7.6 hereof (such date, the "***AEPLP Guaranty Date***"), provided, that (A) the Subsidiary Guarantee of each Subsidiary of AEPLP may be subject and subordinate to the guaranty of such Subsidiary held by the Borrower to secure the obligation of such Subsidiary to guarantee, upon terms and conditions satisfactory to the Agent, and (B) the Subsidiary Guarantee of AEPLP may be subject and subordinate to the obligations of AEPLP under the Intercompany Note and the Intercompany Loan, upon terms and conditions satisfactory to the Agent:

(a) Investments. The Borrower will not, and will not permit any Restricted Subsidiary (other than AEPLP and its Subsidiaries) (each, a "***Non-AEPLP Restricted Subsidiary***") to, directly or indirectly, make or own any Investment in AEPLP or any of its Subsidiaries, except for Investments in AEPLP or its Subsidiaries permitted under Sections 8.4(b), (c), (d), (e), and (i) and Section 8.18(b) hereof; provided, however, that the aggregate net book value (as determined in good faith by the General Partner) of all such Investments made pursuant to Sections 8.4(b) and (c) (the "***Capped Investments***") in any fiscal year shall not, together with any AEPLP Acquisitions and PP&E Transfers made in such fiscal year pursuant to Section 8.16 and Section 8.18(b)(iii), respectively, in the aggregate, exceed the PP&E Acquisition/Investment/Transfer Limit for such fiscal year.

(b) Asset Transfers. The Borrower will not, and will not permit any Non-AEPLP Restricted Subsidiary to, directly or indirectly, sell, lease, convey or otherwise transfer, directly or indirectly, any of its assets to AEPLP or any Subsidiary of AEPLP, including by way of a Sale and Lease-Back Transaction (each, a "***Transfer***"), except that:

(i) the Borrower may, and may permit any Non-AEPLP Restricted Subsidiary to, Transfer to AEPLP or any of its Subsidiaries assets, provided, that (A) such assets ("***Non-PP&E Assets***") would not, in accordance with the past practice of the Borrower, be classified and accounted for as "property, plant and equipment" on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries, (B) the consideration paid by AEPLP or its Subsidiaries to the Borrower or a Non-AEPLP Restricted Subsidiary for such Non-PP&E Assets is at least equal to the transferor's aggregate net book value therefor and (C) the aggregate amount of propane inventory (by number of gallons) of AEPLP and its Subsidiaries shall not at any time exceed 40% of the aggregate amount of propane inventory (by number of gallons) of the Borrower and the Restricted Subsidiaries;

(ii) the Borrower may, and may permit any Non-AEPLP Restricted Subsidiary to, Transfer to AEPLP or any of its Subsidiaries assets in exchange for other assets used in the line of business permitted under Section 8.10 and having a fair market value (as determined in good faith by the General Partner, and the Managing General Partner (as defined in the AEPLP Partnership Agreement) of AEPLP) not less than that of the assets so Transferred;

(iii) the Borrower may, and may permit any Non-AEPLP Restricted Subsidiary to, Transfer (a "***PP&E Transfer***") to AEPLP or any of its Subsidiaries PP&E Assets (together with associated working capital), provided, that (A) the aggregate net book value (as determined in good faith by the General Partner) of all PP&E Assets that are Transferred by the Borrower or a Non-AEPLP Restricted Subsidiary to AEPLP or any of its Subsidiaries in any fiscal year shall not, together with any AEPLP Acquisitions and Capped Investments made in such fiscal year pursuant to Section 8.16 and Section 8.18(a), respectively, in the aggregate, exceed the PP&E Acquisition/Investment/Transfer Limit for such fiscal year; (B) the consideration paid by AEPLP or its Subsidiaries to the Borrower or any Non-AEPLP Restricted Subsidiary for such PP&E Assets is at least equal to the transferor's net book value therefor; and (C) the aggregate net book value of all PP&E Assets of AEPLP and its Subsidiaries shall not at any time exceed the sum of (i) 33-1/3% of the aggregate net book value of all PP&E Assets of the Borrower and its Restricted Subsidiaries and (ii) $70,000,000; and

(iv) the limitations contained in Sections 8.16(b) and (c) and Sections 8.18(b)(iii)(A) and (C) shall not apply to or prohibit or otherwise restrict (A) any Investment in AEPLP or any of its Subsidiaries permitted by Section 8.18(a), (B) any lease of real or personal property from the Borrower or a Restricted Subsidiary (other than AEPLP and its Subsidiaries), as lessor, to AEPLP or a Subsidiary of AEPLP, as lessee, (C) any Transfer of assets by the Borrower or any Non-AEPLP Restricted Subsidiary to AEPLP or any of its Subsidiaries if (1) such assets consist of the proceeds, or assets purchased or subsequently funded with the proceeds, of a sale of equity interests or debt of the Public Partnership or the General Partner to an entity other than the Borrower or any Restricted Subsidiaries, and (2) such Transfer is made within one year of such equity or debt sale (3) in the case of a subsequent funding, such proceeds are used to repay Senior Indebtedness of the Borrower (other than Indebtedness incurred previously pursuant to Section 8.1(e)) or Indebtedness incurred by the Borrower to make Acquisitions of assets that have been Transferred to AEPLP, or (D) any AEPLP Acquisition (1) if the assets acquired are purchased in exchange for equity interests or debt of the Public Partnership or the General Partner or (2)(x) if the assets acquired are purchased or subsequently funded with the proceeds of a sale of equity interests or debt by the Public Partnership or the General Partner to an entity other than the Borrower or any Restricted Subsidiary, (y) such AEPLP Acquisition is made within one year of such equity or debt sale and (z) in the case of a subsequent funding, such proceeds are used to repay Senior Indebtedness of the Borrower (other than Indebtedness incurred pursuant to Section 8.1(c) or Indebtedness incurred by the Borrower to make AEPLP Acquisitions.

(c) AEPLP Partnership Agreement. The Borrower will not, and will cause its Subsidiaries to not, (i) permit the AEPLP Partnership Agreement, as in effect on the Closing Date, to be amended, modified or supplemented in any respect if such amendment, modification or supplement would adversely affect the rights or powers of the Managing General Partner, or any successor General Partner (each as defined in the AEPLP Partnership Agreement), with respect to the liquidation, dissolution or winding-up of the affairs of AEPLP or any disposition of assets, discharge of liabilities or distribution of assets in connection therewith (including but not limited to any modification to Section 12.1 of the Partnership Agreement) or (ii) permit AEPLP to admit any Person as a Class A Limited Partner or any Managing General Partner (as defined in the AEPLP Partnership Agreement).

(d) Trade Accounts Payable. The Borrower will not permit AEPLP and its Subsidiaries to create, incur, assume or otherwise become or remain directly or indirectly liable with respect to an aggregate amount of trade accounts payable (including but not limited to amounts owed under equipment leases) in excess of $15,000,000 at any time, provided, that the amount of any (a) AEPLP Taxes, fines or penalties owing by AEPLP and its Subsidiaries to any Governmental Authority and (b) obligations of AEPLP and its Subsidiaries owing to the Borrower or any Restricted Subsidiary, shall in each case be excluded from the calculation of the aggregate amount of trade accounts payables pursuant to this Section 8.18(d).

In addition, both prior to and after the AEPLP Guaranty Date, the Borrower will not, and will cause its Subsidiaries to not, permit the Intercompany Note to be amended, modified or supplemented in any respect if such amendment, modification or supplement would materially and adversely affect the rights of the holder of the Intercompany Note (in its capacity as a holder of the Intercompany Note), including, without limitation, any modification of the July 19, 2009, maturity date of the outstanding principal amount thereunder.

8.19 Amendments to Existing Credit Agreement. Borrower shall not enter into any material amendments, modifications or supplements to the Existing Credit Agreement without the written consent of the Agent.

ARTICLE IX

EVENTS OF DEFAULT

9.1 Event of Default. Any of the following shall constitute an "***Event of Default***":

(a) Non-Payment. The Borrower fails to pay the Agent or any Bank, (i) when and as required to be paid herein, any amount of principal of any Loan, or (ii) within 5 days after the same becomes due, any interest, fee, or any other amount payable to the Agent or the Banks hereunder or under any other Loan Document; or

(b) Representation or Warranty. Any representation or warranty made in writing by any Obligor, or any Restricted Subsidiary made or deemed made herein, in any other Loan Document or which is contained in any certificate, financial statement or other document of such Obligor or such Restricted Subsidiary required to be delivered hereunder, furnished at any time under this Agreement, or in or under any other Loan Document, is incorrect in any material respect on or as of the date made or deemed made; or

(c) Specific Defaults. There shall be a default in the performance of, or compliance with, any term contained in Section 7.1(b)(viii), Section 7.3(a)(i), any of Sections 8.1 through 8.9, inclusive, Section 8.14 (and, in the case of the first sentence of Section 8.14, such default shall continue unremedied for a period of 30 days), Section 8.15, or Section 8.18, provided, however, that (i) with respect to (A) incurrence of Indebtedness in violation of Section 8.1 in an aggregate outstanding principal amount which is less than $5,000,000, (B) incurrence of a Lien in violation of Section 8.3 which secures Indebtedness which is in an aggregate outstanding principal amount of less than $5,000,000 (other than a Lien incurred in violation of Section 8.3(j)), (C) transactions with an Affiliate in violation of Section 8.6 involving an aggregate amount of less than $2,000,000, (D) the making of any Investment or creation of a Contingent Obligation in violation of Section 8.4 involving an aggregate amount of less than $2,000,000, or (E) the entering into of any transaction in violation of Section 8.7 involving an aggregate amount of less than $2,000,000, there shall be no Event of Default under this clause (c) unless the aggregate amount of all violations under clauses (A) through (E) exceeds $8,000,000 on any date of determination or any such violation shall remain uncured for 30 days after a Responsible Officer becomes aware of any such violation and (ii) with respect to incurrence of a Lien in violation of Section 8.3(j), there shall be no Event of Default under this clause (c) unless such violation shall remain uncured for 90 days; or

(d) Other Defaults. Any Obligor, or any Restricted Subsidiary fails to perform or observe any other term or covenant contained in this Agreement (including, without limitation, such defaults of Sections 8.1, 8.3, 8.4, 8.6 and 8.7 not arising due to an Event of Default pursuant to the proviso to the immediately preceding subsection (c)(i)), or in any other Loan Document and such default shall continue unremedied for a period of 30 days after the date upon which written notice thereof is given to the Obligors by the Agent or the Required Banks; or

(e) Cross-Default. The Borrower, any Restricted Subsidiary, the General Partner, any of its Subsidiaries or the Public Partnership or any of its Subsidiaries (other than the Partnership Unrestricted Subsidiaries) (as principal or guarantor or other surety) shall default in the payment of any amount of principal of or premium or interest on any Senior Indebtedness, the Existing Credit Agreement or any other Indebtedness, other than the Obligations (regardless of whether or not such payment default shall have been waived by the holders of such Indebtedness); or any event shall occur or condition shall exist in respect of any Indebtedness of the Borrower, any Restricted Subsidiary, the General Partner, any of its Subsidiaries or the Public Partnership or any of its Subsidiaries (other than the Partnership Unrestricted Subsidiaries) or under any evidence of any such Indebtedness or under any mortgage, indenture or other agreement relating thereto, and the effect of such event or condition is to cause (or to permit one or more Persons to cause) such Indebtedness to become due or be repurchased or repaid before its stated maturity or before its regularly scheduled dates of payment (other than pursuant to mandatory prepayment provisions pursuant to a (1) Change of Control or similar transaction or (2) prepayment under circumstances and on terms substantially identical to, and not inconsistent with, Section 9.3(b) of the First Mortgage Note Agreement as in effect on the Closing Date to the extent it relates to Excess Taking Proceeds, as defined therein, not involving a default) or to permit the holders thereof to cause the Borrower, any Restricted Subsidiary, the General Partner, any of its Subsidiaries or the Public Partnership or any of its Subsidiaries (other than the Partnership Unrestricted Subsidiaries) to repurchase or repay such Indebtedness (other than pursuant to mandatory prepayment provisions pursuant to a (1) Change of Control or similar transaction or (2) prepayment under circumstances and on terms substantially identical to, and not inconsistent with, Section 9.3(b) of the First Mortgage Note Agreement as in effect on the Closing Date to the extent it related to Excess Taking Proceeds, as defined therein, not involving a default), and such default, event or condition shall continue for more than the period of grace, if any, specified therein (regardless of whether or not such default, event or condition shall have been waived by the holders of such Indebtedness); provided, that the aggregate principal amount of all Indebtedness as to which such a default (payment or other), event or condition shall occur or exist exceeds $7,500,000; or

(f) Insolvency Voluntary Proceedings. Any Obligors, or any Significant Subsidiary Group (i) ceases or fails to be solvent, or admits in writing its inability to pay its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) voluntarily ceases to conduct its business in the ordinary course (except, as to Petrolane, upon the dissolution or merger of Petrolane as permitted pursuant to Section 7.9(f)); (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing; or

(g) Involuntary Proceedings. (i) Any involuntary Insolvency Proceeding is commenced or filed against any Obligor, or any Significant Subsidiary Group, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of any Obligor's, or any such Significant Subsidiary Group's properties, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy; (ii) any Obligor, or any such Significant Subsidiary Group admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) any Obligor, or any such Significant Subsidiary Group acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its property or business; or

(h) Judgments. Any judgment or order for the payment of money in excess of $9,000,000 and not covered by insurance shall be rendered against any of the Obligors or any Significant Subsidiary Group, and either

(a) enforcement proceedings shall have been commenced by any creditor upon such judgment or order; or

(b) there shall be any period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect and prior to the expiration of such 60-day period, the judgment shall not have been discharged.

(i) Pension Plans. Any of the following events shall occur with respect to any Pension Plan and such events, either alone or together, present a reasonable likelihood of having a Material Adverse Effect:

(a) the institution of any steps by any Obligor, or any other Person to terminate a Pension Plan maintained or sponsored by an Obligor, or any Subsidiary of an Obligor; or

(b) an ERISA Event.

(j) Change of Control. There occurs any Change of Control; or

(k) Loan Documents. Any Loan Document shall (except in accordance with its terms) in whole or in part, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Obligor party thereto (except, as to Petrolane, upon the dissolution or merger of Petrolane as permitted pursuant to Section 7.9(f)); the Borrower, General Partner, Petrolane or any other Credit Party shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability except as permitted by this Agreement; or

(l) Excess Sale Proceeds. The Borrower fails to cause an amount equal to any "Excess Sale Proceeds" (as defined in the Existing Credit Agreement) to be applied as provided in Section 8.8(c)(ii)(B)(x) of the Existing Credit Agreement within 360 days of the date of the disposal of assets giving rise to such proceeds, unless on the last day of such 360 day period (or if such day is not a Business Day, the immediately preceding Business Day) the Borrower (i) prepays Loans pursuant to Section 2.6 in an amount equal to or greater than the amount of such "Excess Sale Proceeds" or (ii) if the amount of Loans outstanding on such day is less than the amount of such "Excess Sale Proceeds," prepays all outstanding Loans pursuant to Section 2.6 and also reduces Commitments pursuant to Section 2.5 such that the aggregate amount of such prepaid Loans and Commitment reductions equals or exceeds the amount of such "Excess Sale Proceeds."

9.2 Remedies. If any Event of Default occurs and is continuing, the Agent shall, at the request of, or may, with the consent of, the Required Banks, take any or all of the following actions:

(a) declare the commitment of each Bank to make Loans to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Obligors;

(c) exercise on behalf of itself and the Banks all rights and remedies available to it and the Banks under the Loan Documents or applicable law;

provided, however, that upon the occurrence of any event specified in subsection (f) or (g) of Section 9.1 (in the case of clause (i) of subsection (g) upon the expiration of the 60-day period mentioned therein), the obligation of each Bank to make Loans shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, without further act of the Agent or any Bank.

9.3 Rights Not Exclusive. The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

9.4 Application of Funds. After the exercise of remedies provided for in Section 9.2 (or after the Loans have automatically become immediately due and payable, as set forth in the proviso to Section 9.2) any amounts received on account of the Obligations shall be applied by the Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including Attorney Costs and amounts payable under Article IV) payable to the Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Banks (including Attorney Costs and amounts payable under Article IV), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Banks in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, ratably among the Banks in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by law.

ARTICLE X

THE AGENT

10.1 Appointment and Authorization. (a) Each Bank hereby irrevocably appoints, designates and authorizes the Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Loan Document, the Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Agent have or be deemed to have any fiduciary relationship with any Bank or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the other Loan Documents with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

10.2 Delegation of Duties. The Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct.

10.3 Liability of Agent. No Agent-Related Person shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Bank or participant for any recital, statement, representation or warranty made by any Credit Party or any officer thereof, contained herein or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of any Credit Party or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Bank or participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof.

10.4 Reliance by Agent. (a) The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any Credit Party), independent accountants and other experts selected by the Agent. The Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Banks as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Banks (or such greater number of Banks as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Banks.

(b) For purposes of determining compliance with the conditions specified in Section 5.1, each Bank that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Bank.

10.5 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Agent for the account of the Banks, unless the Agent shall have received written notice from a Bank or the Borrower referring to this Agreement, describing such Default and stating that such notice is a "notice of default." The Agent will notify the Banks of its receipt of any such notice. The Agent shall take such action with respect to such Default as may be directed by the Required Banks in accordance with Article IX; provided, however, that unless and until the Agent has received any such direction, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable or in the best interest of the Banks.

10.6 Credit Decision. Each Bank acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by the Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of any Credit Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Bank as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Bank represents to the Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Credit Parties and their respective Subsidiaries, and all applicable bank or other regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower and the other Credit Parties hereunder. Each Bank also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and the other Credit Parties. Except for notices, reports and other documents expressly required to be furnished to the Banks by the Agent herein, the Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Credit Parties or any of their respective Affiliates which may come into the possession of any Agent-Related Person.

10.7 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Banks shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of any Credit Party and without limiting the obligation of any Credit Party to do so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; provided, however, that no Bank shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities to the extent determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Agent-Related Person's own gross negligence or willful misconduct; provided, however, that no action taken in accordance with the directions of the Required Banks shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Bank shall reimburse the Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Section shall survive termination of the Commitments, the payment of all other Obligations and the resignation of the Agent.

10.8 Agent in Individual Capacity. Wachovia and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with each of the Credit Parties and their respective Affiliates as though Wachovia were not the Agent hereunder and without notice to or consent of the Banks. The Banks acknowledge that, pursuant to such activities, Wachovia or its Affiliates may receive information regarding any Credit Party or its Affiliates (including information that may be subject to confidentiality obligations in favor of such Credit Party or such Affiliate) and acknowledge that the Agent shall be under no obligation to provide such information to them. With respect to its Loans, Wachovia shall have the same rights and powers under this Agreement as any other Bank and may exercise such rights and powers as though it were not the Agent, and the terms "Bank" and "Banks" include Wachovia in its individual capacity.

10.9 Successor Agent. The Agent may resign as Agent upon 30 days' notice to the Banks. If the Agent resigns under this Agreement, the Required Banks shall appoint from among the Banks a successor administrative agent for the Banks, which successor administrative agent shall be consented to by the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no successor administrative agent is appointed prior to the effective date of the resignation of the Agent, the Agent may appoint, after consulting with the Banks and the Borrower, a successor administrative agent from among the Banks. Upon the acceptance of its appointment as successor administrative agent hereunder, the Person acting as such successor administrative agent shall succeed to all the rights, powers and duties of the retiring Agent, and the term "Agent" shall mean such successor administrative agent, and the retiring Agent's appointment, powers and duties as Agent shall be terminated without any other or further act or deed on the part of such retiring Agent or any other Bank. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article X and Sections 12.4 and 12.5 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor administrative agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Banks shall perform all of the duties of the Agent hereunder until such time, if any, as the Required Banks appoint a successor agent as provided for above.

10.10 Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Obligor, the Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Banks and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Banks and the Agent and their respective agents and counsel and all other amounts due the Banks and the Agent under Sections 2.10, 3.8 and 12.4) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bank to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Banks, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.10 and 12.4.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Bank or to authorize the Agent to vote in respect of the claim of any Bank in any such proceeding.

10.11 Collateral and Guaranty Matters. The Banks irrevocably authorize the Agent, at its option and in its discretion, to the extent applicable,

(a) to release any Lien, if any, on any property granted to or held by the Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations) (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to Section 12.1, if approved, authorized or ratified in writing by the Required Banks;

(b) to subordinate any Lien on any property granted to or held by the Agent under any Loan Document to the holder of any Purchase Money Lien; and

(c) to release any Restricted Subsidiary from its obligations under the Subsidiary Guarantee if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Agent at any time, each Bank will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Restricted Subsidiary from its obligations under the Subsidiary Guarantee pursuant to this Section 10.11.

10.12 Other Agents; Arranger and Managers. None of the Banks or other Persons identified on the facing page or signature pages of this Agreement as a "syndication agent," "co-documentation agent," "co-agent," "book manager," "lead manager," "arranger," "lead arranger" or "co-arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than, in the case of such Banks, those applicable to all Banks as such. Without limiting the foregoing, none of the Banks or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Bank. Each Bank acknowledges that it has not relied, and will not rely, on any of the Banks or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

10.13 Withholding Tax. (a) (i) Each Bank that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "***Foreign Bank***") shall deliver to the Agent, prior to receipt of any payment subject to withholding under the Code (or upon accepting an assignment of an interest herein), two duly signed completed copies of either IRS Form W-8BEN or any successor thereto (relating to such Foreign Bank and entitling it to an exemption from, or reduction of, withholding tax on all payments to be made to such Foreign Bank by the Borrower pursuant to this Agreement) or IRS Form W-8ECI or any successor thereto (relating to all payments to be made to such Foreign Bank by the Borrower pursuant to this Agreement) or such other evidence satisfactory to the Borrower and the Agent that such Foreign Bank is entitled to an exemption from, or reduction of, U.S. withholding tax, including any exemption pursuant to Section 881(c) of the Code. Thereafter and from time to time, each such Foreign Bank shall (A) promptly submit to the Agent such additional duly completed and signed copies of one of such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxing authorities) as may then be available under then current United States laws and regulations to avoid, or such evidence as is satisfactory to the Borrower and the Agent of any available exemption from or reduction of, United States withholding taxes in respect of all payments to be made to such Foreign Bank by the Borrower pursuant to this Agreement, (B) promptly notify the Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (C) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Bank, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable laws that the Borrower make any deduction or withholding for taxes from amounts payable to such Foreign Bank.

(ii) Each Foreign Bank, to the extent it does not act or ceases to act for its own account with respect to any portion of any sums paid or payable to such Bank under any of the Loan Documents (for example, in the case of a typical participation by such Bank), shall deliver to the Agent on the date when such Foreign Bank ceases to act for its own account with respect to any portion of any such sums paid or payable, and at such other times as may be necessary in the determination of the Agent (in the reasonable exercise of its discretion), (A) two duly signed completed copies of the forms or statements required to be provided by such Bank as set forth above, to establish the portion of any such sums paid or payable with respect to which such Bank acts for its own account that is not subject to U.S. withholding tax, and (B) two duly signed completed copies of IRS Form W-8IMY (or any successor thereto), together with any information such Bank chooses to transmit with such form, and any other certificate or statement of exemption required under the Code, to establish that such Bank is not acting for its own account with respect to a portion of any such sums payable to such Bank.

(iii) The Borrower shall not be required to pay any additional amount to any Foreign Bank under Section 4.1 (A) with respect to any Taxes required to be deducted or withheld on the basis of the information, certificates or statements of exemption such Bank transmits with an IRS Form W-8BEN, W-8ECI or W-8IMY pursuant to this Section 10.13(a) or (B) if such Bank shall have failed to satisfy the foregoing provisions of this Section 10.13(a); provided that if such Bank shall have satisfied the requirement of this Section 10.13(a) on the date such Bank became a Bank or ceased to act for its own account with respect to any payment under any of the Loan Documents, nothing in this Section 10.13(a) shall relieve the Borrower of its obligation to pay any amounts pursuant to Section 4.1 in the event that, as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof, such Bank is no longer properly entitled to deliver forms, certificates or other evidence at a subsequent date establishing the fact that such Bank or other Person for the account of which such Bank receives any sums payable under any of the Loan Documents is not subject to withholding or is subject to withholding at a reduced rate.

(iv) The Agent may, without reduction, withhold any Taxes required to be deducted and withheld from any payment under any of the Loan Documents with respect to which the Borrower is not required to pay additional amounts under Section 4.1.

(b) Upon the request of the Agent, each Bank that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Agent two duly signed completed copies of IRS Form W-9. If such Bank fails to deliver such forms, then the Agent may withhold from any interest payment to such Bank an amount equivalent to the applicable back-up withholding tax imposed by the Code, without reduction.

(c) If any Governmental Authority asserts that the Agent did not properly withhold or backup withhold, as the case may be, any tax or other amount from payments made to or for the account of any Bank, such Bank shall indemnify the Agent therefor, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, and costs and expenses (including Attorney Costs) of the Agent. The obligation of the Banks under this Section shall survive the termination of the Commitments, repayment of all other Obligations hereunder and the resignation of the Agent.

ARTICLE XI

GUARANTEE

11.1 Each Guaranteed Obligation. Each Guarantor, jointly and severally, irrevocably and unconditionally guarantees the Obligations; provided, however, that each Guarantor shall be liable under this Agreement for the maximum amount of such liability that can be hereby incurred without rendering this Agreement, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount. Each Guarantor understands, agrees and confirms that the Agent may enforce this Article XI up to the full amount of the Obligations against each Guarantor, subject as aforesaid, without proceeding against the Borrower, against any security for the Obligations, or under any other Guaranty covering the Obligations.

11.2 Obligations Exclusive. The liability of each Guarantor hereunder is exclusive and independent of any security for or other Guaranty Obligation of the Obligations whether executed by such Guarantor, any other Guarantor, any other guarantor or by any other party, and the liability of each Guarantor hereunder shall not be affected or impaired by (a) any direction as to application of payment by the Borrower or by any other party, or (b) any other continuing or other Guaranty, undertaking or maximum liability of a guarantor or of any other party as to the Indebtedness of the Borrower, or (c) any payment on or in reduction of any such other Guaranty Obligation or undertaking except to the extent such payment is applied to the Obligations or such reduction results from application of a payment to the Obligations, or (d) any dissolution, termination or increase, decrease or change in personnel by the Borrower, or (e) any payment made to any Bank or the Agent on the amounts which the Banks or the Agent repay the Borrower pursuant to a court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each Guarantor waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding.

11.3 Obligations Independent. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor, any other guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor, any other guarantor or the Borrower and whether or not any other Guarantor, any other guarantor or the Borrower be joined in any such action or actions. Each Guarantor waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Borrower or other circumstance which operates to toll any statute of limitations as to the Borrower shall operate to toll the statute of limitations as to each Guarantor.

11.4 Waiver of Notice. Each Guarantor hereby waives notice of acceptance of this Agreement and notice of any liability to which it may apply, and waives promptness, diligence, presentment, demand of payment, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking of other action by the Agent or any Bank against, and any other notice to, any party liable thereon (including such Guarantor or any other guarantor).

11.5 Guarantee of Payment. This Agreement is a guarantee of payment and not of collection. The Agent or any Bank may at any time and from time to time without the consent of, or notice to, any Guarantor, without incurring responsibility to such Guarantor, without impairing or releasing the obligations of such Guarantor hereunder, upon or without any terms or conditions and in whole or in part:

(i) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew or alter, any of the Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the guarantee made in this Agreement shall apply to the Obligations as so changed, extended, renewed or altered;

(ii) sell, exchange, release, surrender, realize upon or otherwise deal with, in any manner and in any order, any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset thereagainst;

(iii) exercise or refrain from exercising any rights against the Borrower or any Guarantor or others or otherwise act or refrain from acting;

(iv) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Borrower to creditors of the Borrower;

(v) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of the Borrower to the Banks regardless of what liabilities of the Borrower remain unpaid;

(vi) consent to or waive any breach of, or any act, omission or default under any Senior Indebtedness, any documents evidencing the Senior Indebtedness, or any of other instrument or agreement, or otherwise amend, modify or supplement the Senior Indebtedness, any documents evidencing the Senior Indebtedness, or any other instrument or agreement; and/or

(vii) fail to perfect any Lien that may be granted to the Agent or to or for the benefit of any of the Banks to secure any of the Obligations.

11.6 Obligations Unconditional. (a) The obligations of each Guarantor under this Agreement are absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated (except in accordance with the terms hereof) or otherwise affected by, any circumstance or occurrence whatsoever, including without limitation: (i) any action or inaction by the Agent or the Banks as contemplated in Section 11.5; (ii) any invalidity, irregularity or unenforceability of all or part of the Obligations or of any security therefor; or (iii) to the extent permitted by applicable law, any other act or circumstance that might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor. The obligations of each Guarantor hereunder are primary obligations of each Guarantor.

(b) The obligations of each Guarantor hereunder shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower in respect of the Obligations is rescinded or must be otherwise returned by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

11.7 Continuing Guarantee. This Agreement is a continuing one and all liabilities to which it applies (or may apply) under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of the Agent or any Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Agent or any Bank would otherwise have. No notice to or demand on any Guarantor in any case shall (i) entitle such Guarantor to any other further notice or demand in similar or other circumstances except for any notice or demand required hereunder or (ii) constitute a waiver of the rights of the Agent or any Bank to any other or further action in any circumstances without notice or demand. It is not necessary for the Agent or any Bank to inquire into the capacity or powers of the officers, directors, partners or agents acting or purporting to act on behalf of any Guarantor or the Borrower, and any Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

11.8 Subordination. Any Indebtedness of the Borrower now or hereafter held by any Guarantor, whether arising by subrogation, contribution or otherwise, is hereby subordinated to the Obligations as provided for below; and such Indebtedness of the Borrower to any Guarantor, if the Agent, after an Event of Default has occurred and is continuing, so requests, shall be collected, enforced and received by such Guarantor as trustee for the Banks and be paid over to the Agent on account of the Obligations, but without affecting or impairing in any manner the liability of such Guarantor under the other provisions of this Agreement. Prior to the transfer to any non-Affiliate by any Guarantor of any note or negotiable instrument evidencing any Indebtedness of the Borrower to such Guarantor, such Guarantor shall mark such note or negotiable instrument with a legend, acceptable to the Agent, that the same is subject to this subordination.

11.9 Exhaustion of Remedies. (a) Each Guarantor waives any right (except as shall be required by applicable statute and cannot be waived) to require the Agent or the Banks to (i) proceed against the Borrower, any other Guarantor or any other Person, (ii) proceed against or exhaust any security held from the Borrower, any other Guarantor or any other Person or (iii) pursue any other remedy in the Agent's or the Banks' power whatsoever. Each Guarantor waives any defense based on or arising out of any defense of the Borrower, any other Guarantor or any other Person other than payment in full of the Obligations, including without limitation any defense based on or arising out of the disability of the Borrower, any other Guarantor or any other party, or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower other than payment in full of the Obligations. The Agent on behalf of the Banks may, at its election, foreclose on any security held by the Agent or the Banks by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy the Agent or the Banks may have against the Borrower or any other Person, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been paid. Each Guarantor waives any defense arising out of any such election by the Agent or the Banks, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Person or any security.

(b) Each Guarantor waives all presentments, demands for performance, protests and notices, including without limitation notices of nonperformance, notice of protest, notices of dishonor, notices of acceptance of this Agreement, and notices of the existence, creation or incurring of new or additional Indebtedness. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Agent and the Banks shall have no duty to advise any Guarantor of information known to them regarding such circumstances or risks.

(c) Each Guarantor understands, is aware and hereby acknowledges that to the extent the Obligations are secured by real property located in the State of California, such Guarantor shall be liable for the full amount of its liability hereunder notwithstanding foreclosure on such real property by trustee sale or any other reason impairing each Guarantor's or the Agent's or any Bank's right to proceed against the Borrower. Each Guarantor hereby waives, to the fullest extent permitted by law, all rights and benefits under Section 2809 of the California Civil Code purporting to reduce a guarantor's obligation in proportion to the principal obligation. Each Guarantor hereby waives all rights and benefits under Section 580a of the California Code of Civil Procedure purporting to limit the amount of any deficiency judgment which might be recoverable following the occurrence of a trustee's sale under a deed of trust and all rights and benefits under Section 580b of the California Code of Civil Procedure stating that no deficiency judgment may be recovered on a real property purchase money obligation. Each Guarantor further understands, is aware and hereby acknowledges that if the Agent on behalf of the Banks elects to nonjudicially foreclose on any real property security located in the State of California, any right of subrogation of the Guarantors against the Agent or the Banks may be impaired or extinguished and that as a result of such

impairment or extinguishment of subrogation rights, each Guarantor will have a defense to a deficiency judgment arising out of the operation of (i) Section 580d of the California Code of Civil Procedure which states that no deficiency judgment may be recovered on a note secured by a deed of trust on real property in case such real property is sold under the power of sale contained in such deed of trust, and (ii) related principles of estoppel. To the fullest extent permitted by law, each Guarantor hereby waives all rights and benefits and any defense arising out of the operation of Section 580d of the California Code of Civil Procedure and related principles of estoppel, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other party or any security. In addition, each Guarantor hereby waives, to the fullest extent permitted by applicable law and without limiting the generality of the foregoing or any other provision hereof, all rights and benefits which might otherwise be available to such Guarantor under Section 726 of the California Code of Civil Procedure and all rights and benefits which might otherwise be available to such Guarantor under California Civil Code Sections 2809, 2810, 2815, 2819, 2821, 2839, 2845, 2848, 2849, 2850, 2899, 3275 and 3433 (and any analogous or successor provisions to such Sections). Furthermore, each Guarantor hereby waives, to the fullest extent permitted by law, the benefits of the provisions of Nevada Revised Statutes §§ 40.430 et seq., 40.451 et seq., and 40.465 et seq. (and any analogous or successor provisions to such Sections).

(d) Each Guarantor agrees that, as between such Guarantor and the Agent and Banks, the Obligations may be declared to be forthwith due and payable (and shall be deemed to have become automatically due and payable) in accordance with the terms thereof for purposes of Section 11.1 hereof notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing such Obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such Obligations being deemed to have become automatically due and payable) such Obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by each Guarantor for purposes of Section 11.1.

11.10 Reinstatement. If claim is ever made upon the Agent or any Bank for repayment or recovery of any amount or amounts received in payment or on account of any of the Obligations and any of the aforesaid payees repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (b) any settlement or compromise of any such claim effected by such payee with any such claimant (including the Borrower), then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or other instrument evidencing any liability of the Borrower, and such Guarantor shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

ARTICLE XII

MISCELLANEOUS

12.1 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Obligor or any other Credit Party therefrom, shall be effective unless in writing signed by the Required Banks and the Borrower, and acknowledged by the Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall, unless in writing and signed by all the Banks and the Borrower do any of the following:

(a) increase or extend the Commitment of any Bank (or reinstate any Commitment terminated pursuant to Section 9.2);

(b) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Banks (or any of them) hereunder or under any other Loan Document;

(c) reduce the principal of, or the rate of interest specified herein on any Loan, or (subject to clause (iv) below) any fees or other amounts payable hereunder or under any other Loan Document;

(d) change the definition of "Required Banks" or change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans which is required for the Banks or any of them to take any action hereunder;

(e) amend this Section, or Section 2.14, or any provision herein providing for consent or other action by all Banks;

(f) release either or both of the Guarantors from their obligations under Article XI hereof;

(g) release all or substantially all of the Restricted Subsidiaries from their obligations under the Subsidiary Guarantee; or

(h) release all or substantially all the collateral, if any, securing the Obligations;

and, provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Required Banks or all the Banks, as the case may be, affect the rights or duties of the Agent under this Agreement or any other Loan Document, as the case may be, and (ii) the fee letter may be amended, or rights or privileges thereunder waived, in a writing executed by the parties thereto.

In connection with a proposed merger, consolidation or sale of all or substantially all of the assets of the Borrower in accordance with Section 8.8(a)(iii) or (b)(iii) to a corporation, the parties agree (i) to effect, simultaneously with such transaction, all necessary and appropriate modifications to the terms and conditions of this Agreement and the other Loan Documents to which it is a party (including without limitation the ability of the Borrower to make payments under Section 8.5, taking into account the effect of any change in the tax status of the Borrower on its financial condition and the applicable financial covenants) to reflect the corporate existence of such successor corporation and any other matters in form acceptable to the Required Banks, provided, that such modified terms and conditions convey to the parties substantially the same rights and obligations provided under the Loan Documents to which it is a party immediately prior to such transaction, and (ii) that any Default described in Section 9.1(j) which would result from such transaction shall not be asserted by the Agent or any Bank if after giving effect to such transaction UGI shall own directly or indirectly at least 51% of the voting shares of the corporation that is the successor to the Borrower.

In the event a Bank or Participant (as hereinafter defined) shall refuse to enter into or consent to any amendment, waiver or other modification of any provision of this Agreement or any other Loan Document, and such Bank's or Participant's consent is necessary for such amendment, waiver or modification to become effective, the Borrower may pay Obligations outstanding to any such nonconsenting Bank or to any Originating Bank having participated interests to any such nonconsenting Participant and reduce or eliminate any such Bank's Commitment; provided, that the Borrower may take such action only if Banks representing at least 80% of the outstanding Commitments necessary therefor have entered into or consented to such amendment, waiver or modification and no Default or Event of Default then exists.

12.2 Notices and Other Communications; Facsimile Copies. (a) General. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or (subject to subsection (c) below) electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, if to the Borrower, the Agent, or any Bank, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 12.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties. All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (c) below), when delivered; provided, however, that notices and other communications to the Agent, pursuant to Article II, shall not be effective until actually received by Agent. In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

(b) Effectiveness of Facsimile Documents and Signatures. Loan Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually-signed originals and shall be binding on all Credit Parties, the Agent and the Banks. The Agent may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided, however, that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

(c) Reliance by Agent and Banks. The Agent and the Banks shall be entitled to rely and act upon any notices (including telephonic Notices of Borrowing) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify each Agent-Related Person and each Bank from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

12.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Bank, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

12.4 Costs and Expenses. The Borrower shall:

(a) whether or not the transactions contemplated hereby are consummated, pay or reimburse Wachovia (including in its capacity as Agent) within five Business Days after demand and receipt by the Borrower of reasonable supporting documentation for all reasonable costs and expenses incurred by Wachovia (including in its capacity as Agent) in connection with the development, preparation, delivery, administration and execution of this Agreement, any Loan Document and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including Attorney Costs (excluding allocated costs of internal legal counsel) incurred by Wachovia (including in its capacity as Agent) with respect thereto; and

(b) pay or reimburse the Agent within five Business Days after demand and receipt by the Borrower of reasonable supporting documentation for all reasonable costs and expenses incurred by the Agent in connection with any amendment, supplement, waiver or modification to (in each case, whether or not consummated), this Agreement, any Loan Document and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including Attorney Costs incurred by the Agent with respect thereto (provided, that the fees of any law firm or other external counsel, and the allocated costs of internal legal services, shall not both be reimbursed with respect to any amendment, supplement, waiver or modification relating to the same or any substantially similar matter); and

(c) pay or reimburse the Agent, the Arranger and each Bank within five Business Days after demand and receipt by the Borrower of reasonable supporting documentation for all reasonable costs and expenses (including Attorney Costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Loan Document during the existence of an Event of Default or after acceleration of the Loans (including in connection with any "workout" or restructuring regarding the Loans, and including in any Insolvency Proceeding or appellate proceeding).

The foregoing costs and expenses shall include all search, filing, recording, title insurance and fees and taxes related thereto incurred by the Agent, and, with respect to those costs and expenses referred to in Section 12.4(b) or 12.4(c) above, the reasonable cost of independent public accountants, appraisers and other outside experts retained by the Agent. The agreements in this Section shall survive the termination of the Commitments and repayment of all other Obligations.

12.5 Indemnity. Whether or not the transactions contemplated hereby are consummated, the Obligors shall indemnify and hold harmless each Agent-Related Person, the Arranger, each Bank and their respective affiliates, directors, officers, employees and agents (collectively, the "***Indemnified Parties***") from and against any and all losses, claims, damages (other than consequential or exemplary damages), liabilities and reasonable out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of counsel, amounts paid in settlement and court costs) (collectively, the "***Indemnified Liabilities***") which may be incurred by any such Indemnified Party as a result of a claim by a third party or asserted by a third party against any such Indemnified Party, in each case, in connection with or arising out of or in any way relating to or resulting from any transaction or proposed transaction (whether or not consummated) contemplated to be financed with the proceeds of any Loan or other financial accommodation contemplated hereby, and the Obligors hereby agree to reimburse each such Indemnified Party for any Attorneys' Costs or other out-of-pocket expenses incurred in connection with investigating, defending or participating in any action or proceeding (whether or not such Indemnified Party is a party to such action or proceeding) out of which any such losses, claims, damages, liabilities or expenses may arise; provided, however, that the Obligors shall not be required to reimburse the expenses of more than one counsel for all Indemnified Parties except to the extent that different Indemnified Parties shall have conflicting interests. Notwithstanding anything herein to the contrary, the Obligors shall not be liable or responsible for losses, claims, damages, costs and expenses incurred by any Indemnified Party arising out of or relating to such Indemnified Party's own gross negligence or willful misconduct as either determined in a final, nonappealable judgment by a court of competent jurisdiction or otherwise agreed to in writing by such Indemnified Party and the Obligors. If for any reason the indemnification provided for herein is unavailable to any Indemnified Party or insufficient to hold it harmless as and to the extent contemplated hereby, then the Obligors hereby agree to contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect the relative benefits received by the Obligors, on the one hand, and such Indemnified Party, on the other hand, and also the respective fault of the Obligors, on the one hand, and such Indemnified Party, on the other hand, as the case may be, as well as any other relevant equitable considerations. This Section 12.5 shall survive the termination of this Agreement.

12.6 Liability. (a) The liability of the Obligors hereunder and under the Loan Documents shall be absolute, unconditional and irrevocable irrespective of:

(i) any lack of validity, legality or enforceability of this Agreement, any Note or any other Loan Document;

(ii) the failure of any Bank

(A) to enforce any right or remedy against any other Person (including any guarantor) under the provisions of this Agreement, the Note, any other Loan Document or otherwise, or

(B) to exercise any right or remedy against any guarantor of, or collateral, if any, securing, any Obligations;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise or renewal of any Obligations;

(iv) any reduction, limitation, impairment or termination of any Obligations with respect to any other Credit Party for any reason including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and the Borrower hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Obligations with respect to any other Credit Party;

(v) any addition, exchange, release, surrender or nonperfection of any collateral, or any amendment to or waiver or release or addition of, or consent to departure from, any guaranty, held by any Bank securing any of the Obligations; or

(vi) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any other Credit Party, any surety or any guarantor.

The Borrower agrees that its liability hereunder shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must be restored by any Bank, upon the insolvency, bankruptcy or reorganization of the Borrower as though such payment had not been made.

The Obligors hereby expressly waive: (a) notice of the Banks' acceptance of this Agreement; (b) notice of the existence or creation or non-payment of all or any of the Obligations; (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever other than notices expressly provided for in this Agreement and (d) all diligence in collection or protection of or realization upon the Obligations or any thereof any obligation hereunder, or any security for or guaranty of any of the foregoing.

No delay on any of the Banks' part in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by any of the Banks of any right or remedy, shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of any of the Banks permitted hereunder shall in any way affect or impair any such Banks' rights or Obligors' obligations under this Agreement.

Each Obligor hereby represents and warrants to each of the Banks that it now has and will continue to have independent means of obtaining information concerning the other Obligors' affairs, financial condition and business. The Banks shall not have any duty or responsibility to provide any Obligor with any credit or other information concerning the Obligors' Subsidiaries' affairs, financial condition or business which may come into the Banks' possession. Each of the Obligors agrees that any action or notice which is required or authorized to be taken or given or received under this Agreement or any of the Loan Documents shall be taken, given or received by the Borrower acting on behalf of the other Credit Parties (and not by Petrolane or the General Partner), and the other Credit Parties agree to be bound by, and authorizes the Agent and each Bank to rely upon, any such action or notice as if fully authorized by each of the Obligors.

12.7 Payments Set Aside. To the extent that the Borrower makes a payment to the Agent or the Banks, or the Agent or the Banks exercise their right of set-off, and such payment or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Bank severally agrees to pay to the Agent upon demand its pro rata share of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

12.8 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no Obligors may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Agent and each Bank. Any attempted assignment in violation of this provision shall be null and void.

12.9 Assignments, Participations, etc. (a) Any Bank may, with the written consent of the Borrower and the Agent, which consent of the Borrower shall not be unreasonably withheld, at any time assign and delegate to one or more Eligible Assignees (provided, that no written consent of the Borrower or the Agent shall be required in connection with any assignment and delegation by a Bank to (x) an Eligible Assignee that is an Affiliate of such Bank or (y) another Bank (each an "***Assignee***")) all, or any ratable part of all, of the Loans, the Commitments and the other rights and obligations of such Bank hereunder, in a minimum amount of $5,000,000; provided, however, that the Borrower and the Agent may continue to deal solely and directly with such Bank in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower and the Agent by such Bank and the Assignee; (ii) such Bank and its Assignee shall have delivered to the Borrower and the Agent an Assignment and Acceptance in the form of Exhibit D (an "***Assignment and Acceptance***") and (iii) the assignor Bank or Assignee has paid to the Agent a processing fee in the amount of $4,000; and provided, further, each Bank's Pro Rata Share shall be the same in each type of Commitment.

(b) From and after the date that the Agent notifies the assignor Bank that it has received (and the Borrower and the Agent have provided their consent with respect to) an executed Assignment and Acceptance and payment of the above-referenced processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Bank under the Loan Documents, and (ii) the assignor Bank shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under the Loan Documents (and, in the case of an Assignment and Acceptance covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 4.1, 4.3, 4.4, 12.4 and 12.5 with respect to facts and circumstances occurring prior to the effective date of such assignment).

(c) Within five Business Days after its receipt of notice by the Agent that it has received an executed Assignment and Acceptance and payment of the processing fee (and provided, that the Borrower consents to such assignment in accordance with Section 12.9(a)), the Borrower shall, if requested by the Assignee or the assignor Bank thereunder, execute and deliver to the Agent new Notes evidencing such Assignee's assigned Loans and Commitments and, if the assignor Bank has retained a portion of its Loans and its Commitment, replacement Notes in the principal amount of the Loans and Commitments retained by the assignor Bank (such Notes to be in exchange for, but not in payment of, the Notes held by such Bank) and the assignor Bank shall deliver its Note or Notes marked "exchanged" or "cancelled," as applicable, to the Agent. Immediately upon payment of the processing fee payment under the Assignment and Acceptance and the satisfaction of the other conditions set forth in Section 12.9(a), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce such Commitments of the assigning Bank pro tanto.

(d) The Agent shall maintain at its address referred to in Schedule 12.2 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Banks and the Commitment of, and principal amount of the Loans owing to, each Bank from time to time (the "***Register***"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent and the Banks may treat each Person whose name is recorded in the Register as a Bank hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Bank at any reasonable time and from time to time upon reasonable prior notice. Any assignment of any Loan or other obligations shall be effective only upon an entry with respect thereto being made in the Register.

(e) Any Bank may at any time sell to one or more commercial banks or other Persons not Affiliates of the Borrower (a "***Participant***") participating interests in any Loans, the Commitment of that Bank and the other interests of that Bank (the "***Originating Bank***") hereunder and under the other Loan Documents; provided, however, that (i) the Originating Bank's obligations under this Agreement shall remain unchanged, (ii) the Originating Bank shall remain solely responsible for the performance of such obligations, (iii) the Borrower, the Agent, and the other Banks shall continue to deal solely and directly with the Originating Bank in connection with the Originating Bank's rights and obligations under this Agreement and the other Loan Documents. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 12.1 that directly affects such Participant. In the case of any such participation, the Participant shall be entitled to the benefit of Sections 4.1, 4.3, 4.4 and 12.5 as though it were also a Bank hereunder (but not in any greater amounts than would have been payable to the Bank selling the participation if no participation were sold), and not have any rights under this Agreement, or any of the other Loan Documents, and all amounts payable by the Borrower hereunder shall be determined as if such Bank had not sold such participation; except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Bank under this Agreement, provided such Participant agrees to be subject to Section 2.14 as though it were a Bank.

(f) Nothing contained in this Agreement shall prevent a Bank from pledging its interest in its Loans to a Federal Reserve Bank in the Federal Reserve System of the United States in accordance with applicable law.

(g) After payment in full of, and satisfaction of all Obligations under, any Note, the Bank or other party holding such Note agrees to promptly return such Note marked "Paid in Full" to the Borrower.

(h) Notwithstanding the foregoing provisions of this Section 12.9, no assignment or participation may be made if such assignment or participation involves, or could involve, the use of assets that constitute, or may be deemed under ERISA, the Code or any other applicable law, or any ruling or regulation issued thereunder, or any court decision, to constitute the assets of any employee benefit plan (as defined in section 3(3) of ERISA) or any plan as defined in section 4975(e)(1) of the Code).

12.10 Confidentiality. (a) Each of the Agent and the Banks agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (ii) to the extent requested by any regulatory authority; (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (iv) to any other party to this Agreement; (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder; (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (x) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of the Credit Parties; (vii) with the written consent of the Borrower; (viii) to the extent such Information (ix) becomes publicly available other than as a result of a breach of this Section or (x) becomes available to the Agent or any Bank on a nonconfidential basis from a source other than a Credit Party; or (xi) to the National Association of Insurance Commissioners or any other similar organization.

(b) The Agent and the Banks may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agent and the Banks in connection with the administration and management of this Agreement, the other Loan Documents, the Commitments, and the Credit Extensions; provided, however, that information disclosed by the Agent or any Bank to any such market data collectors or similar service providers shall be of a type generally provided to such Persons in other transactions. For the purposes of this Section 12.10, "***Information***" means all information received from any Credit Party relating to any Credit Party or its business.

(c) The Borrower acknowledges that one or more of the Banks may treat its Loans as part of a transaction that is subject to Treasury Regulation Section 1.6011-4 or Section 301.6112-1, and the Agent and such Bank or Banks, as applicable, may (i) maintain such lists or other records as they may determine are required by such Treasury Regulations and (ii) file such IRS forms as they may determine are required by such Treasury Regulations with written notice by the party making such filing to the Borrower.

(d) Any Person required to maintain the confidentiality of Information as provided in this Section 12.10 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Each of the Agent, the Banks and the Participants shall promptly notify the Borrower of its receipt of any subpoena or similar process or authority, unless prohibited therefrom by the issuing Person.

12.11 Set-off. In addition to any rights and remedies of the Banks provided by law, upon the occurrence and during the continuance of any Event of Default, each Bank is authorized at any time and from time to time, without prior notice to the Borrower or any other Credit Party, any such notice being waived by the Borrower (on their own behalf and on behalf of each Credit Party) to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Bank to or for the credit or the account of the respective Credit Party against any and all Obligations owing to such Bank hereunder or under any other Loan Document, now or hereafter existing, irrespective of whether or not the Agent or such Bank shall have made demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured or denominated in a currency different from that of the applicable deposit or indebtedness. Each Bank agrees promptly to notify the Borrower and the Agent after any such set-off and application made by such Bank; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

12.12 Notification of Addresses; etc. Each Bank shall notify the Agent in writing of any changes in the address to which notices to the Bank should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Agent shall reasonably request.

12.13 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

12.14 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

12.15 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Obligors, the Banks, the Agent and the Agent-Related Persons, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents.

12.16 Governing Law and Jurisdiction. (a) THIS AGREEMENT AND OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK; PROVIDED, THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE OBLIGORS, THE AGENT AND THE BANKS EACH CONSENT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE OBLIGORS, THE AGENT AND THE BANKS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE OBLIGORS, THE AGENT AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

12.17 Waiver of Jury Trial. EACH OF THE OBLIGORS, THE BANKS AND THE AGENT WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE OBLIGORS, THE BANKS AND THE AGENT AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

12.18 Entire Agreement. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; provided, that the inclusion of supplemental rights or remedies in favor of the Agent or the Banks in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

12.19 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "***Maximum Rate***"). If the Agent or any Bank shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Agent or a Bank exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

12.20 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Agent and each Bank, regardless of any investigation made by the Agent or any Bank or on their behalf and notwithstanding that the Agent or any Bank may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

12.21 Patriot Act. Each of the Banks and the Agent hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies the Borrower and the other Credit Parties, which information includes the name and address of the Borrower and the other Credit Parties and other information that will allow such Bank or the Agent, as applicable, to identify the Borrower and the other Credit Parties in accordance with such Act.

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BORROWER:

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: _____
Name: Robert W. Krick
Title: Vice President and Treasurer

GUARANTORS:

AMERIGAS PROPANE, INC.

By: _____
Name: Robert W. Krick
Title: Vice President and Treasurer

PETROLANE INCORPORATED

By: _____
Name: Robert W. Krick
Title: Vice President and Treasurer

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

By: _____
Name: Lawrence P. Sullivan
Title: Managing Director

CITIZENS BANK OF PENNSYLVANIA,
as Syndication Agent and as a Bank

By: _____
Name: Leslie Broderick
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A.,
as Documentation Agent and as a Bank

By: _____
Name: Kenneth Fatur
Title: Managing Director

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EXECUTION COPY

AMENDMENT NO. 1
TO
CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT (this "***Amendment***") dated as of July 1, 2010, is by and among AMERIGAS PROPANE, L.P., a Delaware limited partnership (the "***Borrower***"), AMERIGAS PROPANE, INC., a Pennsylvania corporation (the "***General Partner***"), PETROLANE INCORPORATED, a Pennsylvania corporation ("***Petrolane***"; the General Partner and Petrolane are, on a joint and several basis, the "***Guarantors***"; the Borrower, the General Partner and Petrolane are, on a joint and several basis, the "***Obligors***"), CITIZENS BANK OF PENNSYLVANIA, as Syndication Agent, JPMORGAN CHASE BANK, N.A., as Documentation Agent, the several financial institutions from time to time party to the Credit Agreement (collectively, the "***Banks***"; individually, a "***Bank***") and WELLS FARGO BANK, N.A. (as successor by merger to Wachovia Bank, National Association), as administrative agent for the Banks (the "***Agent***").

WITNESSETH:

WHEREAS, the Borrower, the Guarantors, the Agent, and the Banks are parties to that certain Credit Agreement dated as of April 17, 2009 (as in effect on the date hereof, the "***Credit Agreement***"; terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Credit Agreement);

WHEREAS, the Borrower and Guarantors have requested that the Agent and the Banks agree to certain modifications to the terms of the Credit Agreement, including, without limitation, a request that the Termination Date be extended for a period of 364 days; and

WHEREAS, the Agent and the Banks have agreed to make such modifications on the terms and conditions set forth in this Amendment;

NOW THEREFORE, the parties hereto hereby agree as follows:

Section 1. Amendments. Subject to the satisfaction of the conditions precedent specified in Section 4 below, but effective as of the date hereof, the Credit Agreement shall be amended as follows:

1.01. Definitions.

(a) Section 1.1 of the Credit Agreement shall be amended by amending and restating the following definitions to read as follows:

"***Applicable Margin***" means

(i) with respect to Base Rate Loans, 2.00%; and

(ii) with respect to Eurodollar Rate Loans: 3.00%

"***Termination Date***" means the earlier to occur of:

(a) June 30, 2011; and

(b) the date on which the Commitments terminate in accordance with the provisions of this Agreement.

1.02. Utilization of Existing Credit Agreement. Section 2.1(b) of the Credit Agreement shall be deleted in its entirety and the following is substituted in its place:

"(b) Intentionally omitted."

1.03 Prepayment or Commitment Reductions Under Existing Credit Agreement. Section 2.7(a) of the Credit Agreement shall be deleted in its entirety and the following is substituted in its place:

"(a) Intentionally omitted."

1.04 Utilization of Existing Credit Agreement. Section 5.2(d) of the Credit Agreement shall be deleted in its entirety and the following substituted in its place:

"(d) Intentionally omitted."

Section 2. Up-Front Fee. On the closing date of this Amendment, the Borrower shall pay to the Agent, for the account of each Bank, an amount equal to .375% multiplied by the amount of such Bank's Commitment (the "***Up-Front Fees***").

Section 3. Representations and Warranties. The Borrower and each Guarantor represent and warrant to the Agent and each Bank that:

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

(b) This Amendment has been duly executed and delivered by the Borrower or Guarantor, as applicable, and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval or authorization of, or declaration or filing with, any Governmental Authority is required for the valid execution, delivery and performance of this Amendment.

(d) The representations and warranties set forth in Article VI of the Credit Agreement (Sections 6.1 through 6.14 and Sections 6.17 through 6.23 with respect to the

Borrower; Section 6.15 (and such other Sections of Article VI that are expressly related to Petrolane) with respect to Petrolane; and Section 6.16 (and such other Sections of Article VI that are expressly related to the General Partner) with respect to the General Partner) are true and correct in all material respects on the date hereof as if made on and as of the date hereof (except to the extent such representations and warranties expressly relate to an earlier time or date, in which case they shall have been true and correct in all material respects as of such earlier time or date) and as if each reference in said Article VI to "this Agreement" includes reference to this Amendment and the Credit Agreement as amended by this Amendment.

(e) There has occurred since March 31, 2010, no event or circumstance that has resulted in, or presents a reasonable likelihood of having, a Material Adverse Effect.

(f) No Default or Event of Default under the Credit Agreement has occurred and is continuing on the date hereof (before and after giving effect to the Amendment).

(g) There are no set-offs or defenses against the Notes, the Credit Agreement as amended by this Amendment or any other Loan Document.

Section 4. Conditions Precedent. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent:

4.01. Execution. This Amendment shall have been executed and delivered by the Borrower, the Guarantors, the Agent and the Banks, and the Consent attached hereto (the *"**Consent**")* shall have been executed and delivered by the Restricted Subsidiaries listed therein.

4.02. Documents. The Agent shall have received the following documents, each of which shall be in form and substance satisfactory to the Agent:

(a) Resolutions; Incumbency.

(i) Copies of partnership authorizations and resolutions of the board of directors, as applicable, of the Borrower, each Guarantor and each Restricted Subsidiary party to the Consent authorizing the transactions contemplated hereby to which it is a party, certified as of the date hereof by the Secretary or an Assistant Secretary of such Person; and

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower, each Guarantor and each Restricted Subsidiary party to the Consent certifying the names and true signatures of its officers authorized to execute, deliver and perform, as applicable, on behalf of such Person, the Loan Documents to which it is a party.

(b) Good Standing. A good standing certificate for the Borrower, each Guarantor and each Restricted Subsidiary party to the Consent from the Secretary of State of its state of incorporation or organization, as applicable (in no case earlier than 60 days prior to the date hereof).

(c) Legal Opinions. An opinion of Morgan, Lewis & Bockius LLP, special counsel for the Borrower, each Guarantor and each Restricted Subsidiary party to the Consent, in form and substance reasonably satisfactory to the Agent.

(d) Other Documents. Such other approvals, opinions, documents or materials as the Agent may reasonably request.

4.03. Fees. Receipt by the Agent of all fees required to be received in connection with this Amendment, including, without limitation, the Up-Front Fees payable to the Agent for the account of the Banks.

Section 5. Expenses. The Borrower shall pay (a) all out-of-pocket expenses of the Agent (including reasonable fees and disbursements of counsel for the Agent) in connection with the preparation of this Amendment and any other instruments or documents to be delivered hereunder, any waiver or consent hereunder or thereunder or any amendment hereof or thereof; and (b) all out-of-pocket expenses incurred by the Agent and each of the Banks, including fees and disbursements of counsel for the Agent and each Bank, in connection with any Event of Default and collection and other enforcement proceedings resulting therefrom, including out-of-pocket expenses incurred in enforcing the Credit Agreement as amended by this Amendment, and the other Loan Documents.

Section 6. General. References (i) in the Credit Agreement (including references to the Credit Agreement as amended hereby) to "this Agreement" (and indirect references such as "hereunder," "hereof and words of like import referring to the Credit Agreement), and (ii) in the other Loan Documents to "the Credit Agreement" and "the Agreement" (and indirect references such as "thereunder," "thereof" and words of like import referring to the Credit Agreement) shall be deemed to be references to the Credit Agreement as amended by this Amendment.

Section 7. Miscellaneous. Except as herein provided, the Credit Agreement and all other Loan Documents shall remain unchanged and shall continue to be in full force and effect and are hereby ratified and confirmed in all respects. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of an executed counterpart of a signature page to this Amendment by telefacsimile or by email in portable document format (".pdf") shall constitute delivery of a manually executed counterpart of this Amendment. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BORROWER:

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: /s/ Robert W. Krick
Name: Robert W. Krick
Title: Vice President and Treasurer

GUARANTORS:

AMERIGAS PROPANE, INC.

By: /s/ Robert W. Krick
Name: Robert W. Krick
Title: Vice President and Treasurer

PETROLANE INCORPORATED

By: /s/ Robert W. Krick
Name: Robert W. Krick
Title: Vice President and Treasurer

Signature Page
to
Amendment No. 1 to Credit Agreement
(AmeriGas Propane, L.P.)

WELLS FARGO BANK, N.A. (as successor by merger to Wachovia Bank, National Association), as Agent and as a Bank

By: /s/ Allison Newman
Name: Allison Newman
Title: Vice President

Signature Page
to
Amendment No. 1 to Credit Agreement
(AmeriGas Propane, L.P.)

CITIZENS BANK OF PENNSYLVANIA,
as Syndication Agent and as a Bank

By: /s/ Leslie D. Broderick
Name: Leslie D. Broderick
Title: SVP

Signature Page
to
Amendment No. 1 to Credit Agreement
(AmeriGas Propane, L.P.)

JPMORGAN CHASE BANK, N.A.,
as Documentation Agent and as a Bank

By: /s/ Helen O. Davis
Name: Helen O. Davis
Title: Vice President

Signature Page
to
Amendment No. 1 to Credit Agreement
(AmeriGas Propane, L.P.)

CONSENT

Each of the undersigned hereby acknowledges receipt of the foregoing Amendment and hereby acknowledges and reaffirms that its Subsidiary Guarantee shall remain in full force and effect and is hereby ratified and confirmed in all respects notwithstanding the execution of such Amendment and the consummation of the transactions described or otherwise contemplated therein. Each of the undersigned hereby acknowledges, confirms and ratifies its obligations under the Subsidiary Guarantee are valid and binding obligations upon it. Each of the undersigned further acknowledges that it possesses no defense, offset, counterclaim, or cross-claim whatsoever to the enforcement of such Subsidiary Guarantee.

Date: July 1, 2010

AMERIGAS PROPANE PARTS & SERVICE, INC.

By: /s/ Robert W. Krick
Name: Robert W. Krick
Title: Vice President and Treasurer

AMERIGAS EAGLE PROPANE, INC.

By: /s/ Robert W. Krick
Name: Robert W. Krick
Title: Vice President and Treasurer

AMERIGAS EAGLE HOLDINGS, INC.

By: /s/ Robert W. Krick
Name: Robert W. Krick
Title: Vice President and Treasurer

AMERIGAS EAGLE PROPANE, L.P.

By: AMERIGAS EAGLE HOLDINGS, INC., its general partner

By: /s/ Robert W. Krick
Name: Robert W. Krick
Title: Vice President and Treasurer

AMERIGAS EAGLE PARTS & SERVICE, INC.

By: /s/ Robert W. Krick
Name: Robert W. Krick
Title: Vice President and Treasurer

Signature Page
to
Amendment No. 1 to Credit Agreement
(AmeriGas Propane, L.P.)

SCHEDULE 2.1

COMMITMENTS

BANK	**REVOLVING COMMITMENT**
Wachovia Bank, National Association	$ 25,000,000.00
JPMorgan Chase Bank, N.A.	$ 25,000,000.00
Citizens Bank of Pennsylvania	$ 25,000,000.00
TOTAL	$ **75,000,000.00**

SCHEDULE 6.2

PARTNERSHIP INTERESTS; SUBSIDIARIES; RESTRICTED SUBSIDIARIES; OTHER INVESTMENTS

Subsidiaries:

AmeriGas Propane Parts & Service, Inc.

AmeriGas Eagle Propane, Inc. (formerly Columbia Propane Corporation)

AmeriGas Eagle Holdings, Inc. (formerly CP Holdings, Inc.)

AmeriGas Eagle Propane, L.P. (formerly Columbia Propane, L.P.)

AmeriGas Eagle Parts & Service, Inc.

Active Propane of Wisconsin, LLC (formerly AmeriGas, LLC)

AmerE Holdings, Inc.

Investments:

AmeriGas Propane, L.P. holds a note payable by AmeriGas Eagle Propane, L.P. in the amount of $137,997,000 (the "Intercompany Note")

SCHEDULE 6.3

FOREIGN QUALIFICATIONS

AmeriGas Propane, L.P.	All fifty states of the United States and the District of Columbia, with the exception of Delaware, the state of organization
AmeriGas Propane, Inc.	All fifty states of the United States and the District of Columbia, with the exception of Pennsylvania, the state of organization
Petrolane Incorporated	None
Restricted Subsidiaries	
AmeriGas Eagle Propane, L.P.	The following states, Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware (State of Organization), Florida (DBA AmeriGas Propane), Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Lousiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia (DBA Commonwealth Propane), West Virginia, Wisconsin, Wyoming
AmeriGas Eagle Parts & Service, Inc.	The following states, Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, Ohio, Pennsylvania (State of Organization) Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, Wisconsin, Wyoming
AmeriGas Eagle Holdings, Inc.	Alabama, Arkansas, California, Delaware (State of Organization), Florida, Illinois, Maine, Massachusetts, Michigan,

	Mississippi, North Dakota, Ohio, Pennsylvania, South Carolina, Utah, Virginia, West Virginia, Wisconsin
AmeriGas Propane Parts & Service, Inc.	All fifty states of the United States and the District of Columbia, with the exception of Pennsylvania, the state of organization
AmeriGas Eagle Propane, Inc.	Pennsylvania (DBA Commonwealth Propane, Inc.)

SCHEDULE 6.7

PERMITTED INDEBTEDNESS

AMERIGAS PROPANE, LP (OLP and AEP)
NOTES PAYABLE AND OTHER DEBT

	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013	TOTAL
NOTES PAYABLE:						
Rock Creek Energy	$ 200,000	—	—	—	—	$ 200,000
TOTAL NOTES PAYABLE	**200,000**	—	—	—	—	**200,000**
NON COMPETES/CONSULTING AGREEMENTS:						
DeSoto	60,000	60,000	—	—	—	120,000
Basin Propane	35,000	35,000	35,000	35,000	10,000	150,000
Basin Propane	5,000	5,000	—	—	—	10,000
Scott Gas, Inc	162,000	162,000	162,000	162,000	—	648,000
Wellington Oil & Gas	170,000	170,000	170,000	170,000	170,000	850,000
Dampman Sturges (CPC)	45,000	—	—	—	—	45,000
Gutermuth Gas & Appliance Co.	53,000	—	—	—	—	53,000
Choice Propane	50,000	—	—	—	—	50,000
Carroll Independent Fuel	100,000	—	—	—	—	100,000
Willows Gas	40,000	40,000	40,000	—	—	120,000
All Seasons Propane	60,000	60,000	60,000	60,000	—	240,000
Nichols LP Gas Services	67,200	67,200	67,200	67,200	67,200	336,000
TOTAL NON COMPETES/CONSULTING AGREEMENTS:	**847,200**	**599,200**	**534,200**	**494,200**	**247,200**	**2,722,000**
TOTAL NOTES PAYABLE & NON COMPETES/CONSULTING AGREEMENTS:	**$1,047,200**	**$ 599,200**	**$ 534,200**	**$ 494,200**	**$ 247,200**	**$2,922,000**

SCHEDULE 6.8(a)

PERMITS AND CONSENTS

None

SCHEDULE 6.9

LITIGATION

1. Samuel and Brenda Swiger and their son (the "Swigers") sustained personal injuries and property damage as a result of a fire that occurred when propane that leaked from an underground line ignited. In July 1998, the Swigers filed a class action lawsuit against AmeriGas Propane, L.P. (named incorrectly as "UGI/AmeriGas, Inc."), in the Circuit Court of Monongalia County, West Virginia, in which they sought to recover an unspecified amount of compensatory and punitive damages and attorney's fees, for themselves and on behalf of persons in West Virginia for whom the defendants had installed propane gas lines, resulting from the defendants' alleged failure to install underground propane lines at depths required by applicable safety standards. In 2003, we settled the individual personal injury and property damage claims of the Swigers. In 2004, the court granted the plaintiffs' motion to include customers acquired from Columbia Propane in August 2001 as additional potential class members and the plaintiffs amended their complaint to name additional parties pursuant to such ruling. Subsequently, in March 2005, we filed a cross-claim against CEG, former owner of Columbia Propane, seeking indemnification for conduct undertaken by Columbia Propane prior to our acquisition. Class counsel has indicated that the class is seeking compensatory damages in excess of $12,000 plus punitive damages, civil penalties and attorneys' fees.

In 2005, the Swigers filed what purports to be a class action in the Circuit Court of Harrison County, West Virginia against UGI, an insurance subsidiary of UGI, certain officers of UGI and the General Partner, and their insurance carriers and insurance adjusters. In the Harrison County lawsuit, the Swigers are seeking compensatory and punitive damages on behalf of the putative class for violations of the West Virginia Insurance Unfair Trade Practice Act, negligence, intentional misconduct, and civil conspiracy. The Swigers have also requested that the Court rule that insurance coverage exists under the policies issued by the defendant insurance companies for damages sustained by the members of the class in the Monongalia County lawsuit. The Circuit Court of Harrison County has not certified the class in the Harrison County lawsuit at this time and, in October, 2008, stayed that lawsuit pending resolution of the class action lawsuit in Monongalia County. We believe we have good defenses to the claims in both actions.

2. By letter dated March 6, 2008, the New York State Department of Environmental Conservation ("DEC") notified AmeriGas OLP that DEC had placed property owned by the Partnership in Saranac Lake, New York on its Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by DEC disclosed contamination related to former manufactured gas plant operations on the site. DEC has classified the site as a significant threat to public health or environment with further action required. The General Partner is researching the history of the site and is investigating DEC's findings. The General Partner has reviewed the preliminary site characterization study prepared by the DEC and is in the early stages of investigating the extent of contamination and the possible existence of other potentially responsible parties. Due to the early stage of such investigation, the amount of expected clean up costs cannot be reasonably estimated. When such expected clean up costs can be reasonably estimated, it is possible that the amount could be material to the Partnership's results of operations.

SCHEDULE 6.19

ENVIRONMENTAL LIABILITIES

1. By letter dated March 6, 2008, the New York State Department of Environmental Conservation ("DEC") notified AmeriGas OLP that DEC had placed property owned by the Partnership in Saranac Lake, New York on its Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by DEC disclosed contamination related to former manufactured gas plant operations on the site. DEC has classified the site as a significant threat to public health or environment with further action required. The General Partner is researching the history of the site and is investigating DEC's findings. The General Partner has reviewed the preliminary site characterization study prepared by the DEC and is in the early stages of investigating the extent of contamination and the possible existence of other potentially responsible parties. Due to the early stage of such investigation, the amount of expected clean up costs cannot be reasonably estimated. When such expected clean up costs can be reasonably estimated, it is possible that the amount could be material to the Partnership's results of operations.

SCHEDULE 6.20

COPYRIGHTS, PATENTS, TRADEMARKS AND LICENSES, ETC.

1. In a letter dated July 20, 2006, Kirkland & Ellis LLP, on behalf of its client Emergis Inc., notified AmeriGas that Emergis owns U.S. Patent No. 6,044,362 (the "362 Patent") relating to electronic invoicing, payment and presentment ("EIPP"), and that the 362 Patent covers a system for automated EIPP from a variety of user terminals, including those used by retail customers. The letter did not accuse AmeriGas of patent infringement, but rather invited AmeriGas to license the allegedly patented process from Emergis, based on a fee for each transaction processed through EIPP. No formal claim or complaint has been filed.

SCHEDULE 12.2

AGENT'S PAYMENT OFFICE
ADDRESSES FOR NOTICES

BORROWER:

AmeriGas Propane, L.P.
460 North Gulph Road
King of Prussia, Pennsylvania 19406
Attention: Robert W. Krick
Treasurer
Telephone: (610) 337-1000 ext. 3645
Facsimile: (610) 992-3259
Electronic Mail: krickr@ugicorp.com

AGENT:

WACHOVIA BANK, NATIONAL ASSOCIATION

Credit Related Notices:

Wachovia Bank, National Association
301 South College Street
Charlotte, North Carolina 28288-5562
Attention: Larry Sullivan
Telephone: (704) 715-1794
Telecopy: (704) 383-6647

Operations Related Notices:

Wachovia Bank, National Association
1525 W. WT Harris Blvd.
Charlotte, NC 28262
Attention: Chanue Michael
Telephone: (704) 590-2735
Telecopy: (704) 590-2790

BANKS:

WACHOVIA BANK, NATIONAL ASSOCIATION

Credit Related Notices:

Wachovia Bank, National Association
One Wachovia Center
201 South College Street, CP-8
Charlotte, North Carolina 28288-0680

Attention: Larry Sullivan
Telephone: (704) 715-1794
Telecopy: (704) 383-6647

Operations Related Notices:

Wachovia Bank, National Association
1525 W. WT Harris Blvd.
Charlotte, NC 28262
Attention: Chanue Michael
Telephone: (704) 590-2735
Telecopy: (704) 590-2790

JP Morgan Chase Bank, N.A.

10 South Dearborn, Floor 7
Mail Code IL 1-0010
Chicago, IL 60603
Attention: Leonida Mischke
Telephone: (312) 385-7055
Telecopy: (312) 385-7096

Citizens Bank of Pennsylvania

3025 Chemical Road, Suite 300
Plymouth Meeting, PA 19462
Attention: Leslie D. Broderick
Telephone: (484) 530-7144
Facsimile: (610) 941-4136

EXHIBIT A

NOTICE OF BORROWING

Date: _____, __

To: Wachovia Bank, National Association, as Agent
Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of April 17, 2009 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, JPMorgan Chase Bank, N.A., as Documentation Agent, Citizens Bank of Pennsylvania, as Syndication Agent, and the other parties thereto, the terms defined therein being used herein as therein defined. The undersigned hereby gives you notice irrevocably, pursuant to Section 2.3 of the Credit Agreement, of the Borrowing specified below:

The Business Day of the proposed Borrowing is _____, _____.

ARTICLE I The aggregate amount of the proposed Borrowing is $_____.

ARTICLE II The Borrowing is to be comprised of $_____ of [Base Rate] [Eurodollar Rate] Loans.

ARTICLE III [The duration of the Interest Period for the Eurodollar Rate Loans included in the Borrowing shall be _____ weeks/month].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

3.1 the representations and warranties of the Obligors contained in Article VI of the Credit Agreement are true and correct in all material respects as though made on and as of such date (except to the extent such representations and warranties expressly relate to an earlier time or date, in which case they shall have been true and correct in all material respects as of such time or date);

3.2 no Default or Event of Default has occurred and is continuing, or would result from such proposed Borrowing; and

3.3 The proposed Borrowing will not cause the aggregate principal amount of all outstanding Loans to exceed the combined Commitments of the Banks.

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC., as General Partner

By: _____
Name: _____
Title: _____

EXHIBIT B

NOTICE OF CONVERSION/CONTINUATION

Date: _____, __

To: Wachovia Bank, National Association, as Agent
Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of April 17, 2009 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, JPMorgan Chase Bank, N.A., as Documentation Agent, Citizens Bank of Pennsylvania, as Syndication Agent, and the other parties thereto, the terms defined therein being used herein as therein defined. The undersigned hereby gives you notice irrevocably, pursuant to Section 2.4 of the Credit Agreement, of the [conversion] [continuation] of the Loans specified herein, as follows:

The Conversion/Continuation Date is _____, __.

ARTICLE I The aggregate amount of the Loans to be [converted] [continued] is $_____.

ARTICLE II The Loans are to be [converted into] [continued as] [Eurodollar Rate] [Base Rate] Loans.

ARTICLE III [If applicable:] The duration of the Interest Period for the [Eurodollar Rate] Loans included in the [conversion] [continuation] shall be _____ [weeks] [month].

[Include the following if Loans are being converted into or continued as Eurodollar Rate Loans:]

[The undersigned hereby certifies that the following statement is true on the date hereof, and will be true on the proposed Conversion/Continuation Date, before and after giving effect thereto and to the application of the proceeds therefrom:

3.1 no Default or Event of Default has occurred and is continuing, or would result from such proposed [conversion] [continuation).]

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC., as General Partner

By: _____
Name: _____
Title: _____

EXHIBIT C

AMERIGAS PROPANE, L.P.
COMPLIANCE CERTIFICATE

Financial
Statement Date: _____, __

Reference is made to that certain Credit Agreement dated as of April 17, 2009 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, Wachovia Bank, National Association, as Agent, JPMorgan Chase Bank, N.A., as Documentation Agent, Citizens Bank of Pennsylvania, as Syndication Agent and the other parties thereto. Unless otherwise defined herein, capitalized terms used herein have the respective meanings assigned to them in the Credit Agreement.

The undersigned Responsible Officer of AmeriGas Propane, Inc. (the "***General Partner***"), the general partner of Borrower, hereby certifies as of the date hereof that he/she is the _____ of the General Partner of Borrower, and that, as such, he/she is authorized to execute and deliver this Certificate to the Banks and the Agent on the behalf of the Borrower, and that:

[Use the following paragraph if this Certificate is delivered in connection with the financial statements required by subsection [7.1(b)(iii)] of the Credit Agreement.]

1. Attached as Schedule 1 hereto are (a) a true and correct copy of the audited consolidated and consolidating balance sheets of the Borrower and its Subsidiaries [(except, as to consolidating balance sheets only, for inactive Subsidiaries)] as at the end of the fiscal year ended _____, __ and (b) the related consolidated (and, as to statements of income, consolidating except for inactive Subsidiaries) statements of income, partner's capital and cash flow for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, and (i) in the case of such consolidated financial statements accompanied by the opinion of [PricewaterhouseCoopers LLP] or another nationally-recognized certified independent public accounting firm (the "***Independent Auditor***") which report shall not be qualified with respect to scope limitations imposed by the Borrower or any of its Restricted Subsidiaries not in accordance with GAAP and states that such consolidated financial statements fairly present, in all material respects, the financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flows for the periods indicated in conformity with GAAP, and that the audit by such Independent Auditor in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards in effect in the United States, and in the case of such consolidated and consolidating financial statements, certified by the principal financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except, in the case of such consolidating financial statements, for the absence of footnotes), in accordance with GAAP.

-or-

[Use the following paragraph if this Certificate is delivered in connection with the financial statements required by subsection [7.1(b)(i) of the Credit Agreement.]

1. Attached as Schedule 1 hereto are a true and correct copy of the unaudited consolidated balance sheets and statements of income of the Borrower and its Subsidiaries for the period as at the end of the month ended _____, ___, and certified by the principal financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except for the absence of footnotes and subject to changes resulting from normal year-end adjustments and quarter-end adjustments), applied on a basis consistent with prior

months except for inconsistencies resulting from changes in accounting principles and methods agreed to by the Borrower's independent accountants.

-or-

[Use the following paragraph if this Certificate is delivered in connection with the financial statements required by subsection [7.1(b)(ii) of the Credit Agreement.]

1. Attached as Schedule 1 hereto are (a) a true and correct copy of the unaudited consolidated and consolidating balance sheets of the Borrower and its Subsidiaries [(except, as to consolidating balance sheets only, for inactive Subsidiaries)] as at the end of the fiscal quarter ended _____, __, and (b) the related unaudited consolidated (and, as to statements of income, consolidating, except for inactive Subsidiaries) statements of income, partners' capital and cash flows for the period commencing on the first day and ending on the last day of such quarter [and for the period from the beginning of the current fiscal year to the end of such quarterly period], [setting forth in each ease in comparative form the figures for the previous year,] and certified by the principal financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except for the absence of footnotes and subject to changes resulting from normal year-end adjustments), in accordance with GAAP applied on a basis consistent with prior fiscal periods (other than periods ending prior to the Restatement Effective Date) except for inconsistencies resulting from changes in accounting principles and methods agreed to by the Borrower's independent accountants.

2. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and the other Loan Documents and has made, or has caused to be made under his/her supervision, a review in reasonable detail of the transactions and condition of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements.

[select one:]

[3. To the best of the undersigned's knowledge, as of the date hereof, no Default or Event of Default has occurred and is continuing.]

-or-

[3. The following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. The following financial covenant analyses and other information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Certificate.

[Note: Include adjustments if any Unrestricted Subsidiaries exist.]

-or-

[Use the following paragraph if this Certificate is delivered in connection with each merger or consolidation pursuant to subsections 8.8(a)(ii) and/or (iii) of the Credit Agreement immediately after giving effect thereto.]

1. Attached as Schedule 4 hereto are the true and correct financial covenant analysis pursuant to Section [8.8(a)(ii)] [8.8(a)(iii)] of the Credit Agreement.

[select one:]

[2. The covenant set forth in Section [8.8(a)(ii)] [8.8(a)(iii)] of the Credit Agreement has been performed or observed.]

-or-

[2. The covenant set forth in Section [8.8(a)(ii)] [8.8(a)(iii)] of the Credit Agreement has not been performed or observed and the following is a list of the Default and its nature and status:]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____, __.

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC., as General Partner

By: _____
Name: _____
Title: _____

SCHEDULES 2, 3 and 4
to the Compliance Certificate

To be provided in form and substance as Schedules 2, 3 and 4 attached to Compliance Certificate for the Existing Credit Agreement.

EXHIBIT D

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (this "***Assignment and Acceptance***") is dated as of the Effective Date set forth below and is entered into by and between *[Insert name of Assignor]* (the "***Assignor***") and *[Insert name of Assignee]* (the "***Assignee***"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "***Credit Agreement***"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor's rights and obligations as a Bank under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the Credit Agreement identified below (including, without limitation, guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Bank) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "***Assigned Interest***"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____ [and is an Affiliate of [*identify Bank*][1]]

3. Borrower: AmeriGas Propane, L.P.

4. Agent: Wachovia Bank, National Association, as the Agent under the Credit Agreement

[1] Select if applicable.

5. Credit Agreement: Credit Agreement dated as of April 17, 2009 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, Wachovia Bank, National Association, as Agent, JPMorgan Chase Bank, N.A., as Documentation Agent, Citizens Bank of Pennsylvania, as Syndication Agent, and other financial institutions party thereto.

6. Assigned Interest:

Aggregate Amount of Revolving Commitment for all Banks*	Amount of Revolving Commitment Assigned*	Percentage Assigned of Revolving Commitment[2]
$_____	$_____	_____%
$_____	$_____	_____%
$_____	$_____	_____%

[7. Trade Date: _____][3]

Effective Date: _____, 20_____ [TO BE INSERTED BY THE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

2 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Banks thereunder.

3 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

[Consented to and] Accepted:

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent

By: _____
Name: _____
Title: _____

[Consented to:]

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC., as General Partner

By: _____
Name: _____
Title: _____

ANNEX 1 TO ASSIGNMENT AND ACCEPTANCE
STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

(1) Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby, and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

(2) Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Bank under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Bank thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Bank thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Bank, and (v) if it is a Foreign Bank, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Bank.

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or

on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT E
FORM OF PROMISSORY NOTE

PROMISSORY NOTE

$_____ April 17, 2009
New York, New York

FOR VALUE RECEIVED, AmeriGas Propane, L.P. (the "***Borrower***"), hereby promises to pay to [_____] (the "***Bank***"), for the account of its respective applicable Lending Office provided for by the Credit Agreement referred to below, at the Agent's Payment Office, the principal sum of $[_____] (or such lesser amount as shall equal the aggregate unpaid principal amount of the Loans made by the Bank to the Borrower under the Credit Agreement), in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount of each such Loan, at such office, in like money and funds, for the period commencing on the date of such Loan until such Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

The date, amount, Type, interest rate and duration of Interest Period (if applicable) of each Loan made by the Bank to the Borrower, and each payment made on account of the principal of such Loan, shall be recorded by the Bank on its books and, prior to any transfer of this Note, endorsed by the Bank on the schedule attached to this Note or any continuation of such schedule, provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or under this Note in respect of the Loans made by the Bank.

This Note is one of the Notes referred to in the Credit Agreement dated as of [April __, 2009] (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, JPMorgan Chase Bank, N.A., as Documentation Agent, Citizens Bank of Pennsylvania, as Syndication Agent, and the other parties thereto, and evidences Loans made by the Bank under the Credit Agreement. Capitalized terms used but not defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Loans upon the terms and conditions specified in the Credit Agreement.

Except as permitted by Section 12.9 of the Credit Agreement, this Note may not be assigned by the Bank to any other Person.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK.

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC., as General Partner

By: _____
Name: _____
Title: _____

EXHIBIT F

FORM OF SUBORDINATION PROVISIONS

Subordination. (a) The indebtedness ("***Subordinated Debt***") evidenced by this instrument is subordinate and junior in right of payment to all Senior Debt (as defined in subsection (b) hereof) of [_____][4] (the "***Company***") to the extent provided herein.

(b) For all purposes of these subordination provisions the term "***Senior Debt***" shall mean all principal and interest and other amounts of any kind or nature owing under the Credit Agreement dated as of April 17, 2009 (the "***Credit Agreement***") by and among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Petrolane Incorporated, as Guarantor, the financial institutions party thereto, Wachovia Bank, National Association, as Agent, JPMorgan Chase Bank, N.A., as Documentation Agent, Citizens Bank of Pennsylvania, as Syndication Agent, and the other parties thereto. The Senior Debt shall continue to be Senior Debt and entitled to the benefits of these subordination provisions irrespective of any amendment, modification or waiver of any term of or extension or renewal of the Senior Debt. Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Credit Agreement.

(c) Upon the happening of an Event of Default with respect to any Senior Debt, as defined in the Credit Agreement, which occurs at the maturity thereof or which automatically accelerates or permits the holders thereof to accelerate the maturity thereof, then, unless and until such event of default shall have been remedied or waived or shall have ceased to exist, no direct or indirect payment (in cash, property or securities or by set off or otherwise) other than Permitted Payments shall be made on account of the principal of, or premium, if any, or interest on any Subordinated Debt, or as a sinking fund for the Subordinated Debt, or in respect of any redemption, retirement, purchase or other acquisition of any of the Subordinated Debt. For purposes of these subordination provisions, "***Permitted Payments***" shall mean (i) payments of in-kind interest and (ii) payments of Permitted Securities (as defined below) pursuant to subsection (d) below.

(d) In the event of:

(i) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to the Company, its creditors as such or its property,

(ii) any proceeding for the liquidation, dissolution or other winding up of the Company, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings,

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4 Fill in name of Borrower (if entered into pursuant to Section 8.1(d) of the Credit Agreement) or Restricted Subsidiary (if entered into pursuant to Section 8.1(c) of the Credit Agreement), as applicable.

(iii) any assignment by the Company for the benefit of creditors, or

(iv) any other marshalling of the assets of the Company,

all Senior Debt (including any interest thereon accruing at the legal rate after the commencement of any such proceedings and any additional interest that would have accrued thereon but for the commencement of such proceedings) shall first be paid in full before any payment or distribution, whether in cash, securities or other properly (other than Permitted Payments), shall be made to any holder of any Subordinated Debt on account of any Subordinated Debt. Any payment or distribution, whether in cash, securities or other property (other than securities "***Permitted Securities***") of the Company or any other entity provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in these subordination provisions with respect to Subordinated Debt, to the payment of all Senior Debt at the time outstanding and to any securities issued in respect thereof under any such plan of reorganization or readjustment), which would otherwise (but for these subordination provisions) be payable or deliverable in respect of this Subordinated Debt shall be paid or delivered directly to the holders of Senior Debt in accordance with the priorities then existing among such holders until all Senior Debt (including any interest thereon accruing at the legal rate after the commencement of any such proceedings and any additional interest that would have accrued thereon but for the commencement of such proceedings) shall have been paid in full.

(e) In the event that any holder of Subordinated Debt shall have the right to declare any Subordinated Debt due and payable as a result of the occurrence of any one or more defaults in respect thereof, under circumstances when the terms of subsection (d) above are not applicable, such holder shall not declare such Subordinated Debt due and payable or otherwise to be in default and, solely in its capacity as a holder of such Subordinated Debt, shall take no action at law or in equity in respect of any such default unless and until all Senior Debt shall have been paid in full.

(f) If any payment or distribution of any character or any security, whether in cash, securities or other property (other than Permitted Payments), shall be received by a holder of Subordinated Debt in contravention of any of the terms hereof before all the Senior Debt shall have been paid in full, such payment or distribution or security shall be received in trust for the benefit of, and shall be paid over or delivered and transferred to, the holders of the Senior Debt at the time outstanding in accordance with the priorities then existing among such holders for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all such Senior Debt in full. In the event of the failure of any holder of any Subordinated Debt to endorse or assign any such payment, distribution or security, each holder of Senior Debt is hereby irrevocably authorized to endorse or assign the same.

(g) No present or future holder of any Senior Debt shall be prejudiced in the right to enforce subordination of Subordinated Debt by any act or failure to act on

the part of the Company. Nothing contained herein shall impair, as between the Company and the holder of this Subordinated Debt, the obligation of the Company to pay to the holder hereof the principal hereof and interest hereon as and when the same shall become due and payable in accordance with the terms hereof, or prevent the holder of any Subordinated Debt from exercising all rights, powers and remedies otherwise permitted by applicable law or hereunder upon a default or Event of Default hereunder, all subject to the rights of the holders of the Senior Debt to receive cash, securities or other property (other than Permitted Payments) otherwise payable or deliverable to the holders of Subordinated Debt.

(h) Upon the payment in full of all Senior Debt, the holders of Subordinated Debt shall be subrogated to all rights of any holders of Senior Debt to receive any further payments or distributions applicable to the Senior Debt until the Subordinated Debt shall have been paid in full, and, for purposes of such subrogation, no payment or distribution received by the holders of Senior Debt of cash, securities or other property to which the holders of the Subordinated Debt would have been entitled except for these subordination provisions shall, as between the Company and its creditors other than the holders of Subordinated Debt, on the one hand, and the holders of Subordinated Debt, on the other, be deemed to be a payment or distribution by the Company to or on account of Senior Debt.

Exhibit 10.42

EXECUTION COPY

CREDIT AGREEMENT

Dated as of November 6, 2006

among

AMERIGAS PROPANE, L.P.,
as Borrower,

AMERIGAS PROPANE, INC.,
as a Guarantor,

PETROLANE INCORPORATED,
as a Guarantor,

CITIGROUP GLOBAL MARKETS INC.,
as Syndication Agent,

J.P. MORGAN SECURITIES INC., and CREDIT SUISSE SECURITIES (USA) LLC
as Co-Documentation Agents,

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Agent, Issuing Bank and Swing Line Bank,
and

THE OTHER FINANCIAL INSTITUTIONS PARTY HERETO

WACHOVIA CAPITAL MARKETS, LLC,
and
CITIGROUP GLOBAL MARKETS INC
Joint Lead Arrangers and Joint Bookrunners

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CREDIT AGREEMENT

This CREDIT AGREEMENT (as the same may be amended, supplemented, assigned or otherwise modified from time to time in accordance with the terms hereof, this ***"Agreement"),*** dated as of November 6, 2006, among AMERIGAS PROPANE, L.P., a Delaware limited partnership (the ***"Borrower"),*** AMERIGAS PROPANE, INC., a Pennsylvania corporation (the ***"General Partner"),*** PETROLANE INCORPORATED, a Pennsylvania corporation ***("Petrolane";*** the General Partner and Petrolane are, on a joint and several basis, the ***"Guarantors";*** the Borrower, the General Partner and Petrolane are, on a joint and several basis, the ***"Obligors"),*** CITIGROUP GLOBAL MARKETS INC., as Syndication Agent, J.P. MORGAN SECURITIES INC., and CREDIT SUISSE SECURITIES (USA) LLC, as CoDocumentation Agents, the several financial institutions from time to time party to this Agreement (collectively, the ***"Banks";*** individually, *a* ***"Bank")*** and WACHOVIA BANK, NATIONAL ASSOCIATION, as administrative agent for the Banks (the ***"Agent"),*** issuing bank and swing line bank.

WHEREAS, the Obligors have requested that (i) the $100,000,000 of Revolving Commitments under (and as defined in) the Existing Credit Agreement and the related Revolving Loans outstanding under (and as defined in) the Existing Credit Agreement be terminated and replaced with the $125,000,000 of Revolving Commitments and Revolving Loans under this Agreement, the proceeds of which are to be used by the Borrower for working capital and general purposes of the Borrower; (ii) the $75,000,000 of Acquisition Commitments under (and as defined in) the Existing Credit Agreement and the related Acquisition Loans and Specified Acquisition Loans outstanding under (and as defined in) the Existing Credit Agreement be terminated and replaced with the $75,000,000 of Acquisition Commitments and Acquisition Loans and Specified Acquisition Loans under this Agreement, the proceeds of which are to be used by the Borrower to finance acquisitions, or with respect to Specified Acquisition Loans, for working capital and general purposes of the Borrower and (iii) the Existing Credit Agreement otherwise be paid in full and the commitments thereunder be terminated; and

WHEREAS, the Banks are willing, on the terms and subject to the conditions set forth in this Agreement, to enter into, and to extend credit under, this Agreement as more particularly hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Certain Defined Terms. The following terms have the following meanings:

"Acquired Debt" means with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person merged with or into or became a Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Subsidiary of such specified Person and (ii) Indebtedness encumbering any asset acquired by such specified Person.

"Acquisition" means, as to any Person, any acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, guaranty of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) an Asset Acquisition.

"Acquisition Commitment" has the meaning specified in Section 2.1(a).

"Acquisition Loan" has the meaning specified in Section 2.1(a).

"AEPH" means AmeriGas Eagle Holdings, Inc. (formerly CP Holdings, Inc.), a Delaware corporation.

"AEPT' means AmeriGas Eagle Propane, Inc. (formerly Columbia Propane Corporation), a Delaware corporation.

"AEPLP" means AmeriGas Eagle Propane, L.P. (formerly Columbia Propane, L.P.), a Delaware limited partnership.

"AEPLP Acquisitions" has the meaning specified in Section 8.16.

"AEPLP Available Date" means the earliest of (i) 180 days after the expiration of the Debt Indemnity provided under the National Propane Purchase Agreement, (ii) the purchase by AEPLP of the partnership interest of the Special Limited Partner (as defined in the AEPLP Partnership Agreement) in AEPLP pursuant to the Special Limited Partner's put option under Section 4.5 of the AEPLP Partnership Agreement and (iii) the purchase by AEPLP of the partnership interest of the Special Limited Partner in AEPLP pursuant to AEPLP's call option under Section 4.5 of the AEPLP Partnership Agreement.

"AEPLP Guaranty Date" has the meaning specified in Section 8.18.

"AEPLP Partnership Agreement" means that certain Amended and Restated Agreement of Limited Partnership of National Propane, L.P. (renamed AEPLP), dated as of July 19, 1999, by and among AEPI, AEPH, and National Propane Corporation, as amended, supplemented, or otherwise modified from time to time.

"AEPLP ***Subsidiary Guaranty"*** has the meaning specified in Section 8.18.

"AEPLP Taxes" means all federal, state, local or foreign taxes, governmental fees or like charges of any kind whatsoever, whether disputed or not.

"Affected ***Bank"*** has the meaning specified in Section 4.7.

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

"Agent" means Wachovia in its capacity as administrative agent for the Banks hereunder, and any successor agent arising under Section 10.9.

"Agent-Related Persons" means the Agent, together with its Affiliates (including, in the case of Wachovia in its capacity as the Agent, the Arranger), and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

"Agent's Payment Office" means the address for payments set forth on Schedule 12.2 hereto in relation to the Agent, or such other address as the Agent may from time to time specify by written notice to the Borrower and the Banks.

"Agreement" has the meaning specified in the introductory clause hereto.

"AmeriGas Eagle Parts & Service" means AmeriGas Eagle Parts & Service, Inc., a Pennsylvania corporation.

"Annual Limit" has the meaning specified in Section 8.4(c). ***"Applicable Margin"*** **means**

(i) with respect to Base Rate Loans, 0%; and

(ii) with respect to Eurodollar Rate Loans, the applicable margin set forth below at such time as a Pricing Tier (the ***"Pricing Tier")*** set forth below is applicable:

Pricing Tier	Funded Debt Ratio	Margin
I	Less than or equal to 2.50x	1.00%
II	Greater than 2.50x but less than or equal to 3.OOx	1.25%
III	Greater than 3.OOx but less than or equal to 3.50x	1.50%
IV	Greater than 3.50x	1.75%

For the purpose of determining the applicable Pricing Tier above and subject to the last sentence of this paragraph, EBITDA shall be determined as at the end of each fiscal quarter for the four fiscal quarters then ending and Funded Debt shall be determined as at the end of each fiscal quarter for which such calculation is being determined. Pricing changes shall be effective on the later of (i) 45 days after the end of each of the first three fiscal quarters of each fiscal year and 90 days after each fiscal year end and (ii) the Agent's receipt of financial statements hereunder for such fiscal quarter or fiscal year; provided, however, that if the financial statements are not delivered when due in accordance with Section 7.1, then Pricing Tier IV shall apply as of the first Business Day after the date on which such financial statements were required to have been delivered until the date upon which such financial statements are delivered to the Agent. For the period from the Closing Date through December 31, 2006, the applicable Pricing Tier shall be Pricing Tier I.

"Arrangers" means Wachovia Capital Markets, LLC and Citigroup Global Markets Inc.

"Asset Acquisition" means (a) an Investment by the Borrower or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged with or into the Borrower or any Restricted Subsidiary, (b) the acquisition by the Borrower or any Restricted Subsidiary of the assets of any Person (other than a Restricted Subsidiary) which constitute all or substantially all of the assets of such Person or (c) the purchase or other acquisition by the Borrower or any Restricted Subsidiary (in one or a series of transactions) of any division or line of business of any Person (other than a Restricted Subsidiary).

"Asset Sale" has the meaning specified in Section 8.8(c).

"Assets" means the assets owned by, licensed to, leased or otherwise used in the business by the Borrower and its Subsidiaries.

"Assignee" has the meaning specified in Section 12.9(a).

"Attorney Costs" means and includes all reasonable fees and disbursements of any law firm or other external counsel, the reasonable allocated cost of internal legal services and all reasonable disbursements of internal counsel.

"Auto-Renewal Letter of Credit" has the meaning specified in Section 3.2(d).

"Available Cash" as to any calendar quarter means

(a) the sum of (i) all cash of the Borrower and the Restricted Subsidiaries on hand at the end of such quarter and (ii) all additional cash of the Borrower and the Restricted Subsidiaries on hand on the date of determination of Available Cash with respect to such quarter resulting from borrowings subsequent to the end of such quarter, less

(b) the amount of cash reserves that is necessary or appropriate in the reasonable discretion of the General Partner to (i) provide for the proper conduct of the business of the Borrower and the Restricted Subsidiaries (including reserves for future capital expenditures) subsequent to such quarter, (ii) provide funds for distributions under Sections 5.3(a), (b) and (c) or 5.4(a) of the partnership agreement of the Public Partnership (such Sections as in effect on the Closing Date, together with all related definitions, being hereby incorporated herein in the form included in such partnership agreement on the Closing Date and without regard to any subsequent amendments or waivers of the provisions of, or any termination of, such partnership agreement) in respect of any one or more of the next four quarters, or (iii) comply with applicable law or any debt instrument or other agreement or obligation to which the Borrower or any Restricted Subsidiary is a party or its assets are subject; provided, however, that Available Cash attributable to any Restricted Subsidiary shall be excluded to the extent dividends or distributions of such Available Cash by such Restricted Subsidiary are not at the date of determination permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or other regulation.

In addition, without limiting the foregoing, Available Cash shall reflect a reserve equal to 50% of the interest to be paid on the First Mortgage Notes and the Acquisition Loans in the next fiscal quarter and, beginning with a date three fiscal quarters before a scheduled principal payment date on the First Mortgage Notes, the Revolving Loans or the Acquisition Loans, 25% of the aggregate principal amount thereof due on any such payment date in the third succeeding fiscal quarter, 50% of the aggregate principal amount due on any such quarterly payment date in the second succeeding fiscal quarter and 75% of the aggregate principal amount due on any quarterly payment date in the next succeeding fiscal quarter on such notes and facilities. The foregoing reserves for principal amounts to be paid shall be reduced by the aggregate amount of advances available to the Borrower from responsible financial institutions under binding, irrevocable credit facility commitments (and which are subject to no conditions which the Borrower is unable to meet) and letters of credit to be used to refinance such principal (so long as no repayment obligations under such credit facilities and no reimbursement obligation with respect to any such letter of credit would come due within three quarters).

"Average Consolidated Pro Forma Debt Service" means as of any date of determination, the average amount payable by the Borrower and the Restricted Subsidiaries on a consolidated basis during all periods of four consecutive calendar quarters, commencing with the calendar quarter in which such date of determination occurs and ending December 31, 2011, in respect of scheduled interest (but not principal) payments with respect to all Indebtedness of the Borrower and the Restricted Subsidiaries outstanding on such date of determination, after giving effect to any Indebtedness proposed on such date to be incurred and to the substantially concurrent repayment of any other Indebtedness (a) including actual payments of Capitalized Lease Liabilities, (b) assuming, in the case of Indebtedness (other than Indebtedness referred to in clause (c) below) bearing interest at fluctuating interest rates which cannot be determined in advance, that the rate actually in effect on such date will remain in effect throughout such period, and (c) including only actual interest payments associated with the Indebtedness incurred pursuant to Section 8.1(e) during the most recent four consecutive calendar quarters.

"Bank" has the meaning specified in the introductory clause hereto.

"Bankruptcy Code" means the Federal Bankruptcy Reform Act of 1978, as amended (11 U.S.C. § 101, et seq.).

"Base Rate" means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1 /2 of 1% and (b) Prime Rate.

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

"Borrower" has the meaning specified in the introductory clause hereto.

"Borrower Financials" has the meaning specified in Section 7.1.

"Borrower's Account" means the account maintained by the Borrower with Mellon Bank, N.A. and designated as account number 094-0764 or such other account designated by the Borrower in writing.

"Borrowing" means a borrowing hereunder consisting of Loans of the same Type made to the Borrower on the same day by the Banks (or in the case of Swing Line Loans, by the Swing Line Bank) and, in the case of Eurodollar Rate Loans, having the same Interest Period, in either case under Article II.

"Borrowing Date" means any date on which a Borrowing occurs under Section 2.3.

"Business" means the business of wholesale and retail sales, distribution and storage of propane gas and related petroleum derivative products and the retail sale of propane related supplies and equipment, including home appliances.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Agent's Payment Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Capital Adequacy ***Regulation"*** means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of any bank or of any corporation controlling a bank.

"Capital Stock" means with respect to any Person, any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, including, with respect to partnerships and limited liability companies, partnership interests (whether general or limited) or membership interests and any other interest or participation that confers upon a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership or limited liability company, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such capital stock.

"Capitalized Lease Liabilities" means all monetary obligations of the Borrower or any of its Restricted Subsidiaries under any leasing or similar arrangement which, in accordance with GAAP, would be classified as capitalized leases, and, for purposes of this Agreement and each other Loan Document, the amount of such obligations shall be the principal components thereof

"Capped Investments" has the meaning specified in Section 8.18(a).

"Carryover Threshold" has the meaning specified in Section 8.16.

"Cash Collateralize" means to pledge and deposit with or deliver to the Agent, for the benefit of the Agent, the Issuing Bank and the Banks, as collateral for the L/C Obligations, cash or deposit account balances pursuant to documentation in form and substance reasonably satisfactory to the Agent and the Issuing Bank (which documents are hereby consented to by the Banks). Derivatives of such term shall have corresponding meanings.

"Cash Equivalents" has the meaning specified in Section 8.4(a).

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Change of Control" means (i) UGI shall fail to own directly or indirectly 100% of the general partnership interests in the Borrower, or, if the Borrower shall have been converted to a corporate form, at least 51% of the voting shares of the Borrower; or (ii) UGI shall fail to own directly or indirectly at least a 30% ownership interest in the Borrower.

"Closing Date" means the date on which all conditions precedent set forth in Section 5.1 are satisfied or waived by the Banks.

"Code" means the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, in each case as in effect from time to time.

"Collateral Agency Agreement" means the Intercreditor and Agency Agreement dated as of April 19, 1995 among the Obligors, the Restricted Subsidiaries, the Agent, the Note Holders (as defined therein) and the Collateral Agent (as defined therein), as the same may be amended, supplemented, assigned or otherwise modified from time to time.

"Columbia Acquisition" means the acquisition by the Borrower of the propane distribution business of Columbia Energy Group, a Delaware corporation, pursuant to the Columbia Purchase Agreement.

"Columbia Purchase Agreement" means that certain Purchase Agreement, dated as of January 30, 2001, and amended and restated on August 7, 2001 by and among Columbia Energy Group, a Delaware corporation, AEPI, AEPLP, the Borrower, the Public Partnership and the General Partner, as amended, supplemented or otherwise modified from time to time.

"Commitment", as to each Bank, means its Revolving Commitment and its Acquisition Commitment.

"Commitment Letter" shall mean that certain letter, dated July 17 2006, among the Borrower, the Agent and the Arrangers.

"Commitment Termination Date Extension Request" means a request substantially in the form of Exhibit C.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Consolidated Cash Flow" means with respect to the Borrower and the Restricted Subsidiaries for any period, (1) the sum of, without duplication, the amounts for such period, taken as a single accounting period, of (a) Consolidated Net Income, (b) Consolidated Non-Cash Charges, (c) Consolidated Interest Expense and (d) Consolidated Income Tax Expense less (2) any non-cash items increasing Consolidated Net Income for such period that had previously been added to Consolidated Net Income when incurred as a Consolidated Non-Cash Charge. Consolidated Cash Flow shall be calculated after giving effect, on a pro forma basis for the four full fiscal quarters immediately preceding the date of the transaction giving rise to the need to calculate Consolidated Cash Flow, to, without duplication, any Asset Sales or Asset Acquisitions (including without limitation any Asset Acquisition giving rise to the need to make such calculation as a result of the Borrower or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Debt) occurring during the period commencing on the first day of such period to and including the date of the transaction (the ***"Reference Period"),*** as if such Asset Sale or Asset Acquisition occurred on the first day of the Reference Period; provided, however, that Consolidated Cash Flow generated by an acquired business or asset shall be determined by the actual gross profit (revenues minus cost of goods sold) of such acquired business or asset during the immediately preceding four full fiscal quarters in the Reference Period minus the pro forma expenses that would have been incurred by the Borrower and the Restricted Subsidiaries in the operation of such acquired business or asset during such period computed on the basis of personnel expenses for employees retained or to be retained by the Borrower and the Restricted Subsidiaries in the operation of such acquired business or asset and non-personnel costs and expenses incurred by the Borrower and the Restricted Subsidiaries in the operation of the Borrower's business at similarly situated Borrower facilities or Restricted Subsidiary facilities.

"Consolidated Income Tax Expense" means with respect to the Borrower and the Restricted Subsidiaries for any period, the provision for federal, state, local and foreign income taxes of the Borrower and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to the Borrower and the Restricted Subsidiaries for any period, without duplication, the sum of (i) the interest expenses of the Borrower and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP, including without limitation (a) any amortization of debt discount, (b) the net cost under Interest Rate Agreements, (c) the interest portion of any deferred payment obligation, (d) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and (e) all accrued interest plus (ii) the interest component of capital leases paid, accrued or scheduled to be paid or accrued by the Borrower and the Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" means the net income of the Borrower and the Restricted Subsidiaries, as determined on a consolidated basis in accordance with GAAP and as adjusted to exclude (i) net after-tax extraordinary gains or losses, (ii) net after-tax gains or losses attributable to Asset Sales, (iii) the net income or loss of any Person which is not a Restricted Subsidiary and which is accounted for by the equity method of accounting, provided, that Consolidated Net Income shall include the amount of dividends or distributions actually paid to the Borrower or any Restricted Subsidiary, (iv) the net income of any Restricted Subsidiary to the extent that dividends or distributions of such net income are not at the date of determination permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or other regulation and (v) the cumulative effect of any changes in accounting principles.

"Consolidated Net Worth" means, of any Person, at any date of determination, the total partners' equity (in the case of a partnership), total stockholders' equity (in the case of a corporation) or total membership interests (in the case of a limited liability company) of such Person at such date, as would be shown on a balance sheet (consolidated, if applicable) of such Person and, if applicable, its Subsidiaries (Restricted Subsidiaries in the case of the Borrower) prepared in accordance with GAAP (less, in the case of the Borrower, the Net Amount of Unrestricted Investment as of such date).

"Consolidated Net Tangible Assets" means, as of any date, (i) the Total Assets, as of such date, *minus (ii)* all current liabilities of the Borrower and the Restricted Subsidiaries, as of such date (other than (A) any current liabilities which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed and (B) current maturities of long term debt), *minus* (iii) all goodwill, trade names, trademarks, patents, licenses, purchased technology, unamortized debt discount and expenses and other like intangible assets of the Borrower and the Restricted Subsidiaries, as of such date, in each case in clauses (i), (ii) and (iii), as determined on a consolidated basis in accordance with GAAP.

"Consolidated Non-Cash Charges" means, with respect to the Borrower and the Restricted Subsidiaries for any period, the aggregate depreciation, amortization and any other non-cash charges resulting in write downs in non-current assets, in each case reducing Consolidated Net Income of the Borrower and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Pro Forma Debt Service" means as of any date of determination, the total amount payable by the Borrower and the Restricted Subsidiaries on a consolidated basis during the four consecutive calendar quarters next succeeding the date of determination, in respect of scheduled interest (but not principal) payments with respect to Indebtedness of the Borrower and the Restricted Subsidiaries outstanding on such date of determination, after giving effect to any Indebtedness proposed on such date to be incurred and to the substantially concurrent repayment of any other Indebtedness (a) including actual payments of Capitalized Lease Liabilities, (b) assuming, in the case of Indebtedness (other than Indebtedness referred to in clause (c) below) bearing interest at fluctuating interest rates which cannot be determined in advance, that the rate actually in effect on such date will remain in effect throughout such period, and (c) including only actual interest payments associated with the Indebtedness incurred pursuant to Section 8.1(e) during the most recent four consecutive calendar quarters.

"Contingent Obligation" means, as to any Person, any direct or indirect liability of that Person, whether or not contingent, with or without recourse (otherwise than for collection or deposit in the ordinary course of business), (a) with respect to any Indebtedness, lease, dividend, letter of credit or other obligation (the "primary obligations) of another Person (the "primary obligor"), including any obligation of that Person (i) to purchase, repurchase or otherwise acquire such primary obligations or any security therefor, (ii) to advance or provide funds for the payment or discharge of any such primary obligation, or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of any such primary obligation against loss in respect thereof (each, a ***"Guaranty Obligation");*** (b) with respect to any Surety Instrument (other than any Letter of Credit) issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings or payments; (c) to purchase any materials, supplies or other property from, or to obtain the services of, another Person if the relevant contract or other related document or obligation requires that payment for such materials, supplies or other property, or for such services, shall be made regardless of whether delivery of such materials, supplies or other property is ever made or tendered, or such services are ever performed or tendered, or (d) in respect of any Swap Contract. The amount of any Contingent Obligation shall, in the case of Guaranty Obligations, be deemed equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability in respect thereof, and in the case of other Contingent Obligations, shall be equal to the maximum reasonably anticipated liability in respect thereof.

"Control *Affiliate"* means UGI, the Public Partnership, the General Partner and any Person controlling or controlled by, or under common control with, UGI, the Public Partnership or the General Partner (other than the Borrower or any of its Subsidiaries).

"Conversion/Continuation Date" means any date on which, under Section 2.4, any Borrower (a) converts Loans of one Type to the other Type, or (b) continues as Eurodollar Rate Loans, but with a new Interest Period, Eurodollar Rate Loans having Interest Periods expiring on such date.

"Covered Persons" shall have the meaning specified in the definition of Restricted Payment.

"Credit Extension" means and includes (a) the making of any Loan hereunder, and (b) the Issuance of any Letters of Credit hereunder.

"Credit Parties" means the Obligors and any Restricted Subsidiary party to the Subsidiary Guarantee.

"Debt Indemnity" means the indemnity provided by Triarc Companies, Inc. under Section 5.9 of the National Propane Purchase Agreement.

"Default" means any event or circumstance which, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"Designation Amounts" has the meaning specified in Section 7.8(a).

"Designee" has the meaning specified in Section 7.8(d).

"Disinterested Directors" means, with respect to any transaction or series of transactions with Affiliates, a member of the Board of Directors of the General Partner who has no financial interest, and whose employer has no financial interest, in such transaction or series of transactions.

"Dollars", "dollars" and "$" each mean lawful money of the United States.

"EBIT" means, for any period, the Borrower's and its Restricted Subsidiaries' Consolidated Net Income (without duplication, not including losses resulting from the extinguishment of debt and extraordinary gains or losses, other than losses arising from reserves established in connection with the Tax Indemnity Provisions (as defined in the National Propane Purchase Agreement)) plus Consolidated Interest Expense and Consolidated Income Tax Expense in each case for such period, as determined in accordance with GAAP.

"EBITDA" means, for any period, EBIT plus the Borrower's and its Restricted Subsidiaries' depreciation and amortization of property, plant and equipment and intangible assets, in each case as taken into account in calculating Consolidated Net Income, in each case for such period, as determined in accordance with GAAP.

For the purposes of calculating the Applicable Margin, the rate of the facility fees payable pursuant to Section 2.10(b) and the Leverage Ratio, EBITDA for any period (the ***"Applicable Period")*** shall be adjusted by the addition of the EBITDA of any Asset Acquisitions made during the Applicable Period, as if such Asset Acquisitions occurred on the first day of the Applicable Period, plus the addition of the Savings Factor (as defined below); provided, however, that in the case of calculating the Applicable Margin or the rate of the facility fees payable pursuant to Section 2.10(b), the Savings Factor shall be added only for the purpose of causing the Pricing Tier to remain the same (or to limit its increase) and not to decrease it (i.e. the Savings Factor may be used to maintain pricing or limit any increase in pricing, not to decrease pricing).

The ***"Savings Factor"*** shall equal, with respect to any Asset Acquisition, an amount equal to 50% of the difference between (a) Actual Acquisition Expense (as defined below) minus (b) Pro Forma Acquisition Expense (as defined below). ***"Actual Acquisition Expense"*** means an amount equal to the personnel expenses and non personnel costs and expenses (which would be deducted from gross profits in calculating costs and EBITDA) related to the operation of any Asset Acquisition from the beginning of the Applicable Period to the date of the purchase of the Asset Acquisition. ***"Pro Forma Acquisition Expense"*** means an amount equal to the personnel and non-personnel costs and expenses (which would be deducted from gross profits in calculating costs and EBITDA) that would have been incurred with respect to the operation of any Asset Acquisition for the period from the beginning of the Applicable Period to the date of purchase of the Asset Acquisition, on the assumption that the ongoing personnel and non personnel cost and expense savings projected as of the date of the Asset Acquisition had been realized on the first day of the Applicable Period. In no event shall the aggregate Savings Factor for any Applicable Period exceed 10% of EBITDA, before taking into effect the EBITDA relating to such Asset Acquisition, for the Borrower and its Restricted Subsidiaries for such Applicable Period.

"*Effective* ***Amount"*** means: (a) with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any Borrowings and prepayments or repayments of Loans occurring on such date; and (b) with respect to any outstanding L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any Issuances of Letters of Credit occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

"Eligible Assignee" means (i) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least $100,000,000; and (ii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the ***"OECD"),*** or a political subdivision of any such country, and having a combined capital and surplus of at least $100,000,000, provided, that such bank is acting through a branch or agency located in the United States.

"Environmental Laws" means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental matters.

"ERISA" means the Employee Retirement Income Security Act of 1974 and the regulations thereunder. References to sections of ERISA also refer to any successor sections.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure to make a required contribution to a Pension Plan if such failure is sufficient to give rise to a Lien under Section 302(f) of ERISA; (c) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (d) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (e) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (f) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Eurodollar Base Rate" has the meaning set forth in the definition of Eurodollar Rate.

"Eurodollar Rate" means for any Interest Period with respect to any Eurodollar Rate Loan, a rate per annum determined by the Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{\text{1.00 - Eurodollar Reserve Percentage}}$$

Where,

"Eurodollar Base Rate" means, for such Interest Period:

(a) the rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) equal to the rate determined by the Agent to be the offered rate that appears on the page of the Telerate screen (or any successor thereto) that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(b) if the rate referenced in the preceding clause (a) does not appear on such page or service or such page or service shall not be available, the rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) equal to the rate determined by the Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(c) if the rates referenced in the preceding clauses (a) and (b) are not available, the rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) determined by the Agent as the rate of interest at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by Wachovia and with a term equivalent to such Interest Period would be offered by Wachovia's London branch to major banks in the London interbank eurodollar market at their request at approximately 4:00 p.m. (London time) two Business Days prior to the first day of such Interest Period.

"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Bank, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on the Eurodollar Rate.

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

"Excess Sale Proceeds" has the meaning specified in Section 8.8(c)(ii)(B).

"Exchange Act" means the Securities Exchange Act of 1934, and regulations promulgated thereunder.

"Existing Credit Agreement" means that certain Credit Agreement, dated as of August 28, 2003, among the Obligors, the financial institutions party thereto, Citicorp USA, Inc., as Syndication Agent, Credit Suisse Securities (USA) LLC (as successor to Credit Suisse First Boston), as Documentation Agent, and Wachovia as administrative agent, as amended from time to time in accordance with its terms.

"Existing Letters of Credit" means all letters of credit listed and identified by letter or credit number on Schedule 3.1(a) and outstanding on the Closing Date.

"FDIC" means the Federal Deposit Insurance Corporation, and any Governmental Authority succeeding to any of its principal functions.

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

"Fee Letter" has the meaning specified in Section 2.10(a).

"First Mortgage Note Agreements" means, collectively, (a) the Note Agreement, dated as of March 15, 1999, among the Borrower, the General Partner and the holders of the Series D First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time and (b) the Note Agreement, dated as of March 15, 2000, among the Borrower, the General Partner and the holders of the Series E First Mortgage Note, as the same may be amended, supplemented or otherwise modified from time to time.

"First Mortgage Notes" means the Series D First Mortgage Notes and the Series E First Mortgage Notes.

"Foreign Bank" has the meaning specified in Section 10.13(a).

"FRB" means the Board of Governors of the Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions.

"Funded Debt" means, as of any date of determination, (i) indebtedness of the Borrower and/or its Restricted Subsidiaries for borrowed money or for the deferred purchase price of property or services, other than indebtedness for trade payables and non-recourse indebtedness which is not required by GAAP to be classified as a liability on the balance sheet of the debtor, (ii) Capitalized Lease Liabilities, and (iii) Contingent Obligations. For purposes of this definition, undrawn letters of credit shall not constitute Funded Debt.

"Funded Debt Ratio" means the ratio of (a) Funded Debt to (b) EBITDA.

"GAAP" has the meaning specified in Section 1.3(a).

"Guaranteeing Entity" has the meaning specified in Section 7.9(f).

"Guarantors" has the meaning specified in the introductory clause hereto.

"Guarantor Financials" has the meaning specified in Section 7.9(b).

"General Partner" has the meaning specified in the introductory clause hereto.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Guaranty Obligation" has the meaning specified in the definition of "Contingent Obligation".

"Hazardous Material" **means:**

(a) any "hazardous substance", as defined by CERCLA;

(b) any "hazardous waste", as defined by the Resource Conservation and Recovery Act, as amended;

(c) any petroleum product other than propane; or

(d) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material or substance within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended or hereafter amended.

"Honor Date" has the meaning specified in Section 3.3(b).

"ICC" has the meaning specified in Section 3.9.

"Incorporated Covenant" has the meaning specified in Section 7.9(d).

"Indebtedness" of any Person means, without duplication, (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables and accrued expenses arising in the ordinary course of business on ordinary terms); (c) all non-contingent reimbursement or payment obligations with respect to Surety Instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (f) all Capitalized Lease Liabilities; (g) all indebtedness referred to in clauses 0.1 through (f) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; (h) all Redeemable Capital Stock of such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends; (i) any Preferred Stock of any Subsidiary of such Person valued at the sum of the liquidation preference thereof or any mandatory redemption payment obligations in respect thereof plus, in either case, accrued dividends thereon and (j) all Guaranty Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through Li) above.

"Indemnified Liabilities" has the meaning specified in Section 12.5.

"Indemnified Parties" has the meaning specified in Section 12.5.

"Insolvency Proceeding" means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of a Person's creditors generally or any substantial portion of a Person's creditors; in each case undertaken under U.S. Federal, state or foreign law, including in each case the Bankruptcy Code.

"Intercompany Loan Agreement" means that certain Loan Agreement, dated July 19, 1999, between National Propane, L.P. (renamed AEPLP) and Columbia Propane Corporation (renamed AEPI), as amended, supplemented or otherwise modified from time to time.

"Intercompany Note" means that certain Promissory Note, dated July 19, 1999, by AEPLP in favor of the Borrower by endorsement from AEPI in the original principal amount of $137,997,000, as amended, supplemented or otherwise modified from time to time.

"Interest Payment Date" means, (i) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan, (ii) as to any Base Rate Loan, the last Business Day of each calendar quarter and (iii) as to any Swing Line Loan, the last Business Day of each calendar quarter; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the date that falls three months after the beginning of such Interest Period is also an Interest Payment Date.

"Interest Period" means, as to any Eurodollar Rate Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as a Eurodollar Rate Loan, and ending on the date two weeks or one, two, three or six months thereafter as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation; provided, that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period for any Loan shall extend beyond the Termination Date.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement or arrangement designed to protect the Borrower against fluctuations in interest rates on Senior Indebtedness.

"Investment" means, as applied to any Person, any direct or indirect purchase or other acquisition by such Person of stock or other securities of any other Person, or any direct or indirect loan, advance or capital contribution by such Person to any other Person, and any other item which would be classified as an "investment" on a balance sheet of such Person prepared in accordance with GAAP, including without limitation any direct or indirect contribution of such Person of property or assets to a joint venture, partnership or other business entity in which such Person retains an interest (it being understood that a direct or indirect purchase or other acquisition by such Person of assets of any other Person (other than stock or other securities) shall not constitute an

"Investment" for purposes of this Agreement). For purposes of Section 8.4(c), the amount involved in Investments made during any period shall be the aggregate cost to the Borrower and its Restricted Subsidiaries of all such Investments made during such period, determined in accordance with GAAP, but without regard to unrealized increases or decreases in value, or write-ups, write-downs or write-offs, of such Investments and without regard to the existence of any undistributed earnings or accrued interest with respect thereto accrued after the respective dates on which such Investments were made, less any net return of capital realized during such period upon the sale, repayment or other liquidation of such Investments (determined in accordance with GAAP, but without regard to any amounts received during such period as earnings (in the form of dividends not constituting a return of capital, interest or otherwise) on such Investments or as loans from any Person in whom such Investments have been made).

"Investment Condition" has the meaning specified in Section 7.8(a).

"Investment Limit" has the meaning specified in Section 8.4(c).

"IRS" means the Internal Revenue Service, and any Governmental Authority succeeding to any of its principal functions under the Code.

"ISP98" has the meaning specified in Section 3.9.

"Issuance Date" has the meaning specified in Section 3.1(a).

"Issue" means, with respect to any Letter of Credit, to issue or to extend the expiry of, or to renew or increase the amount of, such Letter of Credit; and the terms ***Issued, Issuing*** and ***Issuance*** have corresponding meanings.

"Issuing Bank" means Wachovia in its capacity as issuer of one or more Letters of Credit hereunder, together with any replacement letter of credit issuer arising under Section 10.1(b) or Section 10.9.

"Keep Well Agreement" means that certain Keep Well Agreement, dated as of August 21, 2001, between the Borrower and Columbia Propane Corporation (renamed AEPI).

"L/C Advance" means each Bank's participation in any L/C Borrowing in accordance with its Pro Rata Share.

"L/C Amendment Application" means an application form for amendment or renewal of outstanding standby letters of credit as shall at any time be in use at the Issuing Bank, as the Issuing Bank shall request.

"L/C Application" means an application form for issuances of standby letters of credit as shall at any time be in use at the Issuing Bank, as the Issuing Bank shall request.

"*L/C* ***Borrowing"*** means an extension of credit resulting from a drawing under any Letter of Credit which shall not have been reimbursed on the date when made or converted into a Borrowing of Revolving Loans under Section 3.3(c).

"*L/C* ***Commitment"*** means the commitment of the Issuing Bank to Issue, and the commitment of the Banks severally to participate in, Letters of Credit from time to time Issued or outstanding under Article III, in an aggregate amount not to exceed on any date the amount of the Revolving Commitment, it being understood that the L/C Commitment is a part of the Revolving Commitments rather than a separate, independent commitment.

"*L/C* ***Obligations"*** means at any time the sum of (a) the aggregate undrawn amount of all Letters of Credit then outstanding, plus (b) the amount of all outstanding L/C Borrowings.

"L/C-Related Documents" means the Letters of Credit, the L/C Applications, the L/C Amendment Applications and any other document executed by the Borrower relating to any Letter of Credit, including any of the Issuing Bank's standard form documents for letter of credit issuances, as the same may be amended, supplemented, assigned or otherwise modified from time to time.

"L/C Termination Date" means the date that is three days prior to the Termination Date.

"Lending *Office"* means, as to any Bank, the office or offices of such Bank specified as its "Lending Office" or "Domestic Lending Office" or "Eurodollar Lending Office", as the case may be, on Schedule 12.2, or such other office or offices as such Bank may from time to time notify the Borrower and the Agent.

"*Letters of* ***Credit"*** means any standby letters of credit issued by the Issuing Bank pursuant to Article III.

"Leverage Ratio" means, as of any date of determination, the ratio of (i) Total Debt to (ii) EBITDA.

"LIBOR Market Index Rate" means, for any day, the rate for one month U.S. dollar deposits as reported on Telerate page 3750 as of 11:00 a.m., London time, for such day, provided, if such day is not a London business day, the immediately preceding London business day (or if not so reported, then as determined by the Swing Line Bank from another recognized source or interbank quotation).

"Lien" means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the Uniform Commercial Code or any comparable law) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease.

"Loan" means an extension of credit by a Bank to the Borrower under Article II, and may be a Base Rate Loan or a Eurodollar Rate Loan (each, a ***"Type"*** of Loan), and includes any Revolving Loan, Acquisition Loan or Swing Line Loan; provided, that no Swing Line Loan may be a Base Rate Loan or a Eurodollar Rate Loan but shall bear interest at the Swing Line Rate.

"Loan Documents" means this Agreement, any Notes, the Fee Letter, the Subsidiary Guarantee, the L/C Related Documents, each Notice of Borrowing, each Notice of Conversion/Continuation and each Compliance Certificate.

"Long Term Funded Debt" means, as applied to any Person, all Indebtedness of such Person which by its terms or by the terms of any instrument or agreement relating thereto matures one year or more from the date of execution of the instruments governing any such Indebtedness or, if applicable, the execution of any instrument extending the maturity date of such Indebtedness, provided, that Long Term Funded Debt shall include any Indebtedness which does not otherwise come within the foregoing definition but which is directly or indirectly renewable or extendible at the option of the debtor to a date one year or more (including an option of the debtor under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more) from the date of execution of the instruments governing any such Indebtedness or, if applicable, the execution of any instrument extending the maturity date of such Indebtedness.

"Margin Stock" means "margin stock" as such term is defined in Regulation U or X of the FRB.

"Material Adverse Effect" means (a) a material adverse effect on the business, Assets or financial condition of the Borrower and its Restricted Subsidiaries taken as a whole; or (b) a material impairment of the ability of the Borrower or any Restricted Subsidiary to perform any of its obligations under this Agreement, the Notes or the other Loan Documents to which it is a party.

"Multiemployer Plan" means a "multiemployer plan", within the meaning of Section 4001(a)(3) of ERISA, with respect to which the Borrower or any ERISA Affiliate may have any liability.

"National Propane Purchase Agreement" means that certain Purchase Agreement, dated April 5, 1999, by and among AEPLP, AEPH, AEPI, National Propane Partners, L.P., National Propane Corporation, National Propane SGP, Inc. and Triarc Companies, Inc., as amended, supplemented or otherwise modified from time to time.

"Net Amount of Unrestricted Investment" means the sum of, without duplication, (x) the aggregate amount of all Investments made after the date hereof pursuant to Section 8.4(h) (computed as provided in the last sentence of the definition of Investment) and (y) the aggregate of all Designation Amounts in connection with the designation of Unrestricted Subsidiaries pursuant to the provisions of Section 7.8 less all Designation Amounts in respect of Unrestricted Subsidiaries which have been designated as Restricted Subsidiaries in accordance with the provisions of Section 7.8 and otherwise reduced in a manner consistent with the provisions of the last sentence of the definition of Investment.

"Net Proceeds" means with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents net of (i) reasonable brokerage commissions and other reasonable fees and expenses (including without limitation reasonable fees and expenses of legal counsel and accountants and reasonable fees, expenses and discounts or commissions of underwriters, placement agents and investment bankers) related to such Asset Sale; (ii) provisions for all taxes payable as a result of such Asset Sale; (iii) amounts required to be paid to any Person (other than the Borrower or any Restricted Subsidiary) owning a beneficial interest in the assets subject to such Asset Sale; (iv) appropriate amounts to be provided by the Borrower or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the Borrower or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale; and (v) amounts required to be applied to the repayment of Indebtedness (other than the Obligations and the other Senior Indebtedness) secured by a Lien on the asset or assets sold in such Asset Sale.

"New Banks" shall have the meaning specified in Section 2.15(b).

"Non AEPLP Restricted Subsidiary" has the meaning specified in Section 8.18(a).

"Non-PP&EAssets" has the meaning specified in Section 8.18(b).

"Note" means a promissory note executed by the Borrower in favor of a Bank pursuant to Section 2.2(d), substantially in the form of Exhibit F-1 (in the case of Acquisition Loans), or Exhibit F-2 (in the case of Revolving Loans), as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Notice Date" shall have the meaning specified in Section 2.15(b).

"Notice of Borrowing" means a notice in substantially the form of Exhibit A-1, in the case of a Swing Line Loan, and Exhibit A-2 in the case of any other Loan.

"Notice of Conversion/Continuation" means a notice in substantially the form of Exhibit B.

"Obligations" means all advances, debts, liabilities, obligations, covenants and duties arising under any Loan Document owing by any of the Obligors or other Credit Parties to any Bank, the Agent or any Indemnified Party, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising.

"Obligors" has the meaning specified in the introductory clause hereto.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control and any successor Governmental Authority.

"Officers' Certificate" means as to any corporation, a certificate executed on its behalf by the Chairman of the Board of Directors (if an officer) or its President or one of its Vice Presidents, and its Treasurer, or Controller, or one of its Assistant Treasurers or Assistant Controllers, and, as to any partnership, a certificate executed on behalf of such partnership by its general partner in a manner which would qualify such certificate (a) if such general partner is a corporation, as an Officers' Certificate of such general partner hereunder or (b) if such general partner is a partnership or other entity, as a certificate executed on its behalf by Persons authorized to do so pursuant to the constituting documents of such partnership or other entity.

"Organization Documents" means, for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation and as to any partnership, its partnership agreement, certificate of partnership and related agreements and as to any other entity, such other entity's analogous organizational documents, as the same may be amended, supplemented or otherwise modified from time to time.

"Originating Bank" has the meaning specified in Section 12.9(e).

"Other Taxes" means any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Documents.

"Participant" has the meaning specified in Section 12.9(e).

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Borrower, as the same may from time to time be amended, supplemented or otherwise modified.

"Partnership Unrestricted Subsidiaries" means the Unrestricted Subsidiaries of the Public Partnership as defined in the Public Partnership Indenture as in effect on the Closing Date.

"PBGC" means the Pension Benefit Guaranty Corporation, or any Governmental Authority succeeding to any of its principal functions under ERISA.

"Pension Plan" means a "pension plan", as such term is defined in section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in section 4001(a)(3) of ERISA) with respect to which the Borrower or any ERISA Affiliates may have any liability.

"Permitted Banks" has the meaning specified in Section 8.4(a).

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority or other entity.

"Petrolane" has the meaning specified in the introductory clause hereto.

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) which the Borrower sponsors or maintains or to which the Borrower makes, is making, or is obligated to make contributions and includes any Pension Plan.

"PP&E Acquisition/Investment/Transfer Limit" has the meaning specified in Section 8.16.

"PP&E Assets" means assets that would, in accordance with GAAP, be classified and accounted for as "property, plant and equipment" on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries.

"PP&E Transfer" has the meaning specified in Section 8.18(b).

"PPD/GP Debt Contribution" means the amount of aggregate net cash proceeds previously received by the Borrower from time to time from the Public Partnership as a capital contribution made with the proceeds of Public Partnership Indebtedness and the General Partner in connection with its related and contemporaneous capital contribution and designated as such by such Persons at the time of contribution in the corporate or other records of such Persons.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated), which is preferred as to the payment of distributions or dividends, or upon any voluntary or involuntary liquidation or dissolution of such Person, over shares or units of Capital Stock of any other class of such Person.

"Pricing Tier" has the meaning specified in the definition of "Applicable Margin."

"Prime Rate" means, at any time, the rate of interest in effect for such day as publicly announced from time to time by Wachovia as its "prime rate" (which is not necessarily the lowest rate charged to any customer). Any change in such rate announced by Wachovia shall take effect at the opening of business on the day specified in the public announcement of such change.

"Pro Rata Share" means, as to any Bank at any time, the percentage equivalent (expressed as a decimal, rounded to the ninth decimal place) at such time of such Bank's Commitment divided by the combined Commitments of all Banks.

"Public Partnership" means AmeriGas Partners, L.P., a Delaware limited partnership.

"Public Partnership Indenture" means each of the Indentures among the Public Partnership, its financing subsidiaries, and Wachovia, as trustee, with respect to the Public Partnership Notes, as the same may be amended, supplemented or otherwise modified from time to time.

"Public Partnership Notes" means the notes issued, from time to time, jointly and severally, by the Public Partnership and its financing subsidiaries, as the same may be amended, supplemented or otherwise modified from time to time.

"Purchase Money Lien" has the meaning specified in Section 8.3(h).

"Redeemable Capital Stock" means any shares of any class or series of Capital Stock, that, either by the terms thereof, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is or upon the happening of an event or passage of time would be, required to be redeemed prior to the date of the last scheduled payment of any Loan then outstanding or is redeemable at the option of the holder thereof at any time prior to such date, or is convertible into or exchangeable for Indebtedness at any time prior to such date.

"Reference Period" shall have the meaning specified in the definition of Consolidated Cash Flow.

"Replacement Bank" has the meaning specified in Section 4.7.

"Reportable Event" means, any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"Required Banks" means at any time Banks then holding at least 66-2/3% of the then aggregate unpaid principal amount of the Loans (assuming that any outstanding Swing Line Loans were converted into Revolving Loans or participated in by the Banks pursuant to Section 2.16) and L/C Borrowings and risk participations in outstanding Letters of Credit (or in the case of the Issuing Bank, the amount of the outstanding Letters of Credit minus risk participations of the other Banks therein), or, if no amounts are outstanding, Banks then having at least 66-2/3% of the aggregate amount of the Commitments.

"Requirement of Law" means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

"Resource Conservation and Recovery Act" means the Resource Conservation and Recovery Act, 42 U.S.C. Section 690, et seq., as in effect from time to time.

"Responsible Officer" means the chief executive officer or the president of the Borrower, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants, the chief financial officer or the treasurer of the Borrower, or any other officer having substantially the same authority and responsibility.

"Restricted Payment" means with respect to the Borrower and its Restricted Subsidiaries (the ***"Covered Persons"),*** (a) in the case of any Covered Person that is a partnership, (i) any payment or other distribution, direct or indirect, in respect of any partnership interest in such Covered Person, except a distribution payable solely in additional partnership interests in such Covered Person, and (ii) any payment, direct or indirect, by such Covered Person on account of the redemption, retirement, purchase or other acquisition of any partnership interest in such Covered Person, except to the extent that such payment consists of additional partnership interests in such Covered Person; or (b) in the case of any Covered Person that is a corporation, (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of such Covered Person then outstanding, except a dividend payable solely in shares of stock of such Covered Person, and (ii) any payment, direct or indirect, by such Covered Person on account of the redemption, retirement, purchase or other acquisition of any shares of any class of stock of such Covered Person then outstanding, or of any warrants, rights or options, to acquire any such shares, except to the extent that such payment consists of shares of Capital Stock of such Covered Person; (c) in the case of any Covered Person that is a limited liability company, (i) any payment or other distribution, direct or indirect, in respect of any membership interest in such Covered Person, except a distribution payable solely in additional membership interests in such Covered Person, and (ii) any payment, direct or indirect, by such Covered Person on account of the redemption, retirement, purchase or other acquisition of any membership interest in such Covered Person, except to the extent that such payment consists of additional membership interests in such Covered Person; or (d) any indemnification payment made by AEPLP, AEPH or AEPI pursuant to the Tax Indemnity Provisions (as defined in the National Propane Purchase Agreement), including any payment made by the Borrower to AEPI pursuant to the Keep Well Agreement.

"Restricted Subsidiary" means any Subsidiary of the Borrower organized under the laws of the United States or any state thereof or Canada or any province thereof or the District of Columbia, none of the Capital Stock or ownership interests of which is owned by Unrestricted Subsidiaries and substantially all of the operating assets of which are located in, and substantially all of the business of which is conducted within, the United States or Canada and which is designated as a Restricted Subsidiary in Schedule 6.2 or which shall be designated as a Restricted Subsidiary by the General Partner at a subsequent date as provided in Section 7.8; provided, however, that (a) to the extent a newly formed or acquired Subsidiary is not declared either a Restricted Subsidiary or an Unrestricted Subsidiary within 90 days of its formation or acquisition, such Subsidiary shall be deemed a Restricted Subsidiary and (b) a Restricted Subsidiary may be designated as an Unrestricted Subsidiary in accordance with the provisions of Section 7.8.

"Revolving Commitment" has the meaning specified in Section 2.1(b).

"Revolving Loan" has the meaning specified in Section 2.1(b).

"Routine Permits" has the meaning specified in Section 6.8(a).

"Sale and Lease-Back Transaction" of a Person (a ***"Transferor")*** means any arrangement (other than between the Borrower and a Wholly-Owned Restricted Subsidiary or between Wholly-Owned Restricted Subsidiaries) whereby (a) property (the ***"Subject Property")*** has been or is to be disposed of by such Transferor to any other Person with the intention on the part of such Transferor of taking back a lease of such Subject Property pursuant to which the rental payments are calculated to amortize the purchase price of such Subject Property substantially over the useful life of such Subject Property, and (b) such Subject Property is in fact so leased by such Transferor or an Affiliate of such Transferor.

"Sale Condition" has the meaning specified in Section 7.8(a).

"Sanctioned Entity" means (a) an agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a Person resident in, in each case, a country that is subject to a sanctions program identified on the list maintained by the OFAC and published from time to time, as such program may be applicable to such agency, organization or Person.

"Sanctioned Person" means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by the OFAC as published from time to time.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Senior Indebtedness" means the Obligations, the obligations of the Borrower and the General Partner under the First Mortgage Notes and any other Indebtedness incurred pursuant to Section 8.1(a).

"Series D First Mortgage Notes" means the First Mortgage Notes, Series D, in aggregate principal amount not exceeding $70,000,000, issued pursuant to that certain Note Agreement, dated as of March 15, 1999, among the Borrower, the General Partner and the purchasers named in Schedule I thereto, as amended, supplemented, assigned or otherwise modified from time to time.

"Series E First Mortgage Notes" means the First Mortgage Notes, Series E, in an aggregate principal amount of $80,000,000, issued pursuant to that certain Note Agreement, dated as of March 15, 2000, among the Borrower, the General Partner and the purchasers named in Schedule I thereto, as amended, supplemented, assigned or otherwise modified from time to time.

"Significant Subsidiary Group" means any Subsidiary of the Borrower which is, or any group of Subsidiaries of the Borrower all of which are, at any time of determination, subject to one or more of the proceedings or conditions described in subsection (f) or fg) of Section 9.1, and which Subsidiary or group of Subsidiaries accounted for (or in the case of a recently formed or acquired Subsidiary would have so accounted for on a pro forma basis) more than 1% of consolidated operating revenues of the Borrower for the fiscal year most recently ended or more than 1% of consolidated Total Assets of the Borrower as of the end of the most recently ended fiscal quarter, in each case computed in accordance with GAAP.

"Special Rating" means a risk-based capital factor attributable to Indebtedness for purposes of generally applicable state insurance regulations for life, health and disability insurance companies, substantially equivalent to an investment grade rating issued by a nationally recognized credit rating agency.

"Specified Acquisition Loans" means the Acquisition Loans used solely for the purposes described in Section 8.9(c)(ii).

"Subject Property" shall have the meaning specified in the definition of Sale and Lease-Back Transaction.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, joint venture, association, trust or other entity of which (or in which) more than 50% of (a) the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interests in the capital or profits of such partnership, limited liability company, joint venture or association with ordinary voting power to elect a majority of the board of directors (or Persons performing similar functions) of such partnership, limited liability company, joint venture or association, or (c) the beneficial interests in such trust or other entity with ordinary voting power to elect a majority of the board of trustees (or Persons performing similar functions) of such trust or other entity, is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries, or by one or more of such Person's other Subsidiaries.

"Subsidiary Guarantee" means that certain Restricted Subsidiary Guarantee, dated as of the date hereof, by all of the Restricted Subsidiaries (other than AEPLP and any Subsidiary of AEPLP) for the benefit of the Agent, as the same may be amended, supplemented, assigned or otherwise modified from time to time.

"Surety Instruments" means all letters of credit (including standby and commercial), bankers acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments.

"Swap Contract" means any agreement (including any master agreement and any agreement, whether or not in writing, relating to any single transaction) that is an interest rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, forward foreign exchange agreement, rate cap, collar or floor agreement, currency swap agreement, crosscurrency rate swap agreement, swaption, currency option or any other, similar agreement (including any option to enter into any of the foregoing).

"Swing Line Bank" means Wachovia in its capacity as provider of Swing Line Loans, or any successor swing line bank hereunder.

"Swing Line Loan" has the meaning specified in Section 2.16(a).

"Swing Line Rate" means, the Libor Market Index Rate as that rate may change from day to day in accordance with changes in the LIBOR Market Index Rate plus the Applicable Margin for Eurodollar Rate Loans as in effect on such date.

"Swing Line Sublimit" means an amount equal to the lesser of (a) $20,000,000 and (b) the Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Revolving Commitments.

"Taxes" means any and all present or future taxes, levies, imposts or withholdings, and all penalties, interest and additions to taxes with respect thereto, excluding, in the case of each Bank and the Agent, such taxes (including income taxes or franchise taxes) as are imposed on or measured by each Bank's net income or capital by the jurisdiction (or any political subdivision thereof) under the laws of which such Bank or the Agent, as the case may be, is organized or maintains a lending office.

"Termination Date" means the earlier to occur of:

(a) October 15, 2011, as such date may be extended pursuant to Section 2.15 hereof; and

(b) the date on which the Commitments terminate in accordance with the provisions of this Agreement.

"Total Assets" means as of any date of determination, the consolidated total assets of the Borrower and the Restricted Subsidiaries as would be shown on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries prepared in accordance with GAAP as of that date.

"Total Debt" means as of any date of determination, the aggregate principal amount of all Indebtedness of the Borrower and the Restricted Subsidiaries at the time outstanding (other than Indebtedness permitted by Section 8.1(c)). For purposes of computing the Leverage Ratio pursuant to Section 8.14, Total Debt shall also include the obligations described in clause (c) of the definition of "Contingent Obligation."

"Transfer" has the meaning specified in Section 8.18(b).

"Transferor" shall have the meaning specified in the definition of Sale and Lease-Back Transaction.

"Type" has the meaning specified in the definition of "Loan." ***"UGI"*** means UGI Corporation, a Pennsylvania corporation.

"United States" and "U.S." each means the United States of America.

"Unrestricted Subsidiary" means a Subsidiary of the Borrower which is not a Restricted Subsidiary.

"Wachovia" means Wachovia Bank, National Association and its successors.

"Wholly-Owned Restricted Subsidiary" means any Restricted Subsidiary that is also a Wholly-Owned Subsidiary of the Borrower.

"Wholly-Owned Subsidiary" means, as applied to any Subsidiary of any Person, a Subsidiary in which (other than directors' qualifying shares required by law) 100% of the Capital Stock of each class having ordinary voting power, and 100% of the Capital Stock of every other class, in each case, at the time as of which any determination is being made, is owned, beneficially and of record, by such Person, or by one or more of such Person's other Wholly-Owned Subsidiaries, or both; provided, that for the purposes of this Agreement, (a) AEPLP shall be deemed a "Wholly-Owned Subsidiary" of the Borrower for so long as the Borrower directly or indirectly owns at least 99% of the Capital Stock of AEPLP and 100% of the general partnership interests therein, and (b) AmeriGas Eagle Parts & Service shall be deemed a "Wholly-Owned Subsidiary" of the Borrower for so long as (i) AEPLP remains a Restricted Subsidiary and a "Wholly-Owned Subsidiary" of the Borrower and (ii) AEPLP directly or indirectly owns at least 100% of the Capital Stock of AmeriGas Eagle Parts & Service.

"Yearly Threshold" has the meaning specified in Section 8.16.

1.2 Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof', "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "including" is not limiting and means "including without limitation."

(ii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are independent and shall each be performed in accordance with their terms.

(g) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to the Agent, the Borrower and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Banks or the Agent merely because of the Agent's or Banks' involvement in their preparation.

1.3 Accounting Principles. (a) Unless otherwise specified, all accounting terms used herein or in any other Loan Document shall be interpreted, all accounting determinations and computations hereunder or thereunder shall be made, and all financial statements required to be delivered hereunder or thereunder shall be prepared in accordance with, those generally accepted accounting principles in effect in the United States of America from time to time ("GAAP"). Notwithstanding the foregoing, if the Borrower, the Required Banks or the Agent determines that a change in GAAP from that in effect on the date hereof has altered the treatment of certain financial data to its detriment under this Agreement, such party may seek of the others a renegotiation of any financial covenant affected thereby. If the Borrower, the Required Banks and Agent cannot agree on renegotiated covenants, then, for the purposes of this Agreement, GAAP will refer to generally accepted accounting principles on the date just prior to the date on which the change that gave rise to the renegotiation occurred.

(b) References herein to "fiscal year" and "fiscal quarter" refer to such fiscal periods of the Borrower.

ARTICLE II

THE CREDITS

2.1 Amounts and Terms of Commitments.

(a) The Acquisition Credit. Each Bank severally agrees, on the terms and conditions set forth herein, to make loans to the Borrower (each such loan, an ***"Acquisition Loan")*** from time to time on any Business Day during the period from the Closing Date to the Termination Date in an aggregate principal amount not to exceed at any time outstanding the amount set forth opposite such Bank's name on Schedule 2.1, (such amount as the same may be reduced under Section 2.5 or Section 2.7 or as reduced or increased as a result of one or more assignments under Section 12.9, the Bank's ***"Acquisition Commitment").*** Within the limits of each Bank's Acquisition Commitment and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.1(a), prepay under Section 2.6 and reborrow under this Section 2.1(a).

(b) The Revolving Credit. Each Bank severally agrees, on the terms and conditions set forth herein, to make loans to the Borrower (each such loan, *a* ***"Revolving Loan")*** from time to time on any Business Day during the period from the Closing Date to the Termination Date, in an aggregate principal amount not to exceed at any time outstanding the amount set forth opposite such Bank's name on Schedule 2.1 (such amount as the same may be reduced under Section 2.5 or Section 2.7 or reduced or increased as a result of one or more assignments under Section 12.9, the Bank's ***"Revolving Commitment");*** provided, that after giving effect to any Borrowing of Revolving Loans, the Effective Amount of all outstanding Revolving Loans plus the Effective Amount of all L/C Obligations plus the Effective Amount of all Swing Line Loans shall not exceed the Revolving Commitments. Within the limits of each Bank's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.1 (b), prepay under Section 2.6 and reborrow under this Section 2.1(b). As a subfacility of the Banks' Revolving Commitments, the Borrower may request the Issuing Bank to Issue Letters of Credit from time to time pursuant to Article III. In addition, the Borrower may request the Swing Line Bank to make Swing Line Loans to the Borrower from time to time pursuant to Section 2.16.

2.2 Loan Accounts. (a) The Loans made by each Bank shall be evidenced by one or more loan accounts or records maintained by such Bank in the ordinary course of business. Each Bank will make reasonable efforts to maintain the accuracy of its loan account or accounts and to update promptly its loan account or accounts from time to time, as necessary.

(b) The Agent shall maintain the Register pursuant to Section 12.9(d) and a loan subaccount for each Bank, in which Register and loan subaccount (taken together) shall be recorded (i) the date, amount, and Interest Period, if applicable, of each Loan, and whether such Loan is a Base Rate Loan, a Eurodollar Rate Loan or a Swing Line Loan, (ii) the amount of any principal or interest due and payable or to become due and payable to each Bank hereunder and (iii) the amount of any sum received by the Agent hereunder from or for the loan account of the Borrower and each Bank's percentage share thereof. The Agent will make reasonable efforts to maintain the accuracy of the subaccounts referred to in the preceding sentence and to update promptly such loan subaccounts from time to time, as necessary.

(c) The entries made in the Register and loan subaccounts maintained pursuant to subsection (b) of this Section 2.2, to the extent permitted by applicable law, shall be prima facie evidence of the existence and amounts of such obligations of the Borrower therein recorded; provided, however, that the failure of the Agent or any Bank to maintain any such Register, loan subaccount or loan account, as applicable, or any error therein, shall not in any manner affect the obligations of the Borrower to repay the Loans in accordance with the terms thereof.

(d) Upon the request of any Bank made through the Agent, and at the expense of the Borrower, the Loans made by such Bank may be evidenced by one or more Notes, instead of loan accounts. Each such Bank shall endorse on the schedules annexed to its Note(s) the date, amount and maturity of each Loan made by it and the amount of each payment of principal made by the Borrower with respect thereto. Each such Bank is irrevocably authorized by the Borrower to so endorse its Note(s) and each Bank's record shall be rebuttable presumptive evidence of the amount of the Loans made by such Bank to the Borrower and the interest and principal payments thereof; provided, however, that the failure of a Bank to make, or an error in making, a notation thereon with respect to any Loan shall not limit or otherwise affect the obligations of the Borrower hereunder or under any such Note to pay any amount owing with respect to the Loans made by such Bank.

(e) Each Bank represents that at no time shall any part of the funds used to make any Loan constitute, or deemed under ERISA, the Code or any other applicable law, or any ruling or regulation issued thereunder, or any court decision, to constitute, the assets of any employee benefit plan (as defined in section 3(3) of ERISA) or any plan (as defined in section 4975(e)(1) of the Code).

2.3 Procedure for Borrowing. (a) Each Borrowing of Loans (other than Swing Line Loans) shall be made upon the Borrower's irrevocable written notice delivered to the Agent in the form of a Notice of Borrowing (which notice must be received by the Agent prior to 1:00 p.m.) (New York City time) (i) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Rate Loans; and (ii) one Business Day prior to the requested Borrowing Date, in the case of Base Rate Loans, specifying:

(A) the amount of the Borrowing, which shall be in an aggregate minimum amount of $5,000,000 in the case of Eurodollar Rate Loans or $1,000,000 in the case of Base Rate Loans, or any multiple of $1,000,000 in excess thereof; provided, however, that the Borrower may request (x) up to two Borrowings of Base Rate Loans in a minimum amount of $500,000 in any fiscal quarter and (y) Borrowings of Base Rate Loans in such amount as is necessary to pay to the Agent the amounts required by the last sentence of Section 2.13(a);

(B) the requested Borrowing Date, which shall be a Business Day;

(C) the Type of Loans comprising the Borrowing;

(D) whether the Loans comprising the Borrowing shall be Acquisition Loans or Revolving Loans and, if the Loans comprising the Borrowing shall be Acquisition Loans, whether the Acquisition Loans comprising the Borrowing shall be Specified Acquisition Loans; and

(E) other than in the case of Base Rate Loans, the duration of the Interest Period applicable to the Loans included in such notice. If the Notice of Borrowing fails to specify the duration of the Interest Period for any Borrowing comprised of Eurodollar Rate Loans, such Interest Period shall be one month.

provided, however, that with respect to any Borrowing to be made on the Closing Date, the Notice of Borrowing shall be delivered to the Agent no later than 10:00 a.m. (New York City time) on the Closing Date and such Borrowing will consist of Base Rate Loans only.

(b) The Agent will promptly notify each Bank of its receipt of any Notice of Borrowing (or a deemed notice of Borrowing under Section 2.16(c)(ii)) and of the amount of such Bank's Pro Rata Share of that Borrowing.

(c) Each Bank will make the amount of its Pro Rata Share of each Borrowing available to the Agent for the account of the Borrower at the Agent's Payment Office by 1:00 p.m. (New York City time) on the Borrowing Date requested by the Borrower in funds immediately available to the Agent. The proceeds of all such Loans will then be made available to the Borrower by the Agent on the Borrowing Date by crediting the Borrower's Account with the aggregate of such amounts made available to the Agent by the Banks and in like funds as received by the Agent.

(d) After giving effect to any Borrowing, there may not be more than ten different Interest Periods in effect.

2.4 Conversion and Continuation Elections. (a) The Borrower may, upon irrevocable written notice to the Agent in accordance with Section 2.4(b):

(i) elect, as of any Business Day, in the case of Base Rate Loans, or as of the last day of the applicable Interest Period, in the case of Eurodollar Rate Loans, to convert any such Loans (or any part thereof in an amount not less than $5,000,000 in the case of a conversion to a Eurodollar Rate Loan or $1,000,000 in the case of a conversion to a Base Rate Loan, or that is in an integral multiple of $1,000,000 in excess thereof) into Loans of the other Type; or

(ii) elect, as of the last day of the applicable Interest Period, to continue as Eurodollar Rate Loans any Eurodollar Rate Loans having Interest Periods expiring on such day (or any part thereof in an amount not less than $5,000,000, or that is in an integral multiple of $1,000,000 in excess thereof);

provided, that if at any time the aggregate amount of Eurodollar Rate Loans in respect of any Borrowing is reduced, by payment, prepayment, or conversion of part thereof to be less than $5,000,000, such Eurodollar Rate Loans shall automatically convert into Base Rate Loans, and on and after such date the right of the Borrower to continue such Loans as, and convert such Loans into, Eurodollar Rate Loans shall terminate.

(b) The Borrower shall deliver a Notice of Conversion/Continuation to be received by the Agent not later than 1:00 p.m. (New York City time) (i) three Business Days in advance of the Conversion/Continuation Date, if the Loans are to be converted into or continued as Eurodollar Rate Loans; and (ii) one Business Day in advance of the Conversion/Continuation Date, if the Loans are to be converted into Base Rate Loans, specifying:

(A) the proposed Conversion/Continuation Date;

(B) the aggregate amount of Loans to be converted or continued;

(C) the Type of Loans resulting from the proposed conversion or continuation; and

(D) other than in the case of conversions into Base Rate Loans, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period, the Borrower has failed to select timely a new Interest Period to be applicable to the Eurodollar Rate Loans having the expired Interest Period or if any Default or Event of Default then exists, the Borrower shall be deemed to have elected to convert such Eurodollar Rate Loans into Base Rate Loans effective as of the expiration date of such Interest Period.

(d) The Agent will promptly notify each Bank of its receipt of a Notice of Conversion/Continuation, or, if no timely notice is provided by the Borrower, the Agent will promptly notify each Bank of the details of any automatic conversion. All conversions and continuations shall be made ratably according to the respective outstanding principal amounts of the Loans with respect to which the notice was given held by each Bank.

(e) Unless the Required Banks otherwise agree, during the existence of a Default or unless all the Banks otherwise agree, during the existence of an Event of Default, the Borrower may not elect to have a Loan converted into or continued as a Eurodollar Rate Loan.

(f) After giving effect to any conversion or continuation of Loans, there may not be more than ten different Interest Periods in effect.

2.5 Voluntary Termination or Reduction of Commitments. The Borrower may, upon prior notice to the Agent no later than 11:00 a.m. (New York City time) two Business Days' prior to a proposed termination, terminate the Revolving Commitments or the Acquisition Commitments, or permanently reduce the Commitments by an aggregate minimum amount of $3,000,000 or any multiple of $1,000,000 in excess thereof; unless, after giving effect thereto and to any prepayments of Loans made on the effective date thereof subject to Sections 2.6 and 4_4, (a) the then Effective Amount of all Revolving Loans and Swing Line Loans plus the then Effective Amount of all L/C Obligations would exceed the amount of the Revolving Commitments then in effect or (b) the then Effective Amount of all outstanding Acquisition Loans would exceed the amount of the Acquisition Commitments then in effect. Once received, any notice delivered by the Borrower to the Agent under this Section 2.5 shall be irrevocable. Once reduced in accordance with this Section 2.5, the Commitments may not be increased. Any reduction of the Commitments shall be applied to each Bank according to its Pro Rata Share. All accrued facility fees to, but not including, the effective date of any reduction or termination of Commitments, shall be paid on the last day of each calendar quarter and the effective date of any such termination. The Agent will promptly notify each Bank of its receipt of a notice under this Section 2.5.

2.6 Optional Prepayments.

(a) Subject to Section 4.4, the Borrower may, upon notice to the Agent, at any time or from time to time voluntarily prepay Loans (other than Swing Line Loans) in whole or in part without premium or penalty; provided that such notice must be received by the Agent not later than 1:00 p.m. (New York City time) (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the date of prepayment of Base Rate Loans. Such notice of prepayment shall be irrevocable and specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and whether the Loans to be prepaid are Acquisition Loans or Revolving Loans. The Agent will promptly notify each Bank of its receipt of any such notice, and of such Bank's Pro Rata Share of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein, together with, in the case of Eurodollar Rate Loans, accrued interest to such date on the amount prepaid and any amounts required pursuant to Section 4.4; provided, that no amount of any optional prepayment under this Section 2.6(a) may be applied to the Revolving Loans unless and until all Specified Acquisition Loans have been paid in full.

(b) The Borrower may, upon notice to the Swing Line Bank (with a copy to the Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Bank and the Agent not later than 1:00 p.m. (New York City time) on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall be irrevocable and shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

2.7 Mandatory Prepayments of Loans; Mandatory Commitment Reductions.

(a) Asset Sales. In the event that any Asset Sale results in Excess Sale Proceeds which are not applied as provided in Section 8.8(c)(ii)(B)(x), an amount equal to the Banks' pro rata share of the aggregate principal amount of Senior Indebtedness (calculated prior to the application of any mandatory prepayments resulting from such Asset Sale to such other Senior Indebtedness) then outstanding (assuming, with respect to revolving debt, that the maximum commitment amount is outstanding) times the amount of such Excess Sale Proceeds shall be paid to the Agent for application to the Obligations in accordance with this Section 2.7(a). Amounts received by the Agent pursuant to this Section 2.7(a) shall be applied first to outstanding amounts under the Acquisition Commitments, then to outstanding amounts under the Revolving Commitments. Such prepayments shall be allocated among the Banks according to their respective Pro Rata Shares. The Acquisition Commitments and Revolving Commitments shall be permanently reduced by the amount of such prepayments applied to outstanding principal amounts thereunder, and any such reduction shall be applied to each Bank according to its Pro Rata Share. If the amount of such Excess Sale Proceeds applicable to payment to the Banks hereunder exceeds the amount of the outstandings under the Commitments, the Commitments shall be permanently reduced by such excess, by reduction, first to the Acquisition Commitments and then to the Revolving Commitments, and any such reduction shall be applied to each Bank in accordance with its Pro Rata Share.

(b) Excess Outstandings. If on any date the Effective Amount of L/C Obligations exceeds the L/C Commitment, the Borrower shall Cash Collateralize on such date the outstanding Letters of Credit in an amount equal to the excess of the maximum amount then available to be drawn under the Letters of Credit over the L/C Commitment. Subject to Section 4.4, if on any date after giving effect to any Cash Collateralization made on such date pursuant to the preceding sentence (i) the Effective Amount of all Revolving Loans and L/C Obligations exceeds the Revolving Commitments or (ii) the Effective Amount of all Acquisition Loans exceeds the Acquisition Commitments, then the Borrower shall immediately, and without notice or demand, prepay the outstanding principal amount of the Revolving Loans, L/C Advances and/or Acquisition Loans, by an amount equal to such excess.

2.8 Repayment. (a) Generally. The Borrower shall repay to the Agent, for the benefit of the Banks, in full on the Termination Date the aggregate principal amount of Revolving Loans outstanding on such date, together with all accrued and unpaid interest thereon and the aggregate principal amount of Acquisition Loans outstanding on such date, together with all accrued and unpaid interest thereon.

(b) Swing Line Loans. The Borrower shall repay to the Agent, for the benefit of the Swing Line Bank, in full the aggregate principal amount of each Swing Line Loan, together with all accrued and unpaid interest thereon, upon the earlier of (a) 5 calendar days following the date on which such Swing Line Loan was funded by the Swing Line Bank and (b) the Termination Date.

2.9 Interest. (a) Each Loan (other than Swing Line Loans) shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the Eurodollar Rate or the Base Rate, as the case may be (and subject to the Borrower's right to convert to the other Type of Loan under Section 2.4), plus the Applicable Margin. Each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the Swing Line Rate.

(b) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of Eurodollar Rate Loans under Section 2.6 or 2.7 for the portion of the Loans so prepaid and upon payment (including prepayment) in full thereof and, during the existence of any Event of Default, interest shall be paid on demand of the Agent at the request or with the consent of the Required Banks. Interest on each Swing Line Loan shall be for the sole account of the Swing Line Bank (except to the extent the other Banks have funded the purchase of participations therein pursuant to subsection 2.16(c)).

(c) Notwithstanding subsection (a) of this Section, if any amount of principal of or interest on any Loan, or any other amount payable hereunder or under any other Loan Document is not paid in full when due (whether at stated maturity, by acceleration, demand or otherwise), the Borrower agrees to pay interest on such unpaid principal or other amount, from the date such amount becomes due to the date such amount is paid in full, and after as well as before any entry of judgment thereon to the extent permitted by law, payable on demand (but not more frequently than once per week), at a fluctuating rate per annum equal to the Base Rate plus 2%.

(d) Anything herein to the contrary notwithstanding, the obligations of the Borrower hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment would be contrary to the provisions of any applicable law limiting the highest rate of interest that may be lawfully contracted for, charged or received by the Agent, applicable Bank, Swing Line Bank or Issuing Bank, and in such event the Borrower shall pay such Bank interest for such period at the highest rate permitted by applicable law.

2.10 Fees. (a) Arrangement, Agency Fees. The Borrower shall pay all fees as required by the letter agreement ***("Fee Letter")*** among the Borrower, the Agent and Wachovia Capital Markets, LLC dated July 17, 2006.

(b) Facility Fees. The Borrower shall pay on the last Business Day of each calendar quarter to the Agent for the account of each Bank a facility fee on the daily average amount of (i) such Bank's Revolving Commitment (whether or not used) from the date hereof until the Termination Date and (ii) such Bank's Acquisition Commitment (whether or not used) from the date hereof until the Termination Date, in each case at the rate per annum set forth below for each Pricing Tier as such Pricing Tier is applicable:

Pricing Tier	Funded Debt Ratio	Margin
I	Less than or equal to 2.50x	0.250%
II	Greater than 2.50x but less than or equal to 3.OOx	0.250%
III	Greater than 3.OOx but less than or equal to 3.50x	0.300%
IV	Greater than 3.50x	0.375%

For the purpose of determining the applicable Pricing Tier pursuant to this Section 2.10(b) and subject to the last sentence of this paragraph, EBITDA shall be determined as at the end of each fiscal quarter for the four fiscal quarters then ending and Funded Debt shall be determined as at the end of each fiscal quarter for which such calculation is being determined. Pricing changes shall be effective on the later of (i) 45 days after the end of each of the first three fiscal quarters of each fiscal year and 90 days after each fiscal year end and (ii) the Agent's receipt of financial statements hereunder for such fiscal quarter or fiscal year; provided, however, that if the financial statements are not delivered when due in accordance with Section 7.1, then Pricing Tier IV shall apply as of the first Business Day after the date on which such financial statements were required to have been delivered until the date upon which such financial statements are delivered to the Agent. For the period from the Closing Date through December 31, 2006, the applicable Pricing Tier shall be Pricing Tier I.

2.11 Computation of Fees and Interest. (a) All computations of interest for Base Rate Loans when the Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall bear interest for one day.

(b) Each determination of an interest rate by the Agent shall be conclusive and binding on the Borrower and the Banks in the absence of manifest error.

2.12 Payments by the Borrower. (a) All payments to be made by the Borrower shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to the Agent for the account of the Banks at the Agent's Payment Office, and shall be made in dollars and in immediately available funds, no later than 1:00 p.m. (New York City time) on the date specified herein. The Agent will promptly distribute to each Bank its Pro Rata Share (or other applicable share as expressly provided herein) of such payment in like funds as received. Any payment received by the Agent later than 1:00 p.m. (New York City time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue to such Business Day.

(b) Subject to the provisions set forth in the definition of "Interest Period" herein, whenever any payment is due on a day other than a Business Day, such payment shall be made on the following Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(c) Unless the Agent receives notice from the Borrower prior to the date on which any payment is due to the Banks that the Borrower will not make such payment in full as and when required, the Agent may assume that the Borrower has made such payment in full to the Agent on such date in immediately available funds and the Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent the Borrower has not made such payment in full to the Agent, each Bank shall repay to the Agent on demand such amount distributed to such Bank, together with interest thereon at the Federal Funds Rate for each day from the date such amount is distributed to such Bank until the date repaid.

2.13 Payments by the Banks to the Agent, etc. (a) Unless the Agent receives notice from a Bank on or prior to the Closing Date or, with respect to any Borrowing after the Closing Date, at least one Business Day prior to the date of such Borrowing, that such Bank will not make available as and when required hereunder to the Agent for the account of the Borrower the amount of that Bank's Pro Rata Share of the Borrowing, the Agent may assume that each Bank has made or will make such amount available to the Agent in immediately available funds on the Borrowing Date and the Agent may (but shall not be so required), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent any Bank shall not have made the full amount of its Pro Rata Share of any Borrowing available to the Agent in immediately available funds and the Agent in such circumstances has made available to the Borrower such amount, that Bank shall on the Business Day following such Borrowing Date make such amount available to the Agent, together with interest at the Federal Funds Rate for each day during such period. A notice of the Agent submitted to any Bank with respect to amounts owing under this subsection (a) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Agent shall constitute such Bank's Loan on the date of Borrowing for all purposes of this Agreement. If such amount is not made available to the Agent on the Business Day following the Borrowing Date, the Agent will notify the Borrower of such failure to fund and, upon demand by the Agent, the Borrower shall pay such amount to the Agent for the Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing.

(b) The failure of any Bank to make any Loan on any Borrowing Date shall not relieve any other Bank of any obligation hereunder to make a Loan on such Borrowing Date, but no Bank shall be responsible for the failure of any other Bank to make the Loan to be made by such other Bank on any Borrowing Date. No Bank shall be entitled to take any action to protect or enforce its rights arising out of any Loan Document without the prior written consent of the Required Banks, including the exercise, or attempt to exercise, any right of set-off, banker's lien, or any similar such action, against any deposit account or property of the Borrower held by any such Bank.

2.14 Sharing of Payments, etc. If, other than as expressly provided elsewhere herein, any Bank shall obtain on account of the Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it, any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise, except pursuant to Sections 2.15(b), 4.7, 12.1, and 12.9) in excess of its Pro Rata Share, such Bank shall immediately (a) notify the Agent of such fact, and (b) purchase from the other Banks such participations in the Loans made by them as shall be necessary to cause such purchasing Bank to share the excess payment pro rata with each of them; provided, that if all or any portion of such excess payment is thereafter recovered from the purchasing Bank, such purchase shall to that extent be rescinded and each other Bank shall repay to the purchasing Bank the purchase price paid therefor, together with an amount equal to such paying Bank's ratable share (according to the proportion of (i) the amount of such paying Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank) of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. The Borrower agrees that any Bank so purchasing a participation from another Bank may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 12.11) with respect to such participation as fully as if such Bank were the direct creditor of the Borrower in the amount of such participation. The Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify the Banks following any such purchases or repayments.

2.15 Termination Date. (a) The Commitments shall terminate and each Bank shall be relieved of its obligations to make any Loan on the Termination Date. The Borrower may from time to time request an extension of the Termination Date for an additional one-year period by executing and delivering to the Agent a Commitment Termination Date Extension Request at least 60 but not more than 90 days prior to the then scheduled Termination Date. The Termination Date shall be so extended if the Agent shall have received from each Bank on or prior to the 30th day preceding the then scheduled Termination Date a duly executed counterpart of such Commitment Termination Date Extension Request. Each Bank may in its sole and absolute discretion withhold its consent, or condition its consent, to any such Commitment Termination Date Extension Request.

(b) Notwithstanding the foregoing, if the Agent shall have received duly executed counterparts of a Commitment Termination Date Extension Request from Banks representing, in the aggregate, 80% or more of the Commitments, but less than 100% of the Commitments, on or prior to the 30th day preceding the then scheduled Termination Date, the Agent shall so notify (the date of such notice being the ***"Notice Date")*** the Borrower, and the Borrower shall have the right to seek a substitute bank or banks (the ***"New Banks")*** which New Banks would meet the requirements to be Eligible Assignees, acceptable to the Agent and the Borrower (which may be one or more of the Banks) to replace the Bank or Banks which have not delivered a counterpart of such Commitment Termination Date Extension Request by such time; provided, that such New Banks shall replace such nonrenewing Banks on all such nonrenewing Banks' Commitments, Loans, L/C Obligations and L/C Advances, so the Pro Rata Share of any New Bank of the Acquisition Commitments, Revolving Commitments, Loans, L/C Obligations and L/C Advances shall be the same. If any Termination Date shall not have been extended pursuant to clause (a) above, the Borrower shall elect, by delivering to the Agent at

least four Business Days' prior to the then scheduled Termination Date a written notice of election, either (i) not to extend such Termination Date, in which case such Termination Date shall not be so extended for any Bank irrespective of whether such Bank has or has not sent its duly executed counterpart of the Commitment Termination Date Extension Request or (ii) if the aggregate Commitments of the Banks who have delivered duly executed counterparts of a Commitment Termination Date Extension Request represent at least 80% of the Commitments, to extend such current Termination Date, in which case (x) the Termination Date shall be extended for an additional period of one year from the then scheduled Termination Date, and (y) the Commitments shall be reduced on the then scheduled Termination Date to an amount equal to the aggregate of the Commitments of the Banks who had delivered duly executed counterparts of a Commitment Termination Date Extension Request on or prior to the 30th day preceding the then scheduled Termination Date, plus the aggregate Commitments of the New Banks and (z) the Commitments shall be reduced on the then scheduled Termination Date to an amount equal to (1) the aggregate of the Commitments of the Banks who have delivered executed counterparts of a Commitment Termination Date Extension Request on or prior to the 30th day preceding the then scheduled Termination Date plus (2) the aggregate Commitments of the New Banks, and the Borrower shall pay (such payment to be made on such Termination Date) in full all Revolving Loans and Acquisition Loans plus all accrued interest and fees (including any amounts owed under Section 4.4) owing to each such non-renewing Bank and each such nonrenewing Bank (to the extent that such Loans have not been acquired by the new Banks) shall no longer have any Commitment for purposes of this Agreement and each other Loan Document. If the Borrower shall not have delivered such a written notice of election to the Agent on or prior to the then scheduled Termination Date, such Termination Date shall not be extended.

2.16 Swing Line Loans.

(a) The Swing Line. On the terms and subject to the conditions set forth in Section 5.1 (in the case of any Swing Line Loan to be made on the Closing Date), Section 5.2 and this Section 2.16, the Swing Line Bank agrees to make loans (each such loan, *a **"Swing Line Loan")*** to the Borrower from time to time on any Business Day during the period from the Closing Date to the Termination Date in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Pro Rata Share of the Effective Amount of Revolving Loans and L/C Obligations of the Bank acting as Swing Line Bank, may exceed the amount of the Swing Line Bank's Revolving Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the aggregate Effective Amount of all Revolving Loans, all Swing Line Loans and all L/C Obligations shall not exceed the Revolving Commitments of all the Banks, and (ii) the aggregate Effective Amount of the Revolving Loans of any Bank, plus such Bank's Pro Rata Share of the Effective Amount of all L/C Obligations, plus such Bank's Pro Rata Share of the Effective Amount of all Swing Line Loans shall not exceed such Bank's Revolving Commitment, and provided, further, that the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.16, prepay under Section 2.6, and reborrow under this Section 2.16. Each Swing Line Loan shall bear interest at the Swing Line Rate. Immediately upon the making of a Swing Line Loan, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Bank a risk participation in such Swing Line Loan in an amount equal to the product of such Bank's Pro Rata Share times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Borrowing of Swing Line Loans shall be made upon the Borrower's irrevocable notice to the Swing Line Bank and the Agent, which may be given by telephone. Each such notice must be received by the Swing Line Bank and the Agent not later than 1:00 p.m. (New York City time) on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $1,000,000 or any multiple of $1,000,000 in excess thereof and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Bank and the Agent of a written Notice of Borrowing, appropriately completed and signed by a Responsible Officer of the Borrower. Promptly after receipt by the Swing Line Bank of any telephonic notice of borrowing of Swing Line Loans, the Swing Line Bank will confirm with the Agent (by telephone or in writing) that the Agent has also received such notice of borrowing and, if not, the Swing Line Bank will notify the Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Bank (x) has received notice (by telephone or in writing) from the Agent (including at the request of any Bank) prior to 2:00 p.m. (New York City time) on the date of the proposed Borrowing (A) directing the Swing Line Bank not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.16(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Bank will, not later than 3:00 p.m. (New York City time) on the borrowing date specified in such Notice of Borrowing, make the amount of its Swing Line Loan available to the Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Bank at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Bank to so request on its behalf), that each Bank make a Loan (which Loan shall bear interest at the Swing Line Rate or such other rate that the applicable Swing Line Loans then bear) in an amount equal to such Bank's Pro Rata Share of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Notice of Borrowing for purposes hereof) and in accordance with the requirements of Section 2_3, without regard to the minimum and multiples specified therein. The Swing Line Bank shall furnish the Borrower with a copy of the applicable Notice of Borrowing promptly after delivering such notice to the Agent. Each Bank shall make an amount equal to its Pro Rata Share of the amount specified in such Notice of Borrowing available to the Agent in immediately available funds for the account of the Swing Line Bank at the Agent's Office not later than 1:00 p.m. (New York City time) on the day specified in such Notice of Borrowing, whereupon, subject to Section 2.16(c)(ii), each Bank that so makes funds available shall be deemed to have made a Loan to the Borrower in such amount. The Agent shall remit the funds so received to the Swing Line Bank.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing in accordance with Section 2.16(c)(i), the request for Loans submitted by the Swing Line Bank as set forth herein shall be deemed to be a request by the Swing Line Bank that each of the Banks fund its risk participation in the relevant Swing Line Loan and each Bank's payment to the Agent for the account of the Swing Line Bank pursuant to Section 2.16(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Bank fails to make available to the Agent for the account of the Swing Line Bank any amount required to be paid by such Bank pursuant to the foregoing provisions of this Section 2.16(c) by the time specified in Section 2.16(c)(i), the Swing Line Bank shall be entitled to recover from such Bank (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Bank at a rate per annum equal to the Federal Funds Rate from time to time in effect. A certificate of the Swing Line Bank submitted to any Bank (through the Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Bank's obligation to make Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.16(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against the Swing Line Bank, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Bank's obligation to make Loans pursuant to this Section 2.16(c) is subject to the conditions that the Swing Line Loan was made by the Swing Line Bank in accordance with Sections 2.16(a) and 2.16(b). No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Bank has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Bank receives any payment on account of such Swing Line Loan, the Swing Line Bank will distribute to such Bank its Pro Rata Share of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Bank's risk participation was funded) in the same funds as those received by the Swing Line Bank.

(ii) If any payment received by the Swing Line Bank in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Bank under any of the circumstances described in Section 12.7 (including pursuant to any settlement entered into by the Swing Line Bank in its discretion), each Bank shall pay to the Swing Line Bank its Pro Rata Share thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Agent will make such demand upon the request of the Swing Line Bank.

(e) Interest for Account of Swing Line Bank. The Swing Line Bank shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Bank funds its Loan or risk participation pursuant to this Section 2.16 to refinance such Bank's Pro Rata Share of any Swing Line Loan, interest in respect of such Pro Rata Share shall be solely for the account of the Swing Line Bank.

(f) Payments Directly to Swing Line Bank. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans to the Agent for the benefit of the Swing Line Bank.

ARTICLE III

THE LETTERS OF CREDIT

3.1 The Letter of Credit Subfacility. (a) On the terms and subject to the conditions set forth herein (i) the Issuing Bank agrees, in reliance upon the agreements of the other Banks set forth in this Article III, (A) from time to time on any Business Day during the period from the Closing Date to the L/C Termination Date to issue Letters of Credit for the account of the Borrower, and to amend or renew, extend the expiration of or increase the amount of Letters of Credit previously issued by it, in accordance with Sections 3.2(c) and 3.2(d), and (B) to honor drafts under the Letters of Credit; and (ii) the Banks severally agree to participate in Letters of Credit Issued for the account of the Borrower; provided, that the Issuing Bank shall not be obligated to Issue, and no Bank shall be obligated to participate in, any Letter of Credit if as of the date of Issuance of such Letter of Credit (the ***"Issuance Date")*** *(x)* the Effective Amount of all L/C Obligations plus the Effective Amount of all Revolving Loans plus the Effective Amount of all Swing Line Loans exceeds the amount of the Revolving Commitment or (y) the Effective Amount of all L/C Obligations exceeds $100,000,000. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and, accordingly, the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit which have expired or which have been drawn upon and reimbursed. The Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(b) The Issuing Bank shall not Issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from Issuing such Letter of Credit, or any Requirement of Law applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the Issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it;

(ii) the Issuing Bank has received written notice from any Bank, the Agent or the Borrower, on or prior to the Business Day prior to the requested date of Issuance of such Letter of Credit, that one or more of the applicable conditions contained in Article V is not then satisfied;

(iii) the expiry date of any requested Letter of Credit is (A) more than twelve months after the date of Issuance, unless the Required Banks have approved such expiry date in writing, or (B) after the L/C Termination Date, unless the Agent, the Issuing Bank and all of the Banks have approved such expiry date in writing;

(iv) any requested Letter of Credit is now otherwise in form and substance acceptable to the Issuing Bank, or the Issuance of a Letter of Credit shall violate any applicable policies of the Issuing Bank;

(v) such Letter of Credit is in a face amount less than $500,000 or to be denominated in a currency other than Dollars.

3.2 Issuance, Amendment and Renewal of Letters of Credit. (a) Each Letter of Credit shall be issued upon the irrevocable written request of the Borrower received by the Issuing Bank (with a copy sent by the Borrower to the Agent) not later than 11:00 a.m. (New York City time) at least two Business Days (or such shorter time as the Issuing Bank may agree in a particular instance in its sole discretion) prior to the proposed date of issuance. Each such request for issuance of a Letter of Credit shall be by facsimile, confirmed promptly in an original writing, in the form of an L/C Application, appropriately completed and signed by a Responsible Officer of the Borrower, and shall specify in form and detail satisfactory to the Issuing Bank: (i) the proposed date of issuance of the Letter of Credit (which shall be a Business Day); (ii) the face amount of the Letter of Credit; (iii) the expiry date of the Letter of Credit; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by the beneficiary of the Letter of Credit in case of any drawing thereunder; (vi) the full text of any certificate to be presented by the beneficiary in case of any drawing thereunder; and (vii) such other matters as the Issuing Bank may require.

(b) Promptly after receipt of any L/C Application, the Issuing Bank will confirm with the Agent (by telephone or in writing) that the Agent has received a copy of such L/C Application from the Borrower and, if not, the Issuing Bank will provide the Agent with a copy thereof. Upon receipt by the Issuing Bank of confirmation from the Agent that the requested issuance or amendment is permitted in accordance with the terms hereof, then, subject to the terms and conditions hereof, the Issuing Bank shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the Issuing Bank's usual and customary business practices. Immediately upon the Issuance of each Letter of Credit, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Bank a risk participation in such Letter of Credit in an amount equal to the product of such Bank's Pro Rata Share times the amount of such Letter of Credit.

(c) From time to time while a Letter of Credit is outstanding and prior to the L/C Termination Date, the Issuing Bank will, upon the written request of the Borrower received by the Issuing Bank (with a copy sent by the Borrower to the Agent) not later than 11:00 a.m. (New York City time) at least two Business Days (or such shorter time as the Issuing Bank may agree in a particular instance in its sole discretion) prior to the proposed date of amendment, amend any Letter of Credit issued by it. Each such request for amendment of a Letter of Credit shall be made by facsimile made in the form of an L/C Amendment Application and shall specify in form and detail satisfactory to the Issuing Bank: (i) the Letter of Credit to be amended; (ii) the proposed date of amendment of the Letter of Credit (which shall be a Business Day); (iii) the nature of the proposed amendment; and (iv) such other matters as the Issuing Bank may reasonably require. The Issuing Bank shall not amend any Letter of Credit if: (A) the Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms of this Agreement; or (B) the beneficiary of any such Letter of Credit does not accept the proposed amendment to the Letter of Credit. The Agent will promptly notify the Banks of the receipt by it of any L/C Application or L/C Amendment Application.

(d) If the Borrower so requests in any applicable L/C Application, the Issuing Bank may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic renewal provisions (each, an ***"Auto-Renewal Letter of Credit");*** provided that any such AutoRenewal Letter of Credit must permit the Issuing Bank to prevent any such renewal at least once in each twelve month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day in each such twelve month period (the ***"Nonrenewal Notice Date")*** to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Issuing Bank, the Borrower shall not be required to make a specific request to the Issuing Bank for any such renewal. Once an Auto-Renewal Letter of Credit has been issued, the Banks shall be deemed to have authorized (but may not require) the Issuing Bank to permit the renewal of such Letter of Credit at any time to an expiry date not later than the L/C Termination Date; provided, however, that the Issuing Bank shall not permit any such renewal if (A) the Issuing Bank has determined that it would have no obligation at such time to issue such Letter of Credit in its renewed form under the terms hereof (by reason of the provisions of Section 3.1(b) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is two Business Days before the Nonrenewal Notice Date (1) from the Agent that the Required Banks have elected not to permit such renewal or (2) from the Agent, any Bank or the Borrower that one or more of the applicable conditions specified in Section 5.2 is not then satisfied.

(e) The Issuing Bank may, at its election (or as required by the Agent at the direction of the Required Banks), deliver any notices of termination or other communications to any Letter of Credit beneficiary or transferee, and take any other action as necessary or appropriate, at any time and from time to time, in order to cause the expiry date of such Letter of Credit to be a date not later than the L/C Termination Date.

(f) This Agreement shall control in the event of any conflict with any L/C-Related Document (other than any Letter of Credit).

(g) The Issuing Bank will also deliver to the Agent, concurrently or promptly following its delivery of a Letter of Credit, or amendment to or renewal of a Letter of Credit, to an advising bank or a beneficiary, a true and complete copy of each such Letter of Credit or amendment to or renewal of a Letter of Credit.

3.3 Risk Participations, Drawings and Reimbursements.

(a) Immediately upon the Issuance of each Letter of Credit, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Bank a participation in such Letter of Credit and each drawing thereunder in an amount equal to the product of (i) the Pro Rata Share of such Bank times (ii) the maximum amount available to be drawn under such Letter of Credit and the amount of each such drawing, respectively.

(b) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the Issuing Bank will promptly notify the Borrower and the Agent. The Borrower shall reimburse the Issuing Bank prior to 1:00 p.m. (New York City time), on each date that any amount is paid by the Issuing Bank under any Letter of Credit (each such date, an ***"Honor Date"),*** in an amount equal to the amount so paid by the Issuing Bank. In the event the Borrower fails to reimburse the Issuing Bank for the full amount of any drawing under any Letter of Credit by 1:00 p.m. (New York City time) on the Honor Date, the Issuing Bank will promptly notify the Agent and the Agent will promptly notify each Bank thereof, and the Borrower shall be deemed to have requested that Base Rate Loans be made by the Banks to be disbursed on the Honor Date under such Letter of Credit, subject to the amount of the unutilized portion of the Revolving Commitment. Any notice given by the Issuing Bank or the Agent pursuant to this Section 3.3(b) may be given by telephone if immediately confirmed in writing (including by facsimile); provided, that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(c) Each Bank shall upon any notice pursuant to Section 3.3(b) make available to the Agent for the account of the Issuing Bank an amount in Dollars and in immediately available funds equal to its Pro Rata Share of the amount of the drawing, whereupon the participating Banks shall (subject to Section 3.3(e)) each be deemed to have made a Revolving Loan consisting of a Base Rate Loan to the Borrower in that amount. The Agent shall remit the funds so received to the Issuing. Bank. If any Bank so notified fails to make available to the Agent for the account of the Issuing Bank the amount of such Bank's Pro Rata Share of the amount of the drawing by no later than 3:00 p.m. (New York City time) on the Honor Date, then interest shall accrue on such Bank's obligation to make such payment, from the Honor Date to the date such Bank makes such payment, at a rate per annum equal to the Federal Funds Rate in effect from time to time during such period. The Agent will promptly give notice of the occurrence of the Honor Date, but failure of the Agent to give any such notice in sufficient time to enable any Bank to effect such payment on such date shall not relieve such Bank from its obligations under this Section 3.3 (other than the obligation to pay interest for the period prior to the notice).

(d) With respect to any unreimbursed drawing that is not converted into Revolving Loans consisting of Base Rate Loans to the Borrower in whole or in part for any reason, the Borrower shall be deemed to have incurred from the Issuing Bank an L/C Borrowing in the amount of such drawing, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at a rate per annum equal to the Base Rate plus 2%, and each Bank's payment to the Agent for the account of the Issuing Bank pursuant to Section 3.3(c) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Bank in satisfaction of its participation obligation under this Section 3.3.

(e) Each Bank's obligation in accordance with this Agreement to make Revolving Loans or L/C Advances to reimburse the Issuing Bank for amounts drawn under Letters of Credit, as contemplated by this Section 3.3, shall be absolute and unconditional and without recourse to the Issuing Bank and shall not be affected by any circumstance, including (i) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against the Issuing Bank, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default, an Event of Default or a Material Adverse Effect; or (iii) any other occurrence, circumstance, happening, event or condition whatsoever, whether or not similar to any of the foregoing; provided, however, that each Bank's obligation to make Revolving Loans under this Section 3.3 is subject to the conditions set forth in Section 5.2 (other than delivery by the Borrower of a Notice of Borrowing). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the Issuing Bank for the amount of any payment made by the Issuing Bank under any Letter of Credit, together with interest as provided herein.

3.4 Repayment of Participations. (a) Upon (and only upon) receipt by the Agent for the account of the Issuing Bank of immediately available funds from the Borrower (i) in reimbursement of any payment made by the Issuing Bank under the Letter of Credit with respect to which any Bank has paid the Agent for the account of the Issuing Bank for such Bank's participation in the Letter of Credit pursuant to Section 3.3 or (ii) in payment of interest thereon, the Agent will pay to each Bank, in the same funds as those received by the Agent for the account of the Issuing Bank, the amount of such Bank's Pro Rata Share of such funds, and the Issuing Bank shall receive the amount of the Pro Rata Share of such funds of any Bank that did not so pay the Agent for the account of the Issuing Bank.

(b) If the Agent or the Issuing Bank is required at any time to return to the Borrower, or to a trustee, receiver, liquidator, custodian, or any official in any Insolvency Proceeding, any portion of the payments made by the Borrower to the Agent for the account of the Issuing Bank pursuant to Section 3.4(a) in reimbursement of a payment made under any Letter of Credit or interest or fee thereon, each Bank shall, on demand of the Agent, forthwith return to the Agent for the account of the Issuing Bank the amount of its Pro Rata Share of any amounts so returned by the Agent for the account of the Issuing Bank plus interest thereon from the date such demand is made to the date such amounts are returned by such Bank to the Agent, at a rate per annum equal to the Federal Funds Rate in effect from time to time.

3.5 Role of the Issuing Bank. (a) Each Bank and the Borrower agree that, in paying any drawing under a Letter of Credit, the Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document.

(b) None of the Issuing Bank, the Agent-Related Persons or any of the respective correspondents, participants or assignees of the Issuing Bank or the Agent-Related Persons shall be liable to any Bank for: (i) any action taken or omitted in connection herewith at the request or with the approval of the Banks (including the Required Banks, as applicable); (ii) any action taken or omitted in the absence of negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any L/C-Related Document.

(c) Except as otherwise provided in this clause (c), the Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Issuing Bank, the Agent-Related Persons or any of the respective correspondents, participants or assignees of the Issuing Bank or the Agent-Related Persons shall be liable or responsible for any of the matters described in clauses (i) through (vii) of Section 3.6; provided, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the Issuing Bank, and the Issuing Bank may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the Issuing Bank's willful misconduct or gross negligence or the Issuing Bank's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing: (i) the Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; and (ii) the Issuing Bank shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof', in whole or in part, which may prove to be invalid or ineffective for any reason.

3.6 Obligations Absolute. Subject to the proviso contained in the second sentence of Section 3.5(c), the obligations of the Borrower under this Agreement and any L/C-Related Document to reimburse the Issuing Bank for a drawing under a Letter of Credit, and to repay any L/C Borrowing and any drawing under a Letter of Credit converted into Revolving Loans, shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement and each such other L/C-Related Document under all circumstances, including the following:

(i) any lack of validity or enforceability of this Agreement or any L/C-Related Document;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations of the Borrower in respect of any Letter of Credit or any other amendment or waiver of or any consent to departure from all or any of the L/C-Related Documents;

(iii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by the L/C-Related Documents or any unrelated transaction;

(iv) any draft, demand, certificate or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit;

(v) any payment by the Issuing Bank under any Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of any Letter of Credit; or any payment made by the Issuing Bank under any Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of any Letter of Credit, including any arising in connection with any Insolvency Proceeding;

(vi) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the obligations of the Borrower in respect of any Letter of Credit; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Obligor or a guarantor.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will promptly notify the Issuing Bank. The Borrower shall be conclusively deemed to have waived any such claim against the Issuing Bank and its correspondents unless such notice is given as aforesaid.

3.7 Cash Collateral Pledge. Upon the request of the Agent, (i) if the Issuing Bank has honored any full or partial drawing request under any Letter of Credit which drawing has resulted in an L/C Borrowing, or (ii) if, as of the Termination Date, any Letter of Credit may for any reason remain outstanding and partially or wholly undrawn, the Borrower shall immediately Cash Collateralize the then Effective Amount of all L/C Obligations (in an amount equal to such Effective Amount determined as of the date of such L/C Borrowing or the Termination Date, as the case may be). Cash collateral shall be maintained in blocked, non-interest bearing deposit accounts at Wachovia.

3.8 Letter of Credit Fees. (a) The Borrower shall pay to the Agent for the account of each Bank in accordance with its Pro Rata Share a Letter of Credit fee for each Letter of Credit equal to the Applicable Margin for Revolving Loans consisting of Eurodollar Rate Loans times the average daily maximum amount available to be drawn under such Letter of Credit during the period of determination. Such letter of credit fees shall be computed on a quarterly basis in arrears. If there is any change in the Applicable Margin during any quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect.

(b) The Borrower shall pay, to the Issuing Bank quarterly, a letter of credit fronting fee for each Letter of Credit Issued by the Issuing Bank equal to 0.125% per annum times the average daily maximum amount available to be drawn under such Letter of Credit, as computed by the Agent.

(c) The letter of credit fees payable under Section 3.8(a) and the fronting fees payable under Section 3.8(b) shall be due and payable on the last Business Day of each calendar quarter, commencing with the first such date to occur after the Closing Date, on the Termination Date and thereafter on demand.

(d) In addition, the Borrower shall pay directly to the Issuing Bank for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the Issuing Bank relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

3.9 Applicability of ISP98 and UCP. Unless otherwise expressly agreed by the Issuing Bank and the Borrower when a Letter of Credit is issued (including any such agreement applicable to the Existing Letters of Credit), (i) the rules of the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance) (the ***"ISP98")*** shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce (the *"ICC')* at the time of issuance (including the ICC decision published by the Commission on Banking Technique and Practice on April 6, 1998 regarding the European single currency (euro)) shall apply to each commercial Letter of Credit.

3.10 Conflict with L/C Application. In the event of any conflict between the terms hereof and the terms of any L/C Application, the terms hereof shall control.

ARTICLE IV

TAXES, YIELD PROTECTION AND ILLEGALITY

4.1 Taxes. (a) Except as provided in Section 4.1(c), any and all payments by the Borrower to each Bank or the Agent under this Agreement and any other Loan Document shall be made free and clear of, and without deduction or withholding for any Taxes. In addition, the Borrower shall pay all Other Taxes.

(b) The Borrower agrees to indemnify and hold harmless each Bank and the Agent for the full amount of Taxes or Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Bank or the Agent and any liability (including penalties, interest, additions to tax and expenses arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted). Payment under this indemnification shall be made within 30 days after the date the Bank or the Agent provides written proof of payment of the related Taxes or Other Taxes to the Borrower. Such written proof shall be conclusive absent manifest error.

(c) If the Borrower shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to any Bank or the Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) such Bank or the Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) the Borrower shall make such deductions and withholdings;

(iii) the Borrower shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) the Borrower shall also pay to each Bank or the Agent for the account of such Bank, at the time interest is paid, all additional amounts which the respective Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes or Other Taxes had not been imposed.

(d) Within 30 days after their receipt of a written request therefor by Agent, the Borrower shall furnish the Agent the original or a certified copy of a receipt evidencing any payment by the Borrower of Taxes or Other Taxes, or other evidence of payment satisfactory to the Agent.

(e) If the Borrower is required to pay additional amounts to any Bank or the Agent pursuant to subsection (c) of this Section, then such Bank shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office so as to eliminate any such additional payment by the Borrower which may thereafter accrue, if such change in the judgment of such Bank is not illegal or otherwise disadvantageous to such Bank.

(f) No Foreign Bank shall be entitled to claim that the provisions of this Section 4.1 apply to it with respect to Taxes unless such Foreign Bank shall have delivered to the Agent and the Borrower, prior to the time that any payments are to be made under this Agreement to such Foreign Bank, a properly completed (i) Treasury Form W-8ECI, specifying that the payments to be received by such Foreign Bank pursuant to this Agreement are effectively connected with the conduct of a United States trade or business or (ii) Treasury Form W-8BEN, specifying that the payments to be received by such Foreign Bank pursuant to this Agreement are wholly exempt from United States federal income tax pursuant to the provisions of an applicable income tax treaty with the United States and, in either case, has otherwise complied with Section 10.13 hereof. Each Foreign Bank that shall have provided a Form W8ECI or a Form W-8BEN to the Agent and the Borrower, if permitted by law, shall be required to provide the Borrower with a new form (also showing no withholding) no later than 3 years from the date that it provided the original form to the Agent and the Borrower in order to claim advantage of this Section 4.1 from and after such time.

4.2 Illegality. (a) If the introduction after the date hereof of any Requirement of Law, or any change after the date hereof in any Requirement of Law, or in the interpretation or administration of any Requirement of Law, has made it unlawful, or that any central bank or other Governmental Authority has asserted after the date hereof that it is unlawful, for any Bank or its applicable Lending Office to make Eurodollar Rate Loans, then, on notice thereof by the Bank to the Borrower through the Agent, any obligation of that Bank to make Eurodollar Rate Loans shall be suspended until the Bank notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist.

(b) If it is unlawful for any Bank to maintain any Eurodollar Rate Loan, the Borrower shall, upon receipt by the Borrower of notice of such fact and demand from such Bank (such notice to be delivered through the Agent), prepay in full such Eurodollar Rate Loans of that Bank then outstanding, together with interest accrued thereon, either on the last day of the Interest Period thereof, if the Bank may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if the Bank may not lawfully continue to maintain such Eurodollar Rate Loan. If the Borrower is required to so prepay any Eurodollar Rate Loan, then concurrently with such prepayment, the Borrower shall borrow from the affected Bank, in the amount of such prepayment, a Base Rate Loan.

(c) If the obligation of any Bank to make or maintain Eurodollar Rate Loans has been so terminated or suspended, the Borrower may elect, by giving notice to the Bank through the Agent that all Loans which would otherwise be made by the Bank as Eurodollar Rate Loans shall be instead Base Rate Loans.

(d) Before giving any notice to the Agent under this Section, the affected Bank shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office with respect to its Eurodollar Rate Loans if such change will avoid the need for giving such notice or making such demand and will not, in the judgment of the Bank, be illegal or otherwise disadvantageous to the Bank.

4.3 Increased Costs and Reduction of Return. (a) If, due to either (i) the introduction after the date hereof of, or any change after the date hereof (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the Eurodollar Rate or in respect of the assessment rate payable by any Bank to the FDIC for insuring U.S. deposits) in or in the interpretation of any law or regulation applicable to any Bank (other than any such introduction or change announced prior to the date hereof) or (ii) the compliance by any Bank with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law) not in effect prior to the date hereof, there shall be any increase in the cost to such Bank of agreeing to make or making, funding or maintaining any Eurodollar Rate Loans, or participating in Letters of Credit, or, in the case of the Issuing Bank, any increase in the cost to the Issuing Bank of agreeing to issue, issuing or maintaining any Letter of Credit or of agreeing to make or making, funding or maintaining any unpaid drawing under any Letter of Credit, then the Borrower shall be liable for, and shall from time to time, upon demand (such demand to be delivered through the Agent), pay to the Agent for the account of such Bank or the Issuing Bank, as the case may be, additional amounts as are sufficient to compensate such Bank or the Issuing Bank, as the case may be, for such increased costs.

(b) If (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or (iv) compliance by any Bank (or its Lending Office) or any corporation controlling the Bank with any Capital Adequacy Regulation, in each case occurring after the date hereof, affects or would affect the amount of capital required or expected to be maintained by the Bank or any corporation controlling the Bank and (taking into consideration such Bank's or such corporation's commercially reasonable policies with respect to capital adequacy and such Bank's or such corporation's desired return on capital) the amount of such capital is increased as a consequence of its Commitment, loans, credits or obligations under this Agreement, then, upon written demand of such Bank to the Borrower through the Agent, the Borrower shall pay to the Agent for the account of such Bank, from time to time as specified by the Bank or such controlling corporation, additional amounts sufficient to compensate the Bank for such increase.

4.4 Funding Losses. Excluding losses or expenses incurred by a Bank pursuant to Section 4.2 (other than in connection with Section 4.2(b)), the Borrower shall reimburse each Bank and hold each Bank harmless from any loss or expense (but excluding in any event all consequential or exemplary damages) which the Bank may sustain or incur as a consequence of:

(a) the failure of the Borrower to make on a timely basis any payment of principal of any Eurodollar Rate Loan;

(b) the failure of the Borrower to borrow, continue or convert into a Eurodollar Rate Loan after the Borrower has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/Continuation (except as a result of a breach by a Bank of its obligations hereunder);

(c) the failure of the Borrower to make any prepayment in accordance with any notice delivered under Section 2.6;

(d) the repayment or prepayment (including pursuant to Sections 2.7 and 4.2(b)) or other payment (including after acceleration thereof) of a Eurodollar Rate Loan on a day that is not the last day of the relevant Interest Period; or

(e) the automatic conversion under Section 2.4 of any Eurodollar Rate Loan to a Base Rate Loan on a day that is not the last day of the relevant Interest Period;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its Eurodollar Rate Loans or from fees payable to terminate the deposits from which such funds were obtained. For purposes of calculating amounts payable by the Borrower to the Banks under this Section and under Section 4.3(a), each Eurodollar Rate Loan made by a Bank (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Eurodollar Rate Loan by matching deposit or other borrowing in the interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan is in fact so funded. Each Bank shall exercise its reasonable efforts to minimize such losses, costs and expenses, except that each Bank shall not be obligated to take any action to reduce net balances due to its non-U.S. offices from its U.S. offices.

4.5 Inability to Determine Rates. If the Agent or the Required Banks determine that for any reason adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan, or that the Eurodollar Rate applicable pursuant to Section 2.9(a) for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to the Banks of funding such Loan, the Agent will promptly so notify the Borrower and each Bank. Thereafter, the obligation of the Banks to make or maintain Eurodollar Rate Loans hereunder shall be suspended until the Agent upon the instruction of the Required Banks revokes such notice in writing. Upon receipt of such notice, the Borrower may revoke any Notice of Borrowing or Notice of Conversion/Continuation then submitted by it. If the Borrower does not revoke such Notice, the Banks shall make, convert or continue the Loans, as proposed by the Borrower, in the amount specified in the applicable notice submitted by the Borrower, but such Loans shall be made, converted or continued as Base Rate Loans instead of Eurodollar Rate Loans.

4.6 Certificates of Banks. Except as specifically provided in Section 4.1, any Bank claiming reimbursement or compensation under this Article IV shall deliver to the Borrower (with a copy to the Agent) a certificate setting forth in reasonable detail the amount payable to the Bank hereunder and the circumstances giving rise to such claim, and such certificate shall be prima facie evidence of the correctness thereof. Each Bank agrees to deliver such certificate to the Borrower within reasonable time after it determines the additional amount required to be paid under this Article IV; provided, however, that in no event shall any Bank deliver such Certificate to the Borrower more than 180 days after any vice-president of such Bank knows, or upon the discharge of such vice-president's duties in the ordinary course should have known, of the occurrence of an event giving rise to the additional amount required to be paid in respect of this Article IV and if it fails to deliver such Certificate within such 180 day period, the Borrower will not be obligated for any costs incurred prior to 180 days before such notice. The Borrower shall pay such Bank the amount shown as due on any such certificate timely delivered in accordance with the foregoing within ten days after its receipt of the same; provided, however, that the Borrower shall not be required to pay any amounts (other than with respect to Taxes under Section 4.1) which were due for any period occurring more than 90 days prior to the Borrower's receipt of such certificate (other than periods with respect to which such costs or expenses are retroactively imposed). This Article IV shall survive termination of this Agreement and payment of the outstanding Obligations. Notwithstanding the foregoing provisions of this Article IV, the Borrower shall not be liable for any increased cost pursuant to this Article IV if and to the extent that such increased cost results from the change in any Bank's Lending Office and such change (x) is made solely in the discretion of such Bank and not required by any applicable Requirement of Law or Governmental Authority, (y) is made for such Bank's benefit and without any benefit to the Borrower, and (z) results, at the time of such change, in an increased cost greater than that which would have been incurred had the Bank not so changed its Lending Office. Each Bank shall use its reasonable efforts to avoid or minimize increased costs under this Article IV unless, in the sole opinion of such Bank, such action would adversely affect it.

4.7 Substitution of Banks. Upon the receipt by the Borrower from any Bank (an ***"Affected Bank")*** of a claim for compensation under Section 4.3, the Borrower may: (i) request the Affected Bank to use its reasonable efforts to obtain a replacement bank or financial institution satisfactory to the Borrower to acquire and assume all or a ratable part of all of such Affected Bank's Loans and Commitments *(a* ***"Replacement Bank");*** *(ii)* request one or more of the other Banks to acquire and assume all or part of such Affected Bank's Loans and Commitments; or (iii) designate a Replacement Bank. Any such designation of a Replacement Bank under clause (i) or (iii) shall be subject to the prior written consent of the Agent (which consent shall not be unreasonably withheld or delayed); provided, that any Replacement Bank shall meet the requirements to be an Eligible Assignee and shall purchase the same pro rata share of the Loans, L/C Obligations, L/C Borrowings and the Acquisition Commitment and the Revolving Commitment and the replacement shall be made pursuant to an assignment subject to the provisions of Section 12.9 and shall be an expense of the Borrower.

4.8 Survival. The agreements and obligations of the Borrower, the Agent and the Banks in this Article IV shall survive the payment of all other Obligations.

ARTICLE V

CONDITIONS PRECEDENT

5.1 Conditions to Effectiveness. The effectiveness of this Agreement is subject to the condition that the Agent shall have received all of the following, in form and substance satisfactory to the Agent and each Bank, and in sufficient copies for each Bank:

(a) Loan Documents. This Agreement, the Subsidiary Guarantee and any Notes requested by the Banks pursuant to Section 2.2(d), duly executed by each party thereto.

(b) Resolutions; Incumbency.

(i) Copies of partnership authorizations for the Borrower and resolutions of the board of directors of each of the General Partner, Petrolane and the Restricted Subsidiaries authorizing the transactions contemplated hereby to which it is a party, certified as of the Closing Date by the Secretary or an Assistant Secretary of such Person; and

(ii) A certificate of the Secretary or Assistant Secretary of each of the General Partner, Petrolane and the Restricted Subsidiaries certifying the names and true signatures of its officers authorized to execute, deliver and perform, as applicable, on behalf of such Person the Loan Documents to which it is a party.

(c) Organization Documents; Good Standing. Each of the following documents:

(i) the articles or certificate of incorporation and the bylaws of the General Partner and Petrolane and the Certificate of Limited Partnership and the Partnership Agreement of the Borrower, in each case as in effect on the Closing Date, certified by the Secretary or an Assistant Secretary of the General Partner or Petrolane, as applicable, as of the Closing Date; and

(ii) a good standing certificate for Petrolane, the General Partner and the Borrower from the Secretary of State (or similar, applicable Governmental Authority) of its state of incorporation or organization, as applicable, and each other state where such Obligor is qualified to do business as a foreign corporation, in each case as of a recent date (in no case earlier than 60 days prior to the date hereof).

(d) Legal Opinions. An opinion of Morgan, Lewis & Bockius LLP, special counsel for the Credit Parties, in form and substance reasonably satisfactory to the Agent and the Banks.

(e) Payment of Fees. Evidence of payment by the Borrower of all accrued and unpaid fees, costs and expenses to the extent due and payable hereunder (subject to the limitations set forth in Section 12.4) on the Closing Date to the Agent, the Arrangers and the Banks, together with Attorney Costs of the Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of Attorney Costs as shall constitute the Agent's reasonable estimate by category of Attorney Costs incurred or to be incurred by it through the closing proceedings (provided, that such estimate shall not thereafter preclude final settling of accounts between the Borrower and the Agent) including any such costs, fees and expenses arising under or referenced in Sections 2.10 and 12.4.

(f) Ownership. UGI shall own indirectly more than 40% of the partnership interests of the Borrower.

(g) Certificate. A certificate signed by a Responsible Officer, dated as of the Closing Date, stating that:

(i) the representations and warranties contained in Article VI of this Agreement and in the other Loan Documents, are true and correct in all material respects on and as of such date, as though made on and as of such date except to the extent that such representations and warranties expressly relate to an earlier time or date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier time or date;

(ii) there has occurred since June 30, 2006, no event or circumstance that has resulted in, or presents a reasonable likelihood of having, a Material Adverse Effect;

(iii) no Default of Event of Default shall exist; and

(iv) the condition set forth in clause (f) above shall have been satisfied.

(h) Existing Credit Agreement. On or prior to the Closing Date, the Existing Credit Agreement shall have been paid in full (including, interest, fees and other amounts owing thereunder) and all commitments thereunder shall have been irrevocably terminated.

(i) Compliance Certificate. A Compliance Certificate for the fiscal quarter ending June 30, 2006.

(j) Certified Documents. Copies of the following documents certified by the Secretary or an Assistant Secretary of the General Partner or a certificate of the Secretary or an Assistant Secretary stating that the following documents have not been amended, modified or terminated since August 28, 2003:

(i) First Mortgage Note Agreements;

(ii) National Propane Purchase Agreement; -

(iii) Columbia Purchase Agreement;

(iv) Intercompany Loan Agreement;

(v) Intercompany Note; and

(vi) Keep Well Agreement.

(k) Release of Liens.. Evidence that the "Collateral Agent" has released the liens securing the "Parity Debt" and terminated each of the "Security Documents" other than the Collateral Agency Agreement (which shall survive only for limited purposes)(as each term is defined in the Collateral Agency Agreement).

(l) Other Documents. Such other approvals, opinions, documents or materials as the Agent or any Bank may reasonably request.

At the request of the Borrower or any Bank, the Agent will confirm in writing to the Banks, with a copy to the Borrower, whether, and to what extent, the conditions have been fulfilled.

5.2 Conditions to All Borrowings. The obligation of each Bank to make any Loan (including its initial Loan), the obligation of the Issuing Bank to Issue any Letter of Credit (including the initial Letter of Credit) and the obligation of the Swing Line Bank to make any Swing Line Loan (including the initial Swing Line Loan) is subject to the satisfaction of the following conditions precedent on or prior to the relevant Borrowing Date or Issuance Date:

(a) Notice of Borrowing. The Agent shall have received a Notice of Borrowing; or in the case of any Issuance of any Letter of Credit, the Issuing Bank and the Agent shall have received an L/C Application or L/C Amendment Application, as required under Section 3.2.

(b) Continuation of Representations and Warranties. The representations and warranties in Article VI shall be true and correct in all material respects on and as of such Borrowing Date or Issuance Date, with the same effect as if made on and as of such Borrowing Date or Issuance Date (except to the extent such representations and warranties expressly relate to an earlier time or date, in which case they shall have been true and correct in all material respects as of such earlier time or date);

(c) No Existing Default. No Default or Event of Default shall exist or shall result from such Borrowing or Issuance; and

(d) Specified Acquisition Loans. If a Specified Acquisition Loan is requested by the Borrower, the sum of (i) the Effective Amount of the Revolving Loans and (ii) the Effective Amount of the L/C Obligations shall be equal to the Revolving Commitment.

Each Notice of Borrowing, L/C Application or L/C Amendment Application submitted or deemed submitted by the Borrower hereunder shall constitute a representation and warranty by the Borrower hereunder, as of the date of each such notice and as of each Borrowing Date and Issuance Date that the conditions in Section 5.2 are satisfied.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and each Bank as set forth below in Sections 6.1 through 6.14 and Sections 6.17 through 6.23, Petrolane represents and warrants to the Agent and each Bank as set forth below in Section 6.15 and such other Sections of this Article VI that are expressly related to Petrolane, and the General Partner represents and warrants to the Agent and each Bank as set forth below in Section 6.16 such other Sections of this Article VI that are expressly related to the General Partner, that:

6.1 Organization, Standing, etc. The Borrower is a limited partnership duly organized, validly existing and in good standing under the Delaware Revised Uniform Limited Partnership Act and has all requisite partnership power and authority to own and operate its properties (including without limitation its Assets), to conduct its business, to enter into this Agreement and such other Loan Documents to which it is a party and to carry out the terms of this Agreement and such other Loan Documents. Each Restricted Subsidiary is a corporation or limited partnership, as the case may be, duly organized, validly existing and in good standing under the laws of its state of incorporation or organization, as the case may be, and has all requisite corporate power and authority to own and operate its properties (including without limitation its Assets), to conduct its business and to execute and deliver the Loan Documents to which such Restricted Subsidiary is a party and to carry out the terms of this Agreement and such other Loan Documents.

6.2 Partnership Interests and Subsidiaries. The sole general partner of the Borrower is the General Partner, which on the Closing Date owns a 1.0101% general partnership interest in the Borrower and is an indirect Wholly-Owned Subsidiary of UGI. On the Closing Date (a) the only limited partner of the Borrower is the Public Partnership, which owns a 98.9899% limited partnership interest in the Borrower, and (b) the Borrower does not have any partners other than the General Partner and the Public Partnership. As of the Closing Date, the Borrower does not have any Subsidiary other than as set forth on Schedule 6.2 or any Investments in any Person (other than as set forth on Schedule 6.2 or Investments of the types described in Section 8.4(a)).

6.3 Qualification; Corporate or Partnership Authorization. The Borrower is duly qualified or registered and is in good standing as a foreign limited partnership for the transaction of business, and each of the General Partner, Petrolane (except as permitted pursuant to Section 7.9(f)) and the Restricted Subsidiaries is qualified or registered and is in good standing as a foreign corporation or foreign limited partnership for the transaction of business, in the states listed in Schedule 6.3, which are the only jurisdictions in which the nature of their respective activities or the character of the properties they own, lease or use makes such qualification or registration necessary as of the Closing Date and in which the failure so to qualify or to be so registered as of the Closing Date would have a Material Adverse Effect. Each of the Borrower, the General Partner and Petrolane has taken all necessary partnership action or corporate action, as the case may be, to authorize the execution, delivery and performance by it of this Agreement and other Loan Documents to which it is a party. Each Restricted Subsidiary has taken all necessary corporate or partnership action, as the case may be, to authorize the execution, delivery and performance by it of each of the Loan Documents to which it is a party. Each of the

Borrower, the General Partner and Petrolane has duly executed and delivered each of this Agreement and the other Loan Documents to which it is a party, and each of them constitutes the Borrower's, the General Partner's or Petrolane's, as the case may be, legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally. Each Restricted Subsidiary has duly executed and delivered each of the Loan Documents to which it is a party, and each of them constitutes such Restricted Subsidiary's legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

6.4 Financial Statements. The audited consolidated financial statements of the Borrower and its consolidated Subsidiaries for the fiscal years ended September 30, 2005 and September 30, 2004, and the unaudited balance sheet, statement of operations, statement of cash flows and statement of partners capital of the Borrower and its consolidated Subsidiaries for the fiscal period ended June 30, 2006, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods specified (except as described in the footnotes thereto) and present fairly, in all material respects, the financial position of the Borrower as of the respective dates specified (except for the absence of footnotes and subject to changes resulting from normal year-end audit adjustments, in the case of unaudited financial statements).

6.5 Changes, etc. Except as contemplated by this Agreement or the other Loan Documents, (a) for the period from June 30, 2006 to and including the Closing Date, none of the Borrower and any of its Restricted Subsidiaries has incurred any material liabilities or obligations, direct or contingent, nor entered into any material transaction, in each case other than in the ordinary course of its business, and (b) since the date of the last financial statements delivered pursuant to Section 6.4 or 7_l there has not been any material adverse change in or effect on the financial condition or prospects of the Borrower or in the Business or Assets. Since June 30, 2006, no Restricted Payment of any kind has been declared, paid or made by the Borrower other than Restricted Payments permitted by Section 8.5.

6.6 Tax Returns and Payments. Each of the Borrower, the General Partner, Petrolane and the Restricted Subsidiaries has filed all material tax returns required by law to be filed by it or has properly filed for extensions of time for the filing thereof, and has paid all material taxes, assessments and other governmental charges levied upon it or any of its properties, assets, income or franchises which are shown to be due on such returns, other than those which are not past due or are presently being contested in good faith by appropriate proceedings diligently conducted for which such reserves or other appropriate provisions, if any, as shall be required by GAAP have been made. The Borrower is a limited partnership and so long as it is a limited partnership it will be treated as a pass-through entity for U.S. federal income tax purposes and as of the Closing Date is not subject to taxation with respect to its income or gross receipts under applicable state (other than Michigan, New Hampshire, Tennessee, Washington, Kentucky and Wisconsin) laws.

6.7 Indebtedness. As of the Closing Date, none of the Borrower, the General Partner, Petrolane, Borrower and its respective Subsidiaries has any secured or unsecured Indebtedness outstanding, except as set forth in Schedule 6.7 and other than the Indebtedness represented by this Agreement, the other Loan Documents and the First Mortgage Notes. As of the Closing Date, no instrument or agreement to which the Borrower or any of its Subsidiaries is a party or by which the Borrower or any such Subsidiary is bound (other than this Agreement and the agreements governing the First Mortgage Notes and other than as indicated in Schedule 6.7) contains any restriction on the incurrence by the Borrower or any of its Subsidiaries of additional Indebtedness.

6.8 Title to Properties. (a) As of the Closing Date, except as set forth in Schedule 6.8(a), each of the Borrower and its Subsidiaries is in possession of, and operating in compliance in all material respects with, all franchises, grants, authorizations, approvals, licenses, permits (other than permits required by Environmental Laws), easements, rights-of-way, consents, certificates and orders (collectively, the ***"Permits")*** required (i) to own, lease or use its properties (including without limitation to own, lease or use its Assets) and (ii) considering all such Permits in the possession of, and complied with by, the General Partner, Petrolane, the Borrower and its Subsidiaries taken together, to permit the conduct of the Business as now conducted and proposed to be conducted, except for those Permits (collectively, the ***"Routine Permits")*** *(x)* which are routine or administrative in nature and are expected in the reasonable judgment of the Borrower to be obtained or given in the ordinary course of business after the Closing Date, or (y) which, if not obtained or given, would not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect.

(b) Each of the Borrower and its Subsidiaries has good, marketable and legal title to, or a valid leasehold interest in, its respective assets. There are no Liens against any assets of the Borrower, any Subsidiary or any other Credit Party except for those Liens expressly permitted under Section 8.3.

6.9 Litigation, etc. As of the date hereof and the Closing Date, there is no action, proceeding or investigation pending or, to the knowledge of the Borrower upon reasonable inquiry, threatened against the Borrower, Petrolane, the Public Partnership, the General Partner or any of their respective Subsidiaries, and there is no action proceeding or investigation pending or, to the knowledge of the Borrower upon reasonable inquiry, threatened against the Borrower or its Restricted Subsidiaries, (a) which questions the validity or enforceability of this Agreement, the other Loan Documents or any action taken or to be taken pursuant to this Agreement or the other Loan Documents, or (b) except as set forth in Schedule 6.9, which would present a reasonable likelihood of having, either in any case or in the aggregate, a Material Adverse Effect.

6.10 Compliance with Other Instruments, etc. (a) On the Closing Date, none of the Borrower, the General Partner, Petrolane or any of their respective Subsidiaries will be in violation of (i) any provision of its certificate or articles of incorporation or other Organization Documents, (ii) any provision of any agreement or instrument to which it is a party or by which any of its properties is bound, including, without limitation the First Mortgage Note Agreements, or (iii) any applicable law, ordinance, rule or regulation of any Governmental Authority or any applicable order, judgment or decree of any court, arbitrator or Governmental Authority, except (in the case of clauses (ii) and (iii) above only) for such violations which would not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect. Neither the General Partner nor the Public Partnership is in violation of any provision of the Partnership Agreement.

(b) The execution, delivery and performance by each of the Borrower, the General Partner, Petrolane and the Restricted Subsidiaries of this Agreement and the other Loan Documents to which it is a party, the completion of the transactions contemplated by this Agreement will not, and the release of the Liens securing the Parity Debt (as defined in the Collateral Agency Agreement) did not (i) violate (x) any provision of the Partnership Agreement or the certificate or articles of incorporation or other Organization Documents of the Borrower, the General Partner, Petrolane or any of their respective Subsidiaries, (y) any applicable law, ordinance, rule or regulation of any Governmental Authority or any applicable order, judgment or decree of any court, arbitrator or Governmental Authority, or (z) any provision of any agreement or instrument to which the Borrower, the General Partner, Petrolane or any of their respective Subsidiaries is a party or by which any of its properties is bound, including, without limitation the First Mortgage Note Agreements, except (in the case of clauses (y) and (z) above) for such violations which would not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect, or (ii) result in the creation of (or impose any express obligation on the part of the Borrower to create) any Lien not permitted by Section 8.3.

6.11 Governmental Consent. Except as expressly contemplated by this Agreement and the other Loan Documents, and except for Routine Permits, (i) no consent, approval or authorization of, or declaration or filing with, any Governmental Authority is required for the valid execution, delivery and performance of this Agreement or the other Loan Documents to which the Borrower or any of the Restricted Subsidiaries, Petrolane or the General Partner is a party, and (ii) no such consent, approval, authorization, declaration or filing is required for the making of Loans or Issuing Letters of Credit pursuant to this Agreement.

6.12 Investment Company Act. None of the Borrower, Petrolane or the General Partner is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

6.13 [Reserved]

6.14 [Reserved]

6.15 Matters Relating to Petrolane. (a) As of the Closing Date, Petrolane is a Wholly-Owned Subsidiary of the General Partner, has no Subsidiaries and owns an approximate 14% limited partnership interest in the Public Partnership.

(b) Except as permitted by Section 7.9(f), Petrolane is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own and operate its properties, to conduct its business and to execute and deliver this Agreement and such other Loan Documents to which Petrolane is a party and to carry out the terms of this Agreement and such other Loan Documents.

6.16 Matters Relating to the General Partner. (a) As of the Closing Date, the General Partner is a Wholly Owned Subsidiary of AmeriGas, Inc., a Pennsylvania corporation, and owns, in addition to the interest in the Borrower described in Section 6.2, (i) a 1% general partnership interest in the Public Partnership, (ii) all of the outstanding shares of Capital Stock of Petrolane and (iii) an approximate 30% limited partnership interest in the Public Partnership. Other than AmeriGas Technology Group, Inc. and Petrolane, the General Partner has no other direct Subsidiaries as of the Closing Date.

(b) The General Partner is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own and operate its properties, to act as the sole general partner of the Borrower and to execute and deliver in its individual capacity and in its capacity as the sole general partner of the Borrower this Agreement and such other Loan Documents to which the General Partner is a party and to carry out the terms of this Agreement and such other Loan Documents.

6.17 ERISA Compliance. Except to the extent that any of the following would not, either alone or together, present a reasonable likelihood of having a Material Adverse Effect: (i) during the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement and prior to the date of any Borrowing hereunder, no steps have been taken to terminate any Pension Plan sponsored or maintained by any Obligor or any ERISA Affiliate of any Obligor, (ii) no contribution failure has occurred with respect to any Pension Plan sponsored or maintained by any Obligor or any ERISA Affiliate of any Obligor sufficient to give rise to a Lien under section 302(f) of ERISA and (iii) with respect to each Pension Plan sponsored or maintained by any Obligor or any ERISA Affiliate of any Obligor, none of the following events has occurred: termination of the plan, failure to make a required contribution to the plan, failure to satisfy the minimum funding standard for a year, request for a waiver of the minimum funding standard for any year, withdrawal from a multiple employer plan, adoption of an amendment which results in a funded current liability percentage of less than 60%, engaging in one or more prohibited transactions, failure to comply with reporting and disclosure requirements or engaging in any breach of fiduciary responsibility.

6.18 Use of Proceeds; Margin Regulations. The proceeds of the Loans are to be used solely for the purposes set forth in and permitted by Section 8.9. None of the Borrower and its Subsidiaries is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

6.19 Environmental Warranties. (a) Except as disclosed on Schedule 6.19 or where non-compliance would not present a reasonable likelihood of having a Material Adverse Effect, each of the Borrower and its Subsidiaries is in compliance with all Environmental Laws applicable to it and to the Business or Assets. Except as disclosed on Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented, the Borrower and its Subsidiaries have obtained and are in compliance with all permits, licenses and approvals required by Environmental Law. Except as disclosed in Schedule 6.19 or where the failure to timely and properly reapply would not present a reasonable likelihood of having a Material Adverse Effect, the Borrower and its Subsidiaries have submitted timely and complete applications to renew any expired or expiring Permits required by Environmental Law. Schedule 6.19 lists all notices from Federal, state or local Governmental Authorities or other Persons received within the last five years of the date hereof by the Borrower and its Subsidiaries, alleging or threatening any liability on the part of the Borrower or any of its Subsidiaries, pursuant to any Environmental Law, that present a reasonable likelihood of having a Material Adverse Effect. All reports, documents, or other submissions required by Environmental Laws to be submitted by the Borrower to any Governmental Authority or Person have been filed by the Borrower, except where the failure to file would not present a reasonable likelihood of having a Material Adverse Effect.

(b) Except as disclosed in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented: (i) there is no Hazardous Substance present at any of the real property currently owned or leased by the Borrower or any of its Subsidiaries, and to the knowledge of the Borrower, there was no Hazardous Substance present at any of the real property formerly owned or leased by the Borrower or any of its Subsidiaries during the period of ownership or leasing by such Person; and (ii) with respect to such real property and subject to the same knowledge and temporal qualifiers concerning Hazardous Substances with respect to formerly owned or leased real properties, there has not occurred (x) any release, or to the knowledge of the Borrower, any threatened release of a Hazardous Substance, or (y) any discharge or, to the knowledge of the Borrower, threatened discharge of any Hazardous Substance into the ground, surface, or navigable waters which violates any Federal, state, local or foreign laws, rules or regulations concerning water pollution.

(c) Except as set forth in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented, none of the Borrower and its Subsidiaries has disposed of, transported, or arranged for the transportation or disposal of any Hazardous Substance where such disposal, transportation, or arrangement would give rise to liability pursuant to CERCLA or any analogous state statute.

(d) Except as set forth in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented: (1) no lien has been asserted by any Governmental Authority or person resulting from the use, spill, discharge, removal, or remediation of any Hazardous Substance with respect to any real property currently owned or leased by the Borrower or any of its Subsidiaries, and (2) to the knowledge of the Borrower, no such lien was asserted with respect to any of the real property formerly owned or leased by the Borrower or any its Subsidiaries during the period of ownership or leasing of the real property by such Person.

(e) Except as set forth in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented, (1) there are no underground storage tanks, asbestos-containing materials, polychlorinated biphenyls, or urea formaldehyde insulation at any of the real property currently owned or leased by the Borrower or any of its Subsidiaries in violation of Environmental Law and (2) to the knowledge of the Borrower, there were no underground storage tanks, asbestos-containing materials, polychlorinated biphenyls, or urea formaldehyde insulation at any of the real property formerly owned or leased by the Borrower or any of its Subsidiaries in violation of Environmental Law during the period of ownership or leasing of such real property by such Person.

(f) Except as set forth in Schedule 6.19 or where a reasonable likelihood of having a Material Adverse Effect would not be presented, propane has been used, handled and stored by the Borrower and its Subsidiaries during the five year period ending on the Closing Date in compliance with Environmental Laws.

6.20 Copyrights, Patents, Trademarks and Licenses, etc. Except to the extent that the failure to do so would not present a reasonable likelihood of having a Material Adverse Effect, the Borrower and the Restricted Subsidiaries own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are reasonably necessary for the operation of the Business, without conflict with the rights of any other Person. To the best knowledge of the Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower or any Restricted Subsidiary infringes upon any rights held by any other Person, where such infringement would present a reasonable likelihood of having a Material Adverse Effect. Except as specifically disclosed in Schedule 6.20, no claim or litigation regarding any of the foregoing is pending or to the knowledge of the Borrower threatened, and no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code is pending or, to the knowledge of the Borrower, proposed, which, in either case, would present a reasonable likelihood of having a Material Adverse Effect.

6.21 Insurance. The Borrower and each of its Restricted Subsidiaries are in compliance with the terms and conditions contained in Section 7.5(b) hereof.

6.22 Full Disclosure. None of the representations or warranties made by any Obligor or the Restricted Subsidiaries in the Loan Documents as of the date such representations and warranties are made or deemed made, and none of the statements contained in any document, certificate or instrument furnished by or on behalf of any Obligor in connection with the Loan Documents, as of the date of such document, instrument or certificate, contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

6.23 Defaults . No Obligor or Restricted Subsidiary is in material default nor has any event or circumstance occurred which, but for the expiration of any applicable grace period or the giving of notice, or both, would constitute a material default under any under any material agreement or instrument to which any Obligor or any Restricted Subsidiary is a party or by which any Obligor or any Restricted Subsidiary is bound, which default would result in a Material Adverse Effect.

6.24 PPD/GP Debt Contributions. The aggregate amount of PPD/GP Debt Contributions made by the Public Partnership and the General Partner to the Borrower during the period from August 21, 2001 to the Closing Date is in excess of $105,000,000.

6.25 Foreign Assets Control. None of the Borrower, any Subsidiary or any Affiliate of the Borrower: (i) is a Sanctioned Person, (ii) has any of its assets in Sanctioned Entities, or (iii) derives any of its operating income from investments in, or transactions with, Sanctioned Persons or Sanctioned Entities.

ARTICLE VII

AFFIRMATIVE COVENANTS

So long as any Bank shall have any Commitment hereunder, or any Loan or other Obligation shall remain unpaid or unsatisfied, or any Letters of Credit shall remain outstanding unless the Required Banks waive compliance in writing:

7.1 Information . (a) The Borrower will maintain, and will cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with GAAP, and will accrue, and will cause each of its Subsidiaries to accrue, all such liabilities as shall be required by GAAP.

(b) The Borrower will furnish or cause to be furnished to the Agent, on behalf of Banks, and, except as set forth in Section 7.1(c) below, the Agent will promptly distribute to each Bank at their respective addresses as set forth on Schedule 12.2 hereto, or such other office as may be designated by the Agent and Banks from time to time:

(i) as soon as practicable, but in any event within 45 days after the end of each of the first three quarterly fiscal periods in each fiscal year of the Borrower, consolidated and consolidating balance sheets of the Borrower and its Subsidiaries (except, as to consolidating balance sheets only, for inactive Subsidiaries) as at the end of such period and the related consolidated (and, as to statements of income, consolidating, except for inactive Subsidiaries) statements of income, partners' capital and cash flows of the Borrower and its Subsidiaries for such period and (in the case of the second and third quarterly periods) for the period from the beginning of the current fiscal year to the end of such quarterly period, setting forth in each case in comparative form the consolidated and, where applicable, consolidating figures for the corresponding periods of the previous fiscal year, all in reasonable detail and certified by the principal financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except for the absence of footnotes and subject to changes resulting from normal year-end adjustments), in accordance with GAAP applied on a basis consistent with prior fiscal periods except for inconsistencies resulting from changes in accounting principles and methods agreed to by the Borrower's independent accountants;

(ii) as soon as practicable, but in any event within 90 days after the end of each fiscal year of the Borrower, consolidated and consolidating balance sheets of the Borrower and its Subsidiaries (except, as to consolidating balance sheets only, for inactive Subsidiaries) as at the end of such year and the related consolidated (and, as to statements of income, consolidating except for inactive Subsidiaries) statements of income, partners' capital and cash flows of the Borrower and its Subsidiaries for such fiscal year, setting forth in each case in comparative form the consolidated and, where applicable, consolidating figures for the previous fiscal year, all in reasonable detail and (A) in the case of such consolidated financial statements, accompanied by a report thereon of PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing selected by the Borrower, which report shall not be qualified with respect to scope limitations imposed by the Borrower or any of its Restricted Subsidiaries or with respect to accounting principles followed by the Borrower or any of its Restricted Subsidiaries not in accordance with GAAP and

shall state that such consolidated financial statements present fairly, in all material respects, the financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flows for the periods indicated in conformity with GAAP unless otherwise disclosed, applied on a basis consistent with prior years, and that the audit by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards then in effect in the United States, and (B) in the case of such consolidated and consolidating financial statements, certified by the principal financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except, in the case of such consolidating financial statements, for the absence of footnotes), in accordance with GAAP (the items in subsections 01 and (ii) of this Section 7.1(b), the ***"Borrower Financials");***

(iii) together with each delivery of financial statements of the Borrower pursuant to subsections CD and (ii) of this Section 7.1(b), a Compliance Certificate of the Borrower (A) stating that the signers have reviewed the terms of this Agreement and the other Loan Documents and have made, or caused to be made under their supervision, a review in reasonable detail of the transactions and condition of the Borrower and its Subsidiaries during the accounting period covered by such financial statements, and that the signers do not have knowledge of the existence and continuance as at the date of such Compliance Certificate of any Default or Event of Default, or, if any of the signers have knowledge that any Default or Event of Default then exists, specifying the nature and approximate period of existence thereof and what action the Borrower has taken or is taking or proposes to take with respect thereto, (B) specifying the amount available at the end of such accounting period for Restricted Payments in compliance with Section 8.5 and showing in reasonable detail all calculations required in arriving at such amount, (C) demonstrating in reasonable detail compliance at the end of such accounting period with the restrictions contained in Section 8.1 (the last paragraph), Sections 8.1(b), (f), (k) and (f, Section 8.2, Section 8.4(c), Section 8.4(h), Section 8.5, Section 8.8(a)(ii), Section 8.8(a)(iii), Section 8.8(c)(ii) (calculation of Excess Sale Proceeds), Section 8.13, Section 8.14, Section 8.15, Section 8.16 and Sections 8.18(a), (b) and (d), (iv) calculating the applicable Pricing Tier, (v) if not specified in the related financial statements being delivered pursuant to subsections and (ii) of Section 7.1(b), specifying the aggregate amount of interest paid or accrued by, and aggregate rental expenses of, the Borrower and its Subsidiaries, and the aggregate amount of depreciation, depletion and amortization charged on the books of the Borrower and its Subsidiaries, during the fiscal period covered by such financial statements, and (vi) if at the time of the delivery of such financial statements the Borrower shall have any Unrestricted Subsidiaries, setting forth therein (or in an accompanying schedule) the adjustments required to be made to indicate the consolidated financial position, cash flows and results of operations of the Borrower and the Restricted Subsidiaries without regard to the financial position, cash flows or results of operations of such Unrestricted Subsidiaries;

(iv) together with each delivery of consolidated financial statements of the Borrower pursuant to subsection (ii) of this Section 7.1(b), a written statement by the independent public accountants giving the report thereon stating that they have reviewed the terms of this Agreement and the other Loan Documents and that, in making the audit necessary for the certification of such financial statements, they have obtained no knowledge of the existence and continuance as at the date of such written statement of any Default or Event of Default, or, if they have obtained knowledge that any Default or Event of Default then exists, specifying, to the extent possible, the nature and approximate period of the existence thereof (such accountants, however, shall not be liable to anyone by reason of their failure to obtain knowledge of any Default or Event of Default which would not be disclosed in the course of an audit conducted in accordance with generally accepted auditing standards then in effect in the United States);

(v) promptly following the receipt and timely review thereof by the Borrower, copies of all reports submitted to the Borrower by independent public accountants in connection with each special, annual or interim audit of the books of the Borrower or any Subsidiary thereof made by such accountants, including without limitation the comment letter submitted by each such accountant to management in connection with their annual audit;

(vi) promptly upon their becoming publicly available, copies of (A) all financial statements, reports, notices and proxy statements sent or made available by the Borrower or the Public Partnership to any of its security holders in compliance with the Exchange Act, or any comparable Federal or state laws relating to the disclosure by any Person of information to its security holders, (B) all regular and periodic reports and all registration statements and prospectuses filed by the Borrower or the Public Partnership with any securities exchange or with the Securities and Exchange Commission or any governmental authority succeeding to any of its functions (other than registration statements on Form S-8 and Annual Reports on Form 10-R), (C) all press releases and other similar written statements made available by the Borrower or the Public Partnership to the public concerning material developments in the business of the Borrower or the Public Partnership, as the case may be and (D) all reports, notices and other similar written statements sent or made available by the Borrower or the Public Partnership to any holder of its Indebtedness pursuant to the terms of any agreement, indenture or other instrument evidencing such Indebtedness, including without limitation the First Mortgage Notes and the Public Partnership Indenture, except to the extent the same substantive information is already being sent to the Agent;

(vii) as soon as reasonably practicable, and in any event within five Business Days after a Responsible Officer obtains knowledge that any Default or Event of Default or any event of default under the First Mortgage Note Agreements has occurred, a written statement of such Responsible Officer setting forth details of such Default or Event of Default or event of default and the action which the Borrower has taken, is taking and proposes to take with respect thereto;

(viii) as soon as reasonably practicable, and in any event within five Business Days after a Responsible Officer obtains knowledge of (A) the occurrence of an adverse development with respect to any litigation or proceeding involving the Borrower or any of its Subsidiaries which in the reasonable judgment of the Borrower presents a reasonable likelihood of having a Material Adverse Effect or (B) the commencement of any litigation or proceeding involving the Borrower or any of its Subsidiaries which in the reasonable judgment of the Borrower presents a reasonable likelihood of having a Material Adverse Effect, a written notice of such Responsible Officer describing in reasonable detail such commencement of, or adverse development with respect to, such litigation or proceeding;

(ix) as soon as reasonably practicable, and in any event within five Business Days after a responsible officer of any Obligor becomes aware of the occurrence or existence of any of the events or conditions specified below, and such event or condition has resulted in, or in the opinion of the principal financial officer of the General Partner might reasonably be expected to result in, a Material Adverse Effect: (A) the institution of any steps by any Obligor or any other Person to terminate any Pension Plan sponsored or maintained by an Obligor or any ERISA Affiliate of any Obligor, (B) the failure to make a required contribution to any Pension Plan sponsored or maintained by any Obligor if such failure is sufficient to give rise to a Lien under section 302(f) of ERISA, or (C) if any of the subsequently listed events have occurred with respect to any Pension Plan sponsored or maintained by any Obligor, or any ERISA Affiliate of any Obligor, the occurrence of termination of the plan, failure to make a required contribution to the plan, failure to satisfy the minimum funding standard for a year, request for a waiver of the minimum funding standard for any year, withdrawal from a multiple employer plan, adoption of an amendment which results in a funded current liability percentage of less than 60%, engaging in one or more prohibited transactions, failure to comply with reporting and disclosure requirements or engaging in any breach of fiduciary responsibility, notice thereof and copies of all documentation relating thereto;

(x) within 15 days after being approved by the governing body of the Borrower, and in any event no later than November 15th each fiscal year, an annual operating forecast for the next fiscal year;

(xi) as soon as reasonably practicable, and in any event within five Business Days after a Responsible Officer obtains knowledge of a violation or alleged violation of Environmental Law or the presence or release of any Hazardous Substance within, on, from, relating to or affecting any property, which in the reasonable judgment of the Borrower presents a reasonable likelihood of having a Material Adverse Effect, provide notice thereof, and upon request, copies of relevant documentation, provided, however, no such notice is required with respect to matters disclosed in Schedule 6.19 or matters with respect to which notice has previously been provided pursuant to this Section 7.1(b)(xi);

(xii) from time to time and promptly upon each request, information identifying the Borrower as a Bank may request in order to comply with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)); and

(xiii) with reasonable promptness, such other information and data (financial or other) with respect to the Obligors or any of their Subsidiaries as from time to time may be reasonably requested by the Agent or any Bank.

(c) (i) The Borrower may deliver documents, materials and other information required to be delivered pursuant to Sections 7.1.(b)(i), 7.1(b)(ii) and 7.1(b)(iv) (collectively, ***"Information")*** in an electronic format acceptable to the Agent by e-mailing any such Information to an e-mail address of the Agent as specified by the Agent from time to time. The Agent may deliver such information to the Banks by posting such Information on the Borrower's behalf on an internet or intranet website to which each Bank and the Agent has access, whether a commercial, third-party website (such as Intralinks or SyndTrak) or a website sponsored by the Agent (the ***"Platform").***

(ii) In addition, the Borrower may deliver Information required to be delivered pursuant to Sections 7.1(b)(i), 7.1(b)(ii), and 7.1(b)(vi) by posting any such Information to the Borrower's internet website (as of the date hereof, www.amerigas.com). Any such Information provided in such manner shall only be deemed to have been delivered to the Agent or a Bank (A) on the date on which the Agent or such Bank, as applicable, receives notice from the Borrower that such Information has been posted to the Borrower's internet website and (B) only if such Information is publicly available without charge on such website. If for any reason, the Agent or a Bank either did not receive such notice or after reasonable efforts was unable to access such website, then the Agent or such Bank, as applicable, shall not be deemed to have received such Information. In addition to any manner permitted by Section 12.2, the Borrower may notify the Agent or a Bank that Information has been posted to such a website by causing an e-mail notification to be sent to an e-mail address specified from time to time by the Agent or such Bank, as applicable.

(iii) Notwithstanding anything in this Section to the contrary (A) the Borrower shall deliver paper copies of Information to the Agent or any Bank that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given to the Borrower by the Agent or such Bank and (B) in every instance the Borrower shall be required to provide to the Agent a paper original of the Compliance Certificate required by Section 7.1(b)(iii).

(iv) The Borrower acknowledges and agrees that the Agent may make Information, as well as any other written information, reports, data, certificates, documents, instruments, agreements and other materials relating to the Borrower, any Subsidiary or any other Credit Party or any other materials or matters relating to this Agreement, any of the other Loan Documents or any of the transactions contemplated by the Loan Documents, in each case to the extent that the Agent's communication thereof to the Banks is otherwise permitted hereunder (collectively, the ***"Communications")*** available to the Banks by posting the same on the Platform. The Borrower acknowledges that (A) the distribution of material through an electronic medium, such as the Platform, is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (B) the Platform is provided "as is" and "as available" and (C) neither the Agent nor any of its affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform.

(v) The Agent shall have no obligation to request the delivery or to maintain copies of any of the Information or other materials referred to above, and in no event shall have any responsibility to monitor compliance by the Borrower with any such requests. Each Bank shall be solely responsible for requesting delivery to it or maintaining its copies of such Information or other materials.

7.2 Adequate Reserves. The Borrower will, and will cause each of its Restricted Subsidiaries to maintain, overall reserves on their respective books and records in accordance with GAAP, which overall reserves shall be adequate in the opinion of the management of the Borrower and each Restricted Subsidiary for the purposes for which they were established.

7.3 Partnership or Corporate Existence; Business; Compliance with Laws. (a) Except as otherwise expressly permitted in accordance with Section 8.7 or 8_8, (i) the Borrower will at all times preserve and keep in full force and effect its partnership existence and its status as a partnership not taxable as a corporation, (ii) the Borrower will cause each of the Restricted Subsidiaries to keep in full force and effect its partnership or corporate existence and (iii) the Borrower will, and will cause each Restricted Subsidiary to, at all times preserve and keep in full force and effect all of its material rights and franchises; provided, however, that the partnership or corporate existence of any Restricted Subsidiary, and any right or franchise of the Borrower or any Restricted Subsidiary, may be terminated notwithstanding this Section 7.3 if, in the good faith judgment of the Borrower, such termination (x) is in the best interest of the Borrower and the Restricted Subsidiaries, (y) is not disadvantageous to the Agent, the Issuing Bank or the Banks in any material respect and (z) would not have a reasonable likelihood of having a Material Adverse Effect.

(b) The Borrower will, and will cause each of its Subsidiaries to, at all times comply with all laws, regulations and statutes (including without limitation any zoning or building ordinances) applicable to it, except for failures to so comply which, individually or in the aggregate, would not present a reasonable likelihood of having a Material Adverse Effect.

(c) The Borrower will not, and will not permit any Restricted Subsidiary to, engage in any lines of business other than its current Business as defined in this Agreement and other activities incidental or related to the Business.

7.4 Payment of Taxes and Claims. The Borrower will, and will cause each of its Subsidiaries to, pay all material Taxes, Other Taxes, assessments and other governmental charges imposed upon it or any of its Subsidiaries, or any Assets or in respect of any of its or any of its Subsidiaries' franchises, business, income or profits when the same becomes due and payable, and all claims (including without limitation claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or might become a Lien upon any Assets, and promptly reimburse the Banks for any such Taxes, Other Taxes, assessments, charges or claims paid by them; provided, that no such Tax, Other Tax, assessment, charge or claim need be paid or reimbursed if it is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor and be adequate in the good faith judgment of the General Partner.

7.5 Maintenance of Properties: Insurance. (a) The Borrower shall, and shall cause each Restricted Subsidiary to, (a) protect and preserve all of its respective material properties, including, but not limited to, all intellectual property, and maintain in good repair, working order and condition all tangible properties, ordinary wear and tear excepted, and (b) make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

(b) The Borrower will, and will cause each Restricted Subsidiary to, maintain or cause to be maintained, with financially sound and reputable insurance companies (or through self-insurance in accordance with applicable law), insurance with respect to its properties and business, and the properties and business of its Restricted Subsidiaries, against loss or damage of the kinds customarily insured against, and in such amounts as customarily maintained, by companies in the same or similar businesses operating in the same or similar locations. The Borrower will, from time to time, deliver to the Agent upon its request a detailed list of all insurance maintained by the Borrower and its Restricted Subsidiaries, together with copies of all policies of insurance then in effect and a statement including the names of insurance companies (or stating that such risks are self insured), amounts of insurance, dates of expiration thereof and risks covered thereby.

7.6 Guarantors. Promptly, and in any event within 15 days thereof, upon any Person becoming a Restricted Subsidiary of the Borrower, the Borrower will cause such Restricted Subsidiary to execute and deliver to the Agent such appropriate documents to become a guarantor under the Subsidiary Guarantee. Notwithstanding the foregoing, until the AEPLP Available Date, the Borrower shall not be required to cause AEPLP or any of AEPLP's Subsidiaries, and neither AEPLP nor any of its Subsidiaries shall be required to comply with this Section 7.6.

7.7 Further Assurances. At any time and from time to time promptly, the Borrower shall, at its expense, execute and deliver to the Agent and each Bank such further instruments and documents, and take such further action, as the Agent or any Bank may from time to time reasonably request, in order to further carry out the intent and purpose of this Agreement and the other Loan Documents and to establish, perfect, preserve and protect the rights, interests and remedies created, or intended to be created, in favor of the Banks hereunder and thereunder.

7.8 Designations With Respect to Subsidiaries. (a) The Borrower may designate any Restricted Subsidiary or newly acquired or formed Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary, in each case subject to satisfaction of the following conditions:

(i) immediately before and after giving effect to such designation, no Default or Event of Default shall exist and be continuing; and

(ii) after giving effect to such designation, the Borrower would be permitted to incur at least $1 of additional Indebtedness in accordance with the provisions of clauses (i)(A) and (B) of Section 8.1(f);

(iii) in the case of a designation of a Restricted Subsidiary or a newly acquired or formed Subsidiary as an Unrestricted Subsidiary, the conditions set forth in subsection (ii)(A) of Section 8.8(c) (the ***"Sale Condition")*** and Section 8.4(h) (the ***"Investment Condition")*** would be satisfied, assuming for this purpose that such designation (and all prior designations of Restricted Subsidiaries or newly acquired or formed Subsidiaries as Unrestricted Subsidiaries during the current fiscal year) constitutes a sale by the Borrower of (in the case of the Sale Condition), and an Investment by the Borrower in an amount equal to (in the case of the Investment Condition), all the assets of the Subsidiary so designated, in each case for an amount equal to (x) the net book value of such assets in the case of a Restricted Subsidiary and (y) the cost of acquisition or formation in the case of a newly acquired or formed Subsidiary (such amounts being herein referred to as ***"Designation Amounts"*** and deemed to constitute Net Proceeds for the purposes of the Sale Condition); provided, however, that notwithstanding anything to the contrary contained herein, until the AEPLP Guaranty Date, AEPLP and each of its Subsidiaries shall at all times remain Restricted Subsidiaries and in no event shall the Borrower have any right to redesignate AEPLP or any of its Subsidiaries as an Unrestricted Subsidiary.

(b) A Subsidiary that has twice previously been designated an Unrestricted Subsidiary may not thereafter be designated as a Restricted Subsidiary.

(c) The Borrower shall deliver to the Agent and each Bank, within 20 Business Days after any such designation, an Officer's Certificate stating the effective date of such designation and stating that the foregoing conditions contained in this Section 7.8 have been satisfied. Such certificate shall be accompanied by a schedule setting forth in reasonable detail the calculations demonstrating compliance with such conditions, where appropriate.

(d) All Investments, Indebtedness, Liens, Guaranty Obligations and other obligations that an Unrestricted Subsidiary (the ***"Designee")*** has at the time of being designated a Restricted Subsidiary hereunder shall be deemed to have been acquired, made or incurred, as the case may be, at the time of such designation and in anticipation of such Designee becoming a Subsidiary and of acquiring its assets (except as otherwise specifically provided in Section 8.1(i) or (j)).

7.9 Covenants of the General Partner and Petrolane. (a) Petrolane covenants that it will not engage (directly or indirectly) in any business or activity other than any of the lines of business and activities conducted by it on the Closing Date. The General Partner covenants that it will not create any Liens on the general partnership interests in the Borrower or the Public Partnership and each of the General Partner and Petrolane covenant that it will maintain and keep in effect its corporate existence and franchises, except, with respect to Petrolane, as permitted pursuant to Section 7.9(f).

(b) Except, with respect to Petrolane, in the event of the dissolution or merger of Petrolane as permitted by Section 7.9(f), each of the General Partner and Petrolane will deliver to the Agent, on behalf of the Banks, and the Agent will promptly distribute to each Bank at their respective addresses as set forth on Schedule 12.2 hereto, or such other office as may be designated by the Agent and Banks from time to time, (i) financial statements as to itself of the same character described in, and at the times specified in, Sections 7.1(a) and 7.1(b) with respect to the Borrower (the ***"Guarantor Financials"),*** in each case certified and reported on in the same manner as the Borrower Financials (except that the financial statements of Petrolane need not be audited), and (ii) with reasonable promptness, such other information and data (financial or other) with respect to the General Partner or Petrolane, as the case may be, as may from time to time be reasonably requested by the Agent.

(c) The General Partner will perform and comply with all of its obligations under the Partnership Agreement, will enforce the Partnership Agreement against each other party thereto and will not accept the termination of the Partnership Agreement or any amendment or supplement thereof or modification or waiver thereunder, unless any such failure to perform, comply or enforce or any such acceptance would not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect.

(d) Section 6.5 of the Partnership Agreement (the ***"Incorporated Covenant")*** as in effect on the Closing Date, together with all related definitions, is hereby incorporated herein in the form included in the Partnership Agreement on April 19, 1995 and without regard to any subsequent amendments or waivers of the provisions of, or any termination of, the Partnership Agreement. The General Partner agrees to fully perform and comply with the Incorporated Covenant.

(e) The General Partner agrees to apply all distributions received by the Public Partnership from the Borrower and made with the proceeds of Indebtedness incurred pursuant to Section 8.1(1) only to make payments, purchases, prepayments, redemptions, defeasances or other repayments (scheduled or unscheduled) of Indebtedness of the Public Partnership (and to pay all fees, premiums, make whole amounts and transaction expenses incurred in connection therewith).

(f) Notwithstanding anything to the contrary contained herein, Petrolane may be dissolved or may merge with or into the General Partner or a wholly owned subsidiary of UGI that provides a guaranty of the Obligations (the ***"Guaranteeing Entity")*** if the General Partner or such Guaranteeing Entity, as the case may be, is the surviving entity so long as, in connection with such dissolution or merger, all of the assets of Petrolane are distributed to, or otherwise held entirely by, the General Partner or such Guaranteeing Entity immediately following such dissolution or merger.

7.10 Books and Records. The Borrower will, and will cause each of its Restricted Subsidiaries to, keep books and records which accurately reflect all of its business affairs and transactions and permit the Agent and each Bank or any of their respective representatives, at reasonable times and intervals, to visit all of its offices, to discuss its financial matters with its officers and to examine (and, at the expense of the Borrower, photocopy extracts from) any of its books or other Borrower records. Upon the occurrence and during the continuance of any Default or Event of Default the Borrower hereby authorizes its independent public accountant to discuss the Borrower's financial matters with the Agent and each Bank or any of their respective representatives provided that a representative of the Borrower is present. So long as a Default or Event of Default has occurred and is continuing, the Borrower shall pay any fees of the Agent, each Bank and such independent public accountant incurred in connection with the Agent's or any Bank's exercise of its rights pursuant to this Section.

7.11 Environmental Covenant. The Borrower will, and will cause each of the Restricted Subsidiaries to:

(a) comply with all applicable Environmental Laws and any permit, license, or approval required under any Environmental Law, except for failures to so comply which would not present a reasonable likelihood of having a Material Adverse Effect;

(b) store, use, release, or dispose of any Hazardous Substance in compliance with Environmental Laws at any property owned or leased by the Borrower or any of its Restricted Subsidiaries, except where such non-compliance would not present a reasonable likelihood of having a Material Adverse Effect;

(c) avoid committing any act or omission which would cause any Lien to be asserted against any property owned by the Borrower or any of its Restricted Subsidiaries pursuant to any Environmental Law, except where such Lien would not present a reasonable likelihood of having a Material Adverse Effect;

(d) use, handle or store propane in compliance with Environmental Laws, except where such non-compliance would not present a reasonable likelihood of having a Material Adverse Effect;

(e) take all steps required by Environmental Law to cure any violation thereof disclosed in Schedule 6.19; and

(f) provide such information and certificates which the Agent or any Bank may reasonably request from time to time to evidence compliance with this Section 7.11.

ARTICLE VIII

NEGATIVE COVENANTS

So long as any Bank shall have any Commitment hereunder, or any Loan or other Obligation shall remain unpaid or unsatisfied, or any Letters of Credit shall remain outstanding, unless the Required Banks waive compliance in writing:

8.1 Indebtedness. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except that:

(a) the Borrower may become and remain liable with respect to the Indebtedness evidenced by the First Mortgage Notes and Long Term Funded Debt incurred in connection with any extension, renewal, refunding or refinancing of Indebtedness evidenced by the First Mortgage Notes, provided, that the principal amount of such Long Term Funded Debt shall not exceed the principal amount of such Indebtedness evidenced by the First Mortgage Notes, together with any accrued interest and prepayment charges with respect thereto, being extended, renewed, refunded or refinanced;

(b) the Borrower may become and remain liable with respect to Indebtedness incurred by the Borrower (i) to finance the making of expenditures for the improvement or repair (to the extent such improvements and repairs may be capitalized on the books of the Borrower in accordance with GAAP) of or additions (including additions by way of acquisitions or capital contributions of businesses and related assets) to Assets or (ii) by assumption of Indebtedness in connection with additions (including additions by way of acquisitions or capital contributions of businesses and related assets) to Assets or to extend, renew, refund or refinance any such Indebtedness; provided, that (x) the amount of such assumed Indebtedness shall not exceed the purchase price of such additions and (y) any such extensions, renewals, refundings or refinancings of any such Indebtedness shall not exceed the principal amount thereof;

(c) subject to Section 8.4(c) any Restricted Subsidiary may become and remain liable with respect to unsecured Indebtedness of such Restricted Subsidiary owing to the Borrower or to a Wholly-Owned Restricted Subsidiary, and the Borrower may become and remain liable with respect to unsecured Indebtedness owing to a Wholly-Owned Restricted Subsidiary provided it is subordinated to the Obligations at least to the extent provided in the subordination provisions set forth in Exhibit G;

(d) the Borrower may become and remain liable with respect to unsecured Indebtedness of the Borrower owing to the General Partner or an Affiliate of the General Partner, provided, that (i) the aggregate principal amount of such Indebtedness outstanding at any time shall not be in excess of $50,000,000 and (ii) such Indebtedness is created and is outstanding under an agreement or instrument pursuant to which such Indebtedness is subordinated to the Obligations at least to the extent provided in the subordination provisions set forth in Exhibit G;

(e) the Borrower may become and remain liable with respect to Indebtedness incurred pursuant to this Agreement and the other Loan Documents;

(f) the Borrower may become and remain liable with respect to Indebtedness, in addition to that otherwise permitted by the foregoing subsections of this Section 8.1, if on the date the Borrower becomes liable with respect to any such additional Indebtedness and immediately after giving effect thereto and to the substantially concurrent repayment of any other Indebtedness (A) the ratio of Consolidated Cash Flow to Consolidated Pro Forma Debt Service is equal to or greater than 2.50 to 1.0 and (B) the ratio of Consolidated Cash Flow to Average Consolidated Pro Forma Debt Service is equal to or greater than 1.25 to 1.0;

(g) the Borrower and its Restricted Subsidiaries may become and remain liable with respect to the Indebtedness described on Schedule 6.7;

(h) the Borrower may become and remain liable with respect to obligations under Interest Rate Agreements entered into to hedge interest rate risk;

(i) any Person that after the Closing Date becomes a Restricted Subsidiary may become and remain liable with respect to any Indebtedness to the extent such Indebtedness existed at the time such Person became a Subsidiary (and was not incurred in anticipation of such Person becoming a Subsidiary); provided, that (x) immediately after giving effect to such Person becoming a Restricted Subsidiary, the Borrower could incur at least $1 of additional Indebtedness in compliance with clauses (i)(A) and (i)(B) of Section 8.1(f) and (y) if such Indebtedness is secured, such Liens are permitted under Section 8.3(h);

(j) the Borrower and any Restricted Subsidiary may become and remain liable with respect to Indebtedness relating to any business acquired by or contributed to the Borrower or such Restricted Subsidiary or which is secured by a Lien on any property or assets acquired by or contributed to the Borrower or such Restricted Subsidiary to the extent such Indebtedness existed at the time such business or property or assets were so acquired or contributed (and was not incurred in anticipation thereof) and if such Indebtedness is secured by such property or assets, such security interest (x) does not extend to or cover any other property of the Borrower or any of the Restricted Subsidiaries and (y) is permitted under Section 8.3(h), provided, that immediately after giving effect to such acquisition or contribution, the Borrower could incur at least $1 of additional Indebtedness in compliance with clauses (i)(A) and (B) of Section 8.1(f);

(k) Capitalized Lease Liabilities not in excess of $10,000,000 at any time outstanding; and

(1) the Borrower may become and remain liable with respect to Indebtedness which otherwise complies with the terms of Section 8.1(f), the proceeds of which are used to make distributions permitted under Section 8.5, provided, that the aggregate principal amount of all Indebtedness incurred under this Section 8.1(1) since August 21, 2001 and outstanding at any time shall not exceed $105,000,000, provided, further, that at the time the Borrower incurs any Indebtedness permitted under the above provisions of this Section 8.1(1), such Indebtedness shall have received (i) a Special Rating and (ii) an investment grade rating from at least two nationally recognized statistical rating organizations (as defined for purposes of Rule 436(g) under the Securities Act), such as Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Fitch Ratings and Moody's Investors Service;

Further, notwithstanding anything in this Agreement to the contrary, until the AEPLP Guaranty Date, the Borrower will not permit AEPLP or any of its Subsidiaries to create, incur, assume or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, other than (i) Indebtedness of the type described in Section 8.1(c), (ii) the Indebtedness of AEPLP on the date of closing of the Columbia Acquisition, as disclosed in the Columbia Purchase Agreement (which amount was not in excess of $10,000,000), and (iii) the Indebtedness of AEPLP owing to the Borrower which is evidenced by the Intercompany Note to the extent that the aggregate principal amount outstanding thereunder does not exceed $137,997,000.

8.2 Minimum Interest Coverage. The Borrower will not permit the ratio of EBITDA to Consolidated Interest Expense as at any fiscal quarter end for the four fiscal quarters then ending to be less than 3.00 to 1.0.

8.3 Liens, etc. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired, or any income or profits therefrom, except:

(a) Liens for taxes, assessments or other governmental charges the payment of which is not yet due and payable or which is being contested in compliance with Section 7.4 hereof;

(b) Liens of lessors, landlords and carriers, vendors, warehousemen, mechanics, materialmen, repairmen and other like Liens incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings and (i) not incurred or made in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or (ii) incurred in the ordinary course of business securing the unpaid purchase price of property or services constituting current accounts payable; and precautionary Liens in favor of lessors under capital leases and leases of equipment in the ordinary course of business;

(c) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business (i) in connection with workers' compensation, unemployment insurance and other types of social security, or (ii) to secure (or to obtain letters of credit that secure) the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, performance bonds, purchase, construction or sales contracts and other similar obligations, in each case not incurred or made in connection with the borrowing of money;

(d) other deposits made to secure liability to insurance carriers under insurance or self-insurance arrangements;

(e) Liens securing reimbursement obligations under letters of credit, provided in each case that such Liens cover only the title documents and related goods (and any proceeds thereof) covered by the related letter of credit;

(f) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal or review, or shall not have been discharged within 60 days after expiration of any such stay;

(g) leases or subleases granted to others, easements, rights-of-way, restrictions and other similar charges or encumbrances, which, in each case either (i) are granted, entered into or created in the ordinary course of the business of the Borrower or any Restricted Subsidiary or (ii) do not, individually or in the aggregate, present a reasonable likelihood of having a Material Adverse Effect;

(h) Liens existing on any property of any Person at the time it becomes a Subsidiary of the Borrower, or existing at the time of acquisition upon any property acquired by the Borrower or any such Subsidiary through purchase, merger or consolidation or otherwise, whether or not assumed by the Borrower or such Subsidiary, or created to secure Indebtedness incurred under Section 8.1(f) to pay all or any part of the purchase price *(a **"Purchase Money Lien")*** of property (including without limitation Capital Stock and other securities) acquired by the Borrower or a Restricted Subsidiary, provided, that (i) any such Lien shall be confined solely to such item or items of property and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to or is acquired for use specifically in connection with such acquired property, (ii) in the case of a Purchase Money Lien, the principal amount of the Indebtedness secured by such Purchase Money Lien shall at no time exceed an amount equal to the lesser of (A) the cost to the Borrower and the Restricted Subsidiaries of such property and (B) the fair market value of such property at the time of the acquisition thereof (as determined in good faith by the General Partner), (iii) any such Purchase Money Lien shall be created not later than 30 days after the acquisition of such property and (iv) any such Lien (other than a Purchase Money Lien) shall not have been created or assumed in contemplation of such Person's becoming a Subsidiary of the Borrower or such acquisition of property by the Borrower or any Subsidiary;

(i) Liens securing other obligations otherwise permitted under this Agreement, including, but not limited to, Capitalized Lease Obligations, which obligations secured by such Liens shall not exceed an amount equal to 3% of Consolidated Net Tangible Assets at such time;

(j) Liens securing the First Mortgage Notes that attach to the assets of the Borrower or any Restricted Subsidiary pursuant to Section 1.3 of either of the First Mortgage Note Agreements; provided, that at no time when such Liens exist, shall the Leverage Ratio exceed 2.00 to 1.00; and

(k) easements, exceptions or reservations in any property of the Borrower or any Restricted Subsidiary granted or reserved for the purpose of pipelines, roads, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which are incidental to, and do not materially interfere with, the ordinary conduct of the business of the Borrower or any Restricted Subsidiary.

Notwithstanding anything in this Agreement to the contrary, until the AEPLP Guaranty Date, other than Liens permitted by subsections (a), (b), CO, (d), (f), (g), ICI) and Li) of this Section 8.3, the Borrower will not permit AEPLP or any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of AEPLP or such Subsidiary, whether such property or assets are now owned or held or hereafter acquired, or any income or profits therefrom.

8.4 Investments, Contingent Obligations, etc. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly (i) make or own any Investment in any Person (including an Investment in a Subsidiary of the Borrower), (ii) create or become liable with respect to any Contingent Obligation with respect to any Indebtedness of a Control Affiliate, or (iii) create or become liable with respect to any Contingent Obligation (provided, however, that nothing contained in this Section 8.4, except clause (ii) above, is intended to limit the making of any Contingent Obligation which would be permitted as Indebtedness under Section 8.1), except:

(a) the Borrower or any Restricted Subsidiary may make and own Investments in the following (collectively, ***"Cash Equivalents"):***

(i) marketable obligations issued or unconditionally guaranteed by the United States of America, or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing one year or less from the date of acquisition thereof,

(ii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and having as at such date the highest rating obtainable from either Standard & Poor's Rating Group or Moody's Investors Service, Inc.,

(iii) commercial paper maturing no more than 270 days from the date of creation thereof and having as of the date of acquisition thereof one of the two highest ratings obtainable from either Standard & Poor's Rating Group or Moody's Investors Service, Inc.,

(iv) certificates of deposit maturing one year or less from the date of acquisition thereof issued by commercial banks incorporated under the laws of the United States of America or any state thereof or the District of Columbia or Canada, (A) the commercial paper or other short term unsecured debt obligations of which are as of such date rated either A-2 or better (or comparably if the rating system is changed) by Standard & Poor's Rating Group or Prime-2 or better (or comparably if the rating system is changed) by Moody's Investors Service, Inc. or (B) the long-term debt obligations of which are as at such date rated either A or better (or comparably if the rating system is changed) by either Standard & Poor's Rating Group or A-2 or better or comparably if the rating system is changed by Moody's Investors Service, Inc. ***("Permitted Banks"),***

(v) Eurodollar time deposits having a maturity of less than 270 days from the date of acquisition thereof purchased directly from any Permitted Bank;

(vi) bankers' acceptances eligible for rediscount under requirements of the FRB and accepted by Permitted Banks, and

(vii) obligations of the type described in clause (i), (ii), (iii), (iv) or (v) above purchased from a securities dealer designated as a "primary dealer" by the Federal Reserve Bank of New York or from a Permitted Bank as counterparty to a written repurchase agreement obligating such counterparty to repurchase such obligations not later than 14 days after the purchase thereof and which provides that the obligations which are the subject thereof are held for the benefit of the Borrower or a Restricted Subsidiary by a custodian which is a Permitted Bank and which is not a counterparty to the repurchase agreement in question;

(b) the Borrower or any Restricted Subsidiary may acquire Capital Stock or other ownership interests, whether in a single transaction or a series of related transactions, of a Person (i) located in the United States or Canada, (ii) incorporated or otherwise formed pursuant to the laws of the United States or Canada or any state or province thereof or the District of Columbia and (iii) engaged in substantially the same business as the Borrower such that, upon the completion of such transaction or series of transactions, such Person becomes a Restricted Subsidiary;

(c) subject to the provisions of subsection (h) below, the Borrower or any Restricted Subsidiary may make and own Investments (in addition to Investments permitted by subsections (a), (d), (e), (ff and (g) of this Section 8.4) in any Person incorporated or otherwise formed pursuant to the laws of the United States or Canada or any state or province thereof or the District of Columbia which is engaged in the United States or Canada in substantially the same business as the Borrower; provided, that (i) the aggregate amount of all such Investments made by the Borrower and its Restricted Subsidiaries following April 19, 1995 (including without limitation the transactions contemplated by this Agreement) and outstanding pursuant to this subsection (c) and subsection (h) below shall not at any date of determination exceed 10% of Total Assets (the ***"Investment Limit"),*** provided, that in addition to

Investments that would be permitted under the Investment Limit, during any fiscal year the Borrower and its Restricted Subsidiaries may invest up to $25,000,000 (the ***"Annual Limit")*** pursuant to the provisions of this subsection (c), but the unused amount of the Annual Limit shall not be carried over to any future years and provided, further, that neither the Annual Limit nor the Investment Limit shall include the aggregate principal amount of the Intercompany Note outstanding on August 21, 2001 to the extent that such amount is not in excess of $137,997,000 at the time of determination, and (ii) such Investments shall not be made in Capital Stock or Indebtedness of the Public Partnership or any of its Subsidiaries (other than the Borrower and the Restricted Subsidiaries);

(d) the Borrower or any Restricted Subsidiary may make and own Investments (x) arising out of loans and advances to employees incurred in the ordinary course of business not in excess of $1,000,000 at any time outstanding, (y) arising out of extensions of trade credit or advances to third parties in the ordinary course of business and (z) acquired by reason of the exercise of customary creditors' rights upon default or pursuant to the bankruptcy, insolvency or reorganization of a debtor;

(e) the Borrower and any Restricted Subsidiary may create or become liable with respect to any Contingent Obligation constituting an obligation, warranty or indemnity, not guaranteeing Indebtedness of any Person, which is undertaken or made in the ordinary course of business;

(f) the Borrower may create and become liable with respect to any Interest Rate Agreements;

(g) any Restricted Subsidiary may make Investments in the Borrower;

(h) the Borrower or any Restricted Subsidiary may make or own Investments in Unrestricted Subsidiaries, provided, that the Net Amount of Unrestricted Investment shall not at any time exceed $5,000,000 (and subject to the limitations specified in subsection (c) above);

(i) the Borrower may own Investments consisting of the Intercompany Note to the extent that the aggregate principal amount of the Intercompany Note does not exceed $137,990,000;

(j) AEPI, AEPH and AEPLP may remain liable for any obligations, warranties or indemnities set forth in the National Propane Purchase Agreement as such agreement is in effect on the August 28, 2003; and

(k) the Borrower may remain (i) liable for its indemnification and guarantee obligations under the Columbia Purchase Agreement, as in effect on August 21, 2001, and (ii) under the Keep Well Agreement, as in effect on August 21, 2001.

Notwithstanding the foregoing, the Borrower may have outstanding undrawn letters of credit (including Letters of Credit) not in excess of $100,000,000.

8.5 Restricted Payments. The Borrower will not directly or indirectly declare, order, pay, make or set apart any sum for any Restricted Payment, except that the Borrower may declare or order, and make, pay or set apart, once during each calendar quarter a Restricted Payment if (a) such Restricted Payment is in an amount not exceeding Available Cash for the immediately preceding calendar quarter, and (b) immediately after giving effect to any such proposed action no Event of Default (or Default under Sections 9.1(a), (f) or g) shall exist and be continuing; provided, that notwithstanding the foregoing, the Borrower may declare, order, pay, make or set apart sums for Restricted Payments to the Public Partnership at any time, and from time to time, in an aggregate amount not exceeding the proceeds of Indebtedness of the Borrower incurred pursuant to Section 8.1(1) if immediately after giving effect to any such proposed action no Event of Default (or Default under Sections 9.1(a), (f), or (g)) shall exist and be continuing. The Borrower will comply with, and accrue on its books, the reserve provisions required under the definition of Available Cash. The Borrower will not, in any event, directly or indirectly declare, order, pay or make any Restricted Payment except in cash. The Borrower will not permit any Restricted Subsidiary to declare, order, pay or make any Restricted Payment or to set apart any sum or property for any such purpose (it being understood that nothing in this Section 8.5 shall prohibit any such Restricted Subsidiary from declaring, ordering, paying, making, or setting apart any sum or property for, any payment or other distribution or dividend to (i) the Borrower or any Wholly-Owned Restricted Subsidiary and (ii) so long as no Default or Event of Default shall occur and be continuing, all holders of Capital Stock of such Restricted Subsidiary on a pro rata basis) (with any such distribution or dividend to a Control Affiliate being subject to the limitation of the first sentence of this Section 8.5).

8.6 Transactions with Affiliates. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any transaction with any Affiliate, including without limitation the purchase, transfer, disposition, sale, lease or exchange of assets or the rendering of any service, unless (1)(a) such transaction or series of related transactions is on fair and reasonable terms that are no less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than those which would be obtained in an arm's-length transaction at the time such transaction is agreed upon between Persons which are not Affiliates, and (b) with respect to a transaction or series of transactions involving aggregate payments or value equal to or greater than $15,000,000, the Borrower shall have delivered an Officers' Certificate to the Agent certifying that such transaction or series of transactions complies with the preceding clause (a) and that such transaction or series of transactions has been approved by a majority of the Board of Directors of the General Partner (including a majority of the Disinterested Directors), or (2) such transaction or series of related transactions is between the Borrower and any Wholly-Owned Restricted Subsidiary or between two Wholly-Owned Restricted Subsidiaries, provided, however, that this Section 8.6 will not restrict the Borrower, any Restricted Subsidiary or the General Partner from entering into (i) any employment agreement, stock option agreement, restricted stock agreement or other similar agreement or arrangement in the ordinary course of business, (ii) transactions permitted by Section 8.5 and (iii) transactions in the ordinary course of business in connection with reinsuring the self-insurance programs or other similar forms of retained insurable risks of the retail propane business operated by the Borrower, its Subsidiaries and its Affiliates.

8.7 Subsidiary Stock and Indebtedness. The Borrower will not:

(a) directly or indirectly sell, assign, pledge or otherwise dispose of any Indebtedness of or any shares of stock or similar interests of (or warrants, rights or options to acquire stock or similar interests of) any Restricted Subsidiary, except to a Wholly-Owned Restricted Subsidiary;

(b) permit any Restricted Subsidiary directly or indirectly to sell, assign, pledge or otherwise dispose of any Indebtedness of the Borrower or any other Restricted Subsidiary, or any shares of stock or similar interests of (or warrants, rights or options to acquire stock or similar interests of) any other Restricted Subsidiary, except to the Borrower or a Wholly-Owned Restricted Subsidiary;

(c) permit any Restricted Subsidiary to have outstanding any shares of stock or similar interests which are preferred over any other shares of stock or similar interests in such Restricted Subsidiary owned by the Borrower or a Wholly-Owned Restricted Subsidiary unless such shares of preferred stock or similar interests are owned by the Borrower or a WhollyOwned Restricted Subsidiary; or

(d) permit any Restricted Subsidiary directly or indirectly to issue or sell (including without limitation in connection with a merger or consolidation of such Subsidiary otherwise permitted by Section 8.8(a)) any shares of its stock or similar interests (or warrants, rights or options to acquire its stock or similar interests) except to the Borrower or a WhollyOwned Restricted Subsidiary;

provided, that (i) any Restricted Subsidiary may sell, assign or otherwise dispose of Indebtedness of the Borrower if, assuming such Indebtedness were incurred immediately after such sale, assignment or disposition, such Indebtedness would be permitted under Section 8.1 (other than Section 8.1(c)) (in which case such Indebtedness need not be subject to the subordination provisions required by Section 8.1(c)) and (ii) subject to compliance with Section 8.8(c), all Indebtedness and shares of stock or partnership interests of any Restricted Subsidiary owned by the Borrower or any other Restricted Subsidiary may be simultaneously sold as an entirety for an aggregate consideration at least equal to the fair value thereof (as determined in good faith by the General Partner) at the time of such sale if (x) such Restricted Subsidiary does not at the time own (A) any Indebtedness of the Borrower or any other Restricted Subsidiary (other than Indebtedness which, if incurred immediately after such transaction, would be permitted under Section 8.1, other than Section 8.1(c)) (in which case such Indebtedness need not be subject to the subordination provisions required by Section 8.1(c)) or (B) any stock or other interest in any other Restricted Subsidiary which is not also being simultaneously sold as an entirety in compliance with this proviso or Section 8.8(b)(ii) and (y) at the time of such transaction and immediately after giving effect thereto, the Borrower could incur at least $1 of additional Indebtedness in compliance with clauses (i)(A) and (B) of Section 8.1(f) and (iii) AEPLP may issue or sell its Capital Stock to the Special Limited Partner (as defined in the AEPLP Partnership Agreement) of AEPLP in accordance with Section 5.3 of the AEPLP Partnership Agreement, as such Section 5.3 was in effect on August 21, 2001.

8.8 Consolidation, Merger, Sale of Assets, etc. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly,

(a) consolidate with or merge into any other Person or permit any other Person to consolidate with or merge into it, except that:

(i) any Restricted Subsidiary may consolidate with or merge into the Borrower or a Wholly-Owned Restricted Subsidiary if the Borrower or a Wholly-Owned Restricted Subsidiary, as the case may be, shall be the surviving Person and if, immediately after giving effect to such transaction, no Default or Event of Default shall exist and be continuing; and

(ii) any entity (other than a Restricted Subsidiary) may consolidate with or merge into the Borrower or a Wholly-Owned Restricted Subsidiary if the Borrower or a Wholly-Owned Restricted Subsidiary, as the case may be, shall be the surviving Person and if, immediately after giving effect to such transaction, (x) the Borrower (1) shall not have a Consolidated Net Worth, determined in accordance with GAAP applied on a basis consistent with the consolidated financial statements of the Borrower most recently delivered pursuant to Section 7.1(b)(ii), of less than the Consolidated Net Worth of the Borrower immediately prior to the effectiveness of such transaction, satisfaction of this requirement to be set forth in reasonable detail in an Officers' Certificate delivered to the Agent at the time of such transaction, (2) shall not be liable with respect to any Indebtedness or allow its property to be subject to any Lien which it could not become liable with respect to or allow its property to become subject to under this Agreement (including without limitation under Section 8.1 or 8.3) on the date of such transaction, and (3) could incur at least $1 of additional Indebtedness in compliance with clauses (i)(A) and (B) of Section 8.1(f), (y) substantially all of the assets of the Borrower and its Restricted Subsidiaries shall be located and substantially all of their business shall be conducted within the United States and Canada and (z) no Default or Event of Default shall exist and be continuing; and

(iii) subject to compliance with Section 12.1, the Borrower may consolidate with or merge into any other entity if (w) the surviving entity is a corporation or limited partnership organized and existing under the laws of the United States of America or any state thereof or the District of Columbia, with substantially all of its properties located and its business conducted (without giving effect to the properties owned by, and the business conducted by, Unrestricted Subsidiaries) within the United States and Canada, (x) such corporation or limited partnership expressly and unconditionally assumes the obligations of the Borrower under this Agreement, and the other Loan Documents, and delivers to the Agent an opinion of counsel reasonably satisfactory to the Required Banks with respect to the due authorization and execution of the related agreement of assumption and the enforceability of such agreement against such corporation or partnership, (y) immediately after giving effect to such transaction, such corporation or limited partnership (1) shall not have (without giving effect to Unrestricted Subsidiaries) a Consolidated Net Worth, determined in accordance with GAAP applied on a basis consistent with the consolidated financial statements of the Borrower most recently delivered pursuant to Section 7.1(b)(ii), of less than the Consolidated Net Worth of the Borrower immediately prior to the effectiveness of such transaction, satisfaction of this requirement to be set forth in reasonable detail in an Officers' Certificate delivered to the Agent at the time of such transaction, (2) shall not be liable with respect to any Indebtedness or allow its property to be subject to any Lien which it could not become liable with respect to or allow its property to become subject to under this Agreement (including without limitation under Section 8.1 or 8.3) on the date of such transaction and (3) could incur at least $1 of additional Indebtedness in compliance with clauses (i)(A) and (B) of Section 8.1(f), and (z) immediately after giving effect to such transaction no Default or Event of Default shall exist and be continuing; or

(b) sell, lease, abandon or otherwise dispose of all or substantially all its assets, except that:

(i) any Restricted Subsidiary may sell, lease or otherwise dispose of all or substantially all its assets to the Borrower or to a Wholly-Owned Restricted Subsidiary; and

(ii) subject to compliance with clause (c) of this Section 8.8, any Restricted Subsidiary may sell, lease or otherwise dispose of all or substantially all its assets as an entirety for an aggregate consideration at least equal to the fair value thereof (as determined in good faith by the General Partner) at the time of such sale if (x) the assets being sold, leased or otherwise disposed of do not include (A) any Indebtedness of the Borrower or any other Restricted Subsidiary (other than Indebtedness which, if incurred immediately after such transaction, would be permitted under Section 8.1 (other than Section 8.1(c)) so long as such Indebtedness is held by a Person other than the Borrower or a Restricted Subsidiary), in which case such Indebtedness need not be subject to the subordination provisions required by Section 8.1(c) or (B) any stock of or other equity interest in any other Restricted Subsidiary which is not also being simultaneously sold as an entirety in compliance with this subsection (b)(ii) or the proviso of Section 8.7 and (y) at the time of such transaction and immediately after giving effect thereto, the Borrower could incur at least $1 of additional Indebtedness in compliance with clauses (i)(A) and (B) of Section 8.1(f); and

(iii) subject to compliance with Section 12.1, the Borrower may sell, lease or otherwise dispose of all or substantially all its assets to any corporation or limited partnership into which the Borrower could be consolidated or merged in compliance with subsection (a)(iii) of this Section 8.8, provided, that each of the conditions set forth in such subsection (a)(iii) shall have been fulfilled; or

(c) (1) sell, lease, convey, abandon or otherwise dispose of any of its assets (except in a transaction permitted by subsection (a)(i), (a)(iii), (b)(i) or (b)(iii) of this Section 8.8 or sales of inventory in the ordinary course of business consistent with past practice), including by way of a Sale and Lease-Back Transaction, or (2) issue or sell Capital Stock of the Borrower or any Subsidiary (other than to the Borrower or a Wholly-Owned Restricted Subsidiary), in the case of either clause (1) or (2) above, whether in a single transaction or a series of related transactions (each of the foregoing non-excepted transactions, an ***"Asset Sale"),*** unless:

(i) immediately after giving effect to such proposed disposition, no Default or Event of Default shall exist and be continuing; and

(ii) one of the following two conditions shall be satisfied:

(A) the aggregate Net Proceeds of all assets so disposed of (whether or not leased back) by the Borrower and its Restricted Subsidiaries during the current fiscal year (including (x) amounts deemed to be proceeds in connection with designations of Restricted Subsidiaries as Unrestricted Subsidiaries during such fiscal year under Section 7.8, (y) Net Proceeds of dispositions of shares pursuant to Section 8.7 or sales of assets pursuant to Section 8.8(b)), less the amount of all Net Proceeds of prior dispositions of assets during such fiscal year previously applied in accordance with subsection (ii)(B) of this Section 8.8(c), shall not exceed $10,000,000 during such fiscal year; or

(B) in the event that such Net Proceeds (less the amount thereof previously applied in accordance with this subsection (ii)(B) during the current fiscal year exceed $10,000,000 (such excess Net Proceeds actually realized being herein called ***"Excess Sale Proceeds"),*** the Borrower shall within 360 days of the date of the disposal of the assets giving rise to such proceeds, cause an amount equal to such Excess Sale Proceeds to be applied (with the designation of an Unrestricted Subsidiary as a Restricted Subsidiary being deemed to be such an application to the extent of the fair value of such Restricted Subsidiary as determined in good faith by the General Partner) (x) to the acquisition of assets in replacement of the assets so disposed of or of assets which may be productively used in the United States or Canada in the conduct of the Business, or (y) to the extent not applied pursuant to the immediately preceding clause (x), to the prepayment of the Obligations and Senior Indebtedness, if any, pursuant to Section 2.7(a) hereof, all as provided in such Section 2.7(a); and

(iii) (A) the consideration received for such assets is at least equal to their aggregate fair market value (as determined in good faith by the Board of Directors of the General Partner) at the time of such disposition and that such consideration has been applied or is being held for application in accordance with the terms of this Agreement and (B) at least 80% of the consideration therefor received is in the form of cash; provided, however, that the amount of (1) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Borrower or any Restricted Subsidiary (other than liabilities that are by their terms subordinated in right of payment to the Loans) that are assumed by the transferee of any such assets and (2) any notes or other obligations received by the Borrower or any such Restricted Subsidiary from such transferee that are immediately converted by the Borrower or such Restricted Subsidiary into cash (to the extent of the cash received), shall be deemed to be cash for purposes of this clause (B); and provided, further, that the 80% limitation referred to in this clause (B) shall not apply to any Asset Sale in which the cash portion of the consideration received therefrom, determined in accordance with the foregoing proviso, is equal to or greater than what the after-tax proceeds would have been had such Asset Sale complied with the aforementioned 80% limitation.

Notwithstanding the foregoing, Asset Sales shall not be deemed to include (1) any transfer of assets or issuance or sale of Capital Stock by the Borrower or any Restricted Subsidiary to the Borrower or a Wholly-Owned Restricted Subsidiary, (2) any transfer of assets or issuance or sale of Capital Stock by the Borrower or any Restricted Subsidiary to any Person in exchange for other assets used in a line of business permitted under Section 7.3(c) and having a fair market value (as determined in good faith by the General Partner) not less than that of the assets so transferred or Capital Stock so issued or sold and (3) any transfer of assets pursuant to an Investment permitted by Section 8.4.

8.9 Use of Proceeds. (a) The Obligors will not, and will not suffer or permit any Subsidiary to, use any portion of the Loan proceeds or any Letter of Credit, directly or indirectly, (i) to purchase or carry Margin Stock, (ii) to repay or otherwise refinance Indebtedness of the Borrower or others incurred to purchase or carry Margin Stock, (iii) to extend credit for the purpose of purchasing or carrying any Margin Stock, (iv) to acquire any security in any transaction that is subject to Section 13 or 14 of the Exchange Act or (v) to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or Sanctioned Entity.

(b) The proceeds of the Revolving Loans will be used for working capital purposes and general purposes of the Borrower and its Restricted Subsidiaries.

(c) The proceeds of the Acquisition Loans will be used for, as selected by the Borrower in a Notice of Borrowing, (i) the acquisition by the Borrower of companies or assets in businesses similar to the Business, and may be used, without limitation, for the payment of related fees and expenses and the retirement, repayment or refinancing of any Indebtedness incurred as part of such acquisition, including any Indebtedness assumed by the Borrower in connection with an addition of assets by way of capital contribution and (ii) in the event there is no availability under the Revolving Commitments, working capital purposes and general purposes (other than the purposes described in clause (i) above) of the Borrower and its Restricted Subsidiaries.

(d) The proceeds of the Swing Line Loans will be used for working capital purposes and general purposes of the Borrower and its Restricted Subsidiaries.

8.10 Change in Business. The Borrower will not, and will not suffer or permit any Restricted Subsidiary to, engage in any material line of business substantially different from the Business.

8.11 Accounting Changes. The Borrower will not, and will not suffer or permit any Restricted Subsidiary to, make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change the fiscal year of the Borrower or of any Subsidiary.

8.12 Clean Down. The Borrower will not permit the sum of (a) the outstanding Revolving Loans and (b) the outstanding Specified Acquisition Loans to exceed $30,000,000 for a period of 30 consecutive days during each fiscal year.

8.13 Receivables. The Borrower will not, and will not permit any Restricted Subsidiary to, discount, pledge or sell (with or without recourse) any of its accounts or notes receivable, except for sales of receivables (i) made in the ordinary course of business with a face amount not to exceed $500,000 in the aggregate which have been sold and remain unpaid by the account debtors, (ii) without recourse which are seriously past due and which have been substantially written off as uncollectible or collectible only after extended delays, (iii) from a Restricted Subsidiary to the Borrower or (iv) made in connection with the sale of a business but only with respect to the receivables directly generated by the business so sold.

8.14 Leverage Ratio. The Borrower will not permit the Leverage Ratio at any time to exceed 4.00 to 1.00. For purposes of this Section 8.14, the Borrower may elect whether to calculate EBITDA (i) as at the end of any fiscal quarter for the four full consecutive fiscal quarters most recently ended or (ii) as at the end of any fiscal quarter for the eight full consecutive fiscal quarters most recently ended (in which case EBITDA shall be divided by two); provided, that on any given date of determination, the Borrower shall calculate EBITDA for the same period used by the Borrower on such date of determination in calculating EBITDA for purposes of determining its compliance with Section 8.15.

8.15 Minimum Consolidated EBITDA. The Borrower will not permit EBITDA to be less than $200,000,000 (as calculated pursuant to the following sentence). For purposes of this Section 8.15, the Borrower may elect whether to calculate EBITDA (i) as at the end of any fiscal quarter for the four full consecutive fiscal quarters most recently ended or (ii) as at the end of any fiscal quarter for the eight full consecutive fiscal quarters most recently ended (in which case EBITDA shall be divided by two); provided, that on any given date of determination, the Borrower shall calculate EBITDA for the same period used by the Borrower on such date of determination in calculating EBITDA for purposes of determining its Leverage Ratio pursuant to Section 8.14.

8.16 Acquisitions. After the date hereof and until the AEPLP Guaranty Date, the Borrower will not, and will not permit any Restricted Subsidiary to, make any Acquisition unless, after giving effect to the consummation of such Acquisition (including any substantially concurrent mergers), (a) all PP&E Assets acquired in connection with such Acquisition shall be owned by the Borrower or a Restricted Subsidiary, (b) the aggregate net book value of the PP&E Assets of AEPLP and its Subsidiaries (both prior to and after giving effect to such Acquisition) shall not exceed the sum of (i) 33-1/3% of the aggregate net book value of all PP&E Assets of the Borrower and its Restricted Subsidiaries and (ii) $70,000,000 and (c) the aggregate net book value (as determined in good faith by the General Partner) of all PP&E Assets acquired by AEPLP or any of its Subsidiaries in any fiscal year pursuant to Acquisitions (other than PP&E Assets acquired with the proceeds of any prior or concurrent Capped Investments or PP&E Transfers) ***("AEPLP Acquisitions")*** shall not, together with any Capped Investments and any PP&E Transfers made in such fiscal year pursuant to Section 8.18(a) and Section 8.18(b)(iii), respectively, in the aggregate, exceed (i) $35,000,000 (the ***"Yearly Threshold"),*** plus *(ii)* the amount of any Carryover Threshold (such sum is referred to herein as the ***"PP&E Acquisition/Investment/Transfer Limit").*** ***"Carryover Threshold"*** shall mean, for any fiscal year, an amount equal to the PP&E Acquisition/Investment/Transfer Limit for the prior fiscal year minus the aggregate AEPLP Acquisitions, Capped Investments and PP&E Transfers in such prior fiscal year, provided, that the Carryover Threshold shall in no event exceed $100,000,000. As June 30, 2006, the Carryover Threshold was $100,000,000 and the PP&E Acquisition/Investment/Transfer Limit for the period ending June 30, 2006 was $135,000,000.

8.17 Limitation on Restricted Agreements. The Borrower will not, and will not permit any Subsidiary to, enter into, or suffer to exist, any agreement (other than the National Propane Purchase Agreement) with any Person which, directly or indirectly, prohibits or limits the ability of any Restricted Subsidiary to (a) pay dividends or make other distributions to the Borrower or prepay any Indebtedness owed to the Borrower, (b) make loans or advances to the Borrower or (c) transfer any of its properties or assets to the Borrower.

8.18 AEPLP. Notwithstanding anything in this Agreement to the contrary (including the final paragraph of Section 8.8 hereof), until the first date as of which AEPLP and each of its Subsidiaries have become guarantors under the Subsidiary Guarantee in accordance with Section 7.6 hereof (such date, the ***"AEPLP Guaranty Date"),*** provided, that (A) the Subsidiary Guarantee of each Subsidiary of AEPLP may be subject and subordinate to the guaranty of such Subsidiary held by the Borrower to secure the obligation of such Subsidiary to guarantee (the ***"AEPLP Subsidiary Guaranty"),*** upon terms and conditions satisfactory to the Agent, and (B) the Subsidiary Guarantee of AEPLP may be subject and subordinate to the obligations of AEPLP under the Intercompany Note and the Intercompany Loan, upon terms and conditions satisfactory to the Agent:

(a) Investments. The Borrower will not, and will not permit any Restricted Subsidiary (other than AEPLP and its Subsidiaries) (each, *a* ***"Non AEPLP Restricted Subsidiary")*** to, directly or indirectly, make or own any Investment in AEPLP or any of its Subsidiaries, except for Investments in AEPLP or its Subsidiaries permitted under Sections 8.4(b), CO, (d), (e), and 01 and Section 8.18(b) hereof; provided, however, that the aggregate net book value (as determined in good faith by the General Partner) of all such Investments made pursuant to Sections 8.4(b) and (c) (the ***"Capped Investments")*** in any fiscal year shall not, together with any AEPLP Acquisitions and PP&E Transfers made in such fiscal year pursuant to Section 8.16 and Section 8.18(b)(iii), respectively, in the aggregate, exceed the PP&E Acquisition/Investment/Transfer Limit for such fiscal year.

(b) Asset Transfers. The Borrower will not, and will not permit any NonAEPLP Restricted Subsidiary to, directly or indirectly, sell, lease, convey or otherwise transfer, directly or indirectly, any of its assets to AEPLP or any Subsidiary of AEPLP, including by way of a Sale and Lease-Back Transaction (each, *a "Transfer")*, except that:

(i) the Borrower may, and may permit any Non-AEPLP Restricted Subsidiary to, Transfer to AEPLP or any of its Subsidiaries assets, provided, that (A) such assets ***("Non-PP&E Assets")*** would not, in accordance with the past practice of the Borrower, be classified and accounted for as "property, plant and equipment" on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries, (B) the consideration paid by AEPLP or its Subsidiaries to the Borrower or a Non-AEPLP Restricted Subsidiary for such Non-PP&E Assets is at least equal to the transferor's aggregate net book value therefor and (C) the aggregate amount of propane inventory (by number of gallons) of AEPLP and its Subsidiaries shall not at any time exceed 40% of the aggregate amount of propane inventory (by number of gallons) of the Borrower and the Restricted Subsidiaries;

(ii) the Borrower may, and may permit any Non-AEPLP Restricted Subsidiary to, Transfer to AEPLP or any of its Subsidiaries assets in exchange for other assets used in the line of business permitted under Section 8.10 and having a fair market value (as determined in good faith by the General Partner, and the Managing General Partner (as defined in the AEPLP Partnership Agreement) of AEPLP) not less than that of the assets so Transferred;

(iii) the Borrower may, and may permit any Non-AEPLP Restricted Subsidiary to, Transfer *(a **"PP&E** Transfer")* to AEPLP or any of its Subsidiaries PP&E Assets (together with associated working capital), provided, that (A) the aggregate net book value (as determined in good faith by the General Partner) of all PP&E Assets that are Transferred by the Borrower or a Non-AEPLP Restricted Subsidiary to AEPLP or any of its Subsidiaries in any fiscal year shall not, together with any AEPLP Acquisitions and Capped Investments made in such fiscal year pursuant to Section 8.16 and Section 8.18(a), respectively, in the aggregate, exceed the PP&E Acquisition/Investment/Transfer Limit for such fiscal year; (B) the consideration paid by AEPLP or its Subsidiaries to the Borrower or any Non-AEPLP Restricted Subsidiary for such PP&E Assets is at least equal to the transferor's net book value therefor; and (C) the aggregate net book value of all PP&E Assets of AEPLP and its Subsidiaries shall not at any time exceed the sum of (i) 33-1/3% of the aggregate net book value of all PP&E Assets of the Borrower and its Restricted Subsidiaries and (ii) $70,000,000;

(iv) the limitations contained in Sections 8.16(b) and (c) and Sections 8.18(b)(iii)(A) and (C) shall not apply to or prohibit or otherwise restrict (A) any Investment in AEPLP or any of its Subsidiaries permitted by Section 8.18(a), (B) any lease of real or personal property from the Borrower or a Restricted Subsidiary (other than AEPLP and its Subsidiaries), as lessor, to AEPLP or a Subsidiary of AEPLP, as lessee, (C) any Transfer of assets by the Borrower or any Non-AEPLP Restricted Subsidiary to AEPLP or any of its Subsidiaries if (1) such assets consist of the proceeds, or assets purchased or subsequently funded with the proceeds, of a sale of equity interests or debt of the Public Partnership or the General Partner to an entity other than the Borrower or any Restricted Subsidiaries, (2) such Transfer is made within one year of such equity or debt sale and (3) in the case of a subsequent funding, such proceeds are used to repay Senior Indebtedness of the Borrower (other than Indebtedness incurred previously pursuant to Section 8.1(e) or (to the extent such Indebtedness incurred pursuant to Section 8.1(f) is used to repay Indebtedness or letter of credit obligations incurred and outstanding under the Revolving Credit Facility) 8.1(f)) or Indebtedness incurred by the Borrower to make Acquisitions of assets that have been Transferred to AEPLP, or (D) any AEPLP Acquisition (1) if the assets acquired are purchased in exchange for equity interests or debt of the Public Partnership or the General Partner or (2)(x) if the assets acquired are purchased or subsequently funded with the proceeds of a sale of equity interests or debt by the Public Partnership or the General Partner to an entity other than the Borrower or any Restricted Subsidiary, (y) such AEPLP Acquisition is made within one year of such equity or debt sale and (z) in the case of a subsequent funding, such proceeds are used to repay Senior Indebtedness of the Borrower (other than Indebtedness incurred pursuant to Section 8.1(e) or (to the extent such Indebtedness incurred pursuant to Section 8.1(f) is used to repay Indebtedness or letter of credit obligations incurred and outstanding under the Revolving Credit Facility) 8.1(f)) or Indebtedness incurred by AEPLP (and owing to the Borrower) or the Borrower to make AEPLP Acquisitions.

(c) AEPLP Partnership Agreement. The Borrower will not, and will cause its Subsidiaries to not, (i) permit the AEPLP Partnership Agreement, as in effect on the Closing Date, to be amended, modified or supplemented in any respect if such amendment, modification or supplement would adversely affect the rights or powers of the Managing General Partner, or any successor General Partner (each as defined in the AEPLP Partnership Agreement), with respect to the liquidation, dissolution or winding-up of the affairs of AEPLP or any disposition of assets, discharge of liabilities or distribution of assets in connection therewith (including but not limited to any modification to Section 12.1 of the Partnership Agreement) or (ii) permit AEPLP to admit any Person as a Class A Limited Partner or any Managing General Partner (as defined in the AEPLP Partnership Agreement).

(d) Trade Accounts Payable. The Borrower will not permit AEPLP and its Subsidiaries to create, incur, assume or otherwise become or remain directly or indirectly liable with respect to an aggregate amount of trade accounts payable (including but not limited to amounts owed under equipment leases) in excess of $15,000,000 at any time, provided, that the amount of any (a) AEPLP Taxes, fines or penalties owing by AEPLP and its Subsidiaries to any Governmental Authority and (b) obligations of AEPLP and its Subsidiaries owing to the Borrower or any Restricted Subsidiary, shall in each case be excluded from the calculation of the aggregate amount of trade accounts payables pursuant to this Section 8.18(d).

In addition, both prior to and after the AEPLP Guaranty Date, the Borrower will not, and will cause its Subsidiaries to not, permit the Intercompany Note to be amended, modified or supplemented in any respect if such amendment, modification or supplement would materially and adversely affect the rights of the holder of the Intercompany Note (in its capacity as a holder of the Intercompany Note), including, without limitation, any modification of the July 19, 2009, maturity date of the outstanding principal amount thereunder.

ARTICLE IX

EVENTS OF DEFAULT

9.1 Event of Default. Any of the following shall constitute an ***"Event of Default":***

(a) Non-Payment. The Borrower fails to pay the Agent or any Bank or the Issuing Bank, (i) when and as required to be paid herein, any amount of principal of any Loan or L/C Borrowing, or (ii) within 5 days after the same becomes due, any interest, fee, or any other amount payable to the Agent or the Banks hereunder or under any other Loan Document; or

(b) Representation or Warranty. Any representation or warranty made in writing by any Obligor, or any Restricted Subsidiary made or deemed made herein, in any other Loan Document or which is contained in any certificate, financial statement or other document of such Obligor or such Restricted Subsidiary required to be delivered hereunder, furnished at any time under this Agreement, or in or under any other Loan Document, is incorrect in any material respect on or as of the date made or deemed made; or

(c) Specific Defaults. There shall be a default in the performance of, or compliance with, any term contained in Section 7.1(b)(vii), Section 7.3(a)(i), any of Sections 8.1 through 8.9, inclusive, Section 8.14 (and, in the case of the first sentence of Section 8.14, such default shall continue unremedied for a period of 30 days), Section 8.15, or Section 8.18, provided, however, that (i) with respect to (A) incurrence of Indebtedness in violation of Section 8.1 in an aggregate outstanding principal amount which is less than $5,000,000, (B) incurrence of a Lien in violation of Section 8.3 which secures Indebtedness which is in an aggregate outstanding principal amount of less than $5,000,000 (other than a Lien incurred in violation of Section 8.3(j)), (C) transactions with

an Affiliate in violation of Section 8.6 involving an aggregate amount of less than $2,000,000, (D) the making of any Investment or creation of a Contingent Obligation in violation of Section 8.4 involving an aggregate amount of less than $2,000,000, or (E) the entering into of any transaction in violation of Section 8.7 involving an aggregate amount of less than $2,000,000, there shall be no Event of Default under this clause (c) unless the aggregate amount of all violations under clauses (A) through (E) exceeds $8,000,000 on any date of determination or any such violation shall remain uncured for 30 days after a Responsible Officer becomes aware of any such violation and (ii) with respect to incurrence of a Lien in violation of Section 8.3(j), there shall be no Event of Default under this clause (c) unless such violation shall remain uncured for 90 days; or

(d) Other Defaults. Any Obligor, or any Restricted Subsidiary fails to perform or observe any other term or covenant contained in this Agreement (including, without limitation, such defaults of Sections 8.1, 8.3, 8.4, 8.6 and 8.7 not arising due to an Event of Default pursuant to the proviso to the immediately preceding subsection (c)(i)), or in any other Loan Document and such default shall continue unremedied for a period of 30 days after the date upon which written notice thereof is given to the Obligors by the Agent or the Required Banks; or

(e) Cross-Default. The Borrower, any Restricted Subsidiary, the General Partner, any of its Subsidiaries or the Public Partnership or any of its Subsidiaries (other than the Partnership Unrestricted Subsidiaries) (as principal or guarantor or other surety) shall default in the payment of any amount of principal of or premium or interest on any Senior Indebtedness or any other Indebtedness, other than the Obligations (regardless of whether or not such payment default shall have been waived by the holders of such Indebtedness); or any event shall occur or condition shall exist in respect of any Indebtedness of the Borrower, any Restricted Subsidiary, the General Partner, any of its Subsidiaries or the Public Partnership or any of its Subsidiaries (other than the Partnership Unrestricted Subsidiaries) or under any evidence of any such Indebtedness or under any mortgage, indenture or other agreement relating thereto, and the effect of such event or condition is to cause (or to permit one or more Persons to cause) such Indebtedness to become due or be repurchased or repaid before its stated maturity or before its regularly scheduled dates of payment (other than pursuant to mandatory prepayment provisions pursuant to a (1) Change of Control or similar transaction or (2) prepayment under circumstances and on terms substantially identical to, and not inconsistent with, Section 9.3(b) of each of the First Mortgage Note Agreements as in effect on the Closing Date to the extent it relates to Excess Taking Proceeds, as defined therein, or Section 8.8(c)(ii) hereof to the extent it relates to Excess Sale Proceeds, in each case not involving a default) or to permit the holders thereof to cause the Borrower, any Restricted Subsidiary, the General Partner, any of its Subsidiaries or the Public Partnership or any of its Subsidiaries (other than the Partnership Unrestricted Subsidiaries) to repurchase or repay such Indebtedness (other than pursuant to mandatory prepayment provisions pursuant to a (1) Change of Control or similar transaction or (2) prepayment under circumstances and on terms substantially identical to, and not inconsistent with, Section 9.3(b) of each of the First Mortgage Note Agreements as in effect on the Closing Date to the extent it related to Excess Taking Proceeds, as defined therein, or Section 8.3(c)(ii) to the extent it relates to Excess Sale Proceeds, in each case not involving a default), and such default, event or condition shall continue for more than the period of grace, if any, specified therein (regardless of whether or not such default, event or condition shall have been waived by the holders of such Indebtedness); provided, that the aggregate principal amount of all Indebtedness as to which such a default (payment or other), event or condition shall occur or exist exceeds $7,500,000; or

(f) Insolvency Voluntary Proceedings. Any Obligors, or any Significant Subsidiary Group (i) ceases or fails to be solvent, or admits in writing its inability to pay its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) voluntarily ceases to conduct its business in the ordinary course (except, as to Petrolane, upon the dissolution or merger of Petrolane as permitted pursuant to Section 7.9(f)); (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing; or

(g) Involuntary Proceedings. (i) Any involuntary Insolvency Proceeding is commenced or filed against any Obligor, or any Significant Subsidiary Group, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of any Obligor's, or any such Significant Subsidiary Group's properties, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy; (ii) any Obligor, or any such Significant Subsidiary Group admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) any Obligor, or any such Significant Subsidiary Group acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its property or business; or

(h) Judgments. Any judgment or order for the payment of money in excess of $9,000,000 and not covered by insurance shall be rendered against any of the Obligors or any Significant Subsidiary Group, and either

(a) enforcement proceedings shall have been commenced by any creditor upon such judgment or order; or

(b) there shall be any period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect and prior to the expiration of such 60-day period, the judgment shall not have been discharged.

(i) Pension Plans. Any of the following events shall occur with respect to any Pension Plan and such events, either alone or together, present a reasonable likelihood of having a Material Adverse Effect:

(a) the institution of any steps by any Obligor, or any other Person to terminate a Pension Plan maintained or sponsored by an Obligor, or any Subsidiary of an Obligor; or

(b) an ERISA Event.

(j) Change of Control. There occurs any Change of Control; or

(k) Loan Documents. Any Loan Document shall (except in accordance with its terms) in whole or in part, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Obligor party thereto (except, as to Petrolane, upon the dissolution or merger of Petrolane as permitted pursuant to Section 7.9(f)); the Borrower, General Partner, Petrolane or any other Credit Party shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability except as permitted by this Agreement.

9.2 Remedies. If any Event of Default occurs and is continuing, the Agent shall, at the request of, or may, with the consent of, the Required Banks, take any or all of the following actions:

(a) declare the commitment of each Bank to make Loans (including the Swing Ling Bank to make Swing Line Loans) and any obligation of the Issuing Bank to Issue Letters of Credit to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Obligors;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the then Effective Amount thereof); and

(d) exercise on behalf of itself and the Banks all rights and remedies available to it and the Banks under the Loan Documents or applicable law;

provided, however, that upon the occurrence of any event specified in subsection (f) or (g) of Section 9.1 (in the case of clause (i) of subsection (g) upon the expiration of the 60-day period mentioned therein), the obligation of each Bank to make Loans and any obligation of the Issuing Bank to Issue Letters of Credit shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Agent or any Bank.

9.3 Rights Not Exclusive. The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

9.4 Application of Funds. After the exercise of remedies provided for in Section 9.2 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 9.2), any amounts received on account of the Obligations shall be applied by the Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including Attorney Costs and amounts payable under Article IV) payable to the Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Banks (including Attorney Costs and amounts payable under Article IV), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and L/C Borrowings, ratably among the Banks in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, ratably among the Banks in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Agent for the account of the Issuing Bank, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by law.

Subject to Section 3.3(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied in accordance herewith and with the other Loan Documents to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied in accordance herewith and with the other Loan Documents to the other Obligations, if any, in the order set forth above.

ARTICLE X

THE AGENT

10.1 Appointment and Authorization. (a) Each Bank hereby irrevocably appoints, designates and authorizes the Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Loan Document, the Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Agent have or be deemed to have any fiduciary relationship with any Bank or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” herein and in the other Loan Documents with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law.

Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) The Issuing Bank shall act on behalf of the Banks with respect to any Letters of Credit issued by it and the documents associated therewith, and the Issuing Bank shall have all of the benefits and immunities (i) provided to the Agent in this Article X with respect to any acts taken or omissions suffered by the Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Agent" as used in this Article X and in the definition of "Agent-Related Person" included the Issuing Bank with respect to such acts or omissions, and (ii) as additionally provided herein with respect to the Issuing Bank.

10.2 Delegation of Duties. The Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct.

10.3 Liability of Agent. No Agent-Related Person shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Bank or participant for any recital, statement, representation or warranty made by any Credit Party or any officer thereof, contained herein or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of any Credit Party or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Bank or participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof.

10.4 Reliance by Agent. (a) The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any Credit Party), independent accountants and other experts selected by the Agent. The Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Banks as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Banks (or such greater number of Banks as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Banks.

(b) For purposes of determining compliance with the conditions specified in Section 5.1, each Bank that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Bank.

10.5 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Agent for the account of the Banks, unless the Agent shall have received written notice from a Bank or the Borrower referring to this Agreement, describing such Default and stating that such notice is a "notice of default." The Agent will notify the Banks of its receipt of any such notice. The Agent shall take such action with respect to such Default as may be directed by the Required Banks in accordance with Article IX; provided, however, that unless and until the Agent has received any such direction, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable or in the best interest of the Banks.

10.6 Credit Decision. Each Bank acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by the Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of any Credit Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any AgentRelated Person to any Bank as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Bank represents to the Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Credit Parties and their respective Subsidiaries, and all applicable bank or other regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower and the other Credit Parties hereunder. Each Bank also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and the other Credit Parties. Except for notices, reports and other documents expressly required to be furnished to the Banks by the Agent herein, the Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Credit Parties or any of their respective Affiliates which may come into the possession of any AgentRelated Person.

10.7 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Banks shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of any Credit Party and without limiting the obligation of any Credit Party to do so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; provided, however, that no Bank shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities to the extent determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Agent-Related Person's own gross negligence or willful misconduct; provided, however, that no action taken in accordance with the directions of the Required Banks shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Bank shall reimburse the Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Section shall survive termination of the Commitments, the payment of all other Obligations and the resignation of the Agent.

10.8 Agent in Individual Capacity. Wachovia and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with each of the Credit Parties and their respective Affiliates as though Wachovia were not the Agent or the Issuing Bank hereunder and without notice to or consent of the Banks. The Banks acknowledge that, pursuant to such activities, Wachovia or its Affiliates may receive information regarding any Credit Party or its Affiliates (including information that may be subject to confidentiality obligations in favor of such Credit Party or such Affiliate) and acknowledge that the Agent shall be under no obligation to provide such information to them. With respect to its Loans, Wachovia shall have the same rights and powers under this Agreement as any other Bank and may exercise such rights and powers as though it were not the Agent or the Issuing Bank, and the terms "Bank" and "Banks" include Wachovia in its individual capacity.

10.9 Successor Agent. The Agent may resign as Agent upon 30 days' notice to the Banks; provided, that any such resignation by Wachovia shall also constitute its resignation as Issuing Bank and Swing Line Bank. If the Agent resigns under this Agreement, the Required Banks shall appoint from among the Banks a successor administrative agent for the Banks, which successor administrative agent shall be consented to by the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no successor administrative agent is appointed prior to the effective date of the resignation of the Agent, the Agent may appoint, after consulting with the Banks and the Borrower, a successor administrative agent from among the Banks. Upon the acceptance of its appointment as successor administrative agent hereunder, the Person acting as such successor administrative agent shall succeed to all the rights, powers and duties of the retiring Agent, Issuing Bank and Swing Line Bank and the respective terms "Agent," "Issuing Bank" and "Swing Line Bank" shall mean such successor administrative agent, Letter of Credit issuer and swing line bank, and the retiring Agent's appointment, powers and duties as Agent shall be terminated and the retiring Issuing Bank's and Swing Line Bank's rights, powers and duties as such shall be terminated, without any other or further

act or deed on the part of such retiring Issuing Bank, Swing Line Bank or any other Bank, other than the obligation of the successor Issuing Bank to issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or to make other arrangements satisfactory to the retiring Issuing Bank to effectively assume the obligations of the retiring Issuing Bank with respect to such Letters of Credit. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article X and Sections 12.4 and 12.5 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor administrative agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Banks shall perform all of the duties of the Agent hereunder until such time, if any, as the Required Banks appoint a successor agent as provided for above.

10.10 Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Obligor, the Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Banks and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Banks and the Agent and their respective agents and counsel and all other amounts due the Banks and the Agent under Sections 2.10, 3.8 and 12.4) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bank to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Banks, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.10 and 12.4.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Bank or to authorize the Agent to vote in respect of the claim of any Bank in any such proceeding.

10.11 Collateral and Guaranty Matters. The Banks irrevocably authorize the Agent, at its option and in its discretion, to the extent applicable,

(a) to release any Lien, if any, on any property granted to or held by the Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to Section 12.1, if approved, authorized or ratified in writing by the Required Banks;

(b) to subordinate any Lien on any property granted to or held by the Agent under any Loan Document to the holder of any Purchase Money Lien; and

(c) to release any Restricted Subsidiary from its obligations under the Subsidiary Guarantee if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Agent at any time, each Bank will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Restricted Subsidiary from its obligations under the Subsidiary Guarantee pursuant to this Section 10.11.

10.12 Other Agents; Arrangers and Managers. None of the Banks or other Persons identified on the facing page or signature pages of this Agreement as a "syndication agent," "co-documentation agent," "co-agent," "book manager," "lead manager," "arranger," "lead arranger" or "co-arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than, in the case of such Banks, those applicable to all Banks as such. Without limiting the foregoing, none of the Banks or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Bank. Each Bank acknowledges that it has not relied, and will not rely, on any of the Banks or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

10.13 Withholding Tax. (a) (i) Each Bank that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code *(a **"Foreign Bank")*** shall deliver to the Agent, prior to receipt of any payment subject to withholding under the Code (or upon accepting an assignment of an interest herein), two duly signed completed copies of either IRS Form W-8BEN or any successor thereto (relating to such Foreign Bank and entitling it to an exemption from, or reduction of, withholding tax on all payments to be made to such Foreign Bank by the Borrower pursuant to this Agreement) or IRS Form W-8ECI or any successor thereto (relating to all payments to be made to such Foreign Bank by the Borrower pursuant to this Agreement) or such other evidence satisfactory to the Borrower and the Agent that such Foreign Bank is entitled to an exemption from, or reduction of, U.S. withholding tax, including any exemption pursuant to Section 881(c) of the Code. Thereafter and from time to time, each such Foreign Bank shall (A) promptly submit to the Agent such additional duly completed and signed copies of one of such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxing authorities) as may then be available under then current United States laws and regulations to avoid, or such evidence as is satisfactory to the Borrower and the Agent of any available exemption from or reduction of, United States withholding taxes in respect of all payments to be made to such Foreign Bank by the Borrower pursuant to this Agreement, (B) promptly notify the Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (C) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Bank, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable laws that the Borrower make any deduction or withholding for taxes from amounts payable to such Foreign Bank.

(ii) Each Foreign Bank, to the extent it does not act or ceases to act for its own account with respect to any portion of any sums paid or payable to such Bank under any of the Loan Documents (for example, in the case of a typical participation by such Bank), shall deliver to the Agent on the date when such Foreign Bank ceases to act for its own account with respect to any portion of any such sums paid or payable, and at such other times as may be necessary in the determination of the Agent (in the reasonable exercise of its discretion), (A) two duly signed completed copies of the forms or statements required to be provided by such Bank as set forth above, to establish the portion of any such sums paid or payable with respect to which such Bank acts for its own account that is not subject to U.S. withholding tax, and (B) two duly signed completed copies of IRS Form W-8IMY (or any successor thereto), together with any information such Bank chooses to transmit with such form, and any other certificate or statement of exemption required under the Code, to establish that such Bank is not acting for its own account with respect to a portion of any such sums payable to such Bank.

(iii) The Borrower shall not be required to pay any additional amount to any Foreign Bank under Section 4.1 (A) with respect to any Taxes required to be deducted or withheld on the basis of the information, certificates or statements of exemption such Bank transmits with an IRS Form W-8BEN, W-8ECI or W-8IMY pursuant to this Section 10.13(a) or (B) if such Bank shall have failed to satisfy the foregoing provisions of this Section 10.13(a); provided that if such Bank shall have satisfied the requirement of this Section 10.13(a) on the date such Bank became a Bank or ceased to act for its own account with respect to any payment under any of the Loan Documents, nothing in this Section 10.13(a) shall relieve the Borrower of its obligation to pay any amounts pursuant to Section 4.1 in the event that, as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof, such Bank is no longer properly entitled to deliver forms, certificates or other evidence at a subsequent date establishing the fact that such Bank or other Person for the account of which such Bank receives any sums payable under any of the Loan Documents is not subject to withholding or is subject to withholding at a reduced rate.

(iv) The Agent may, without reduction, withhold any Taxes required to be deducted and withheld from any payment under any of the Loan Documents with respect to which the Borrower is not required to pay additional amounts under Section 4.1.

(b) Upon the request of the Agent, each Bank that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Agent two duly signed completed copies of IRS Form W-9. If such Bank fails to deliver such forms, then the Agent may withhold from any interest payment to such Bank an amount equivalent to the applicable back-up withholding tax imposed by the Code, without reduction.

(c) If any Governmental Authority asserts that the Agent did not properly withhold or backup withhold, as the case may be, any tax or other amount from payments made to or for the account of any Bank, such Bank shall indemnify the Agent therefor, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, and costs and expenses (including Attorney Costs) of the Agent. The obligation of the Banks under this Section shall survive the termination of the Commitments, repayment of all other Obligations hereunder and the resignation of the Agent.

ARTICLE XI

GUARANTEE

11.1 Each Guaranteed Obligation. Each Guarantor, jointly and severally, irrevocably and unconditionally guarantees the Obligations; provided, however, that each Guarantor shall be liable under this Agreement for the maximum amount of such liability that can be hereby incurred without rendering this Agreement, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount. Each Guarantor understands, agrees and confirms that the Agent may enforce this Article XI up to the full amount of the Obligations against each Guarantor, subject as aforesaid, without proceeding against the Borrower, against any security for the Obligations, or under any other Guaranty covering the Obligations.

11.2 Obligations Exclusive. The liability of each Guarantor hereunder is exclusive and independent of any security for or other Guaranty Obligation of the Obligations whether executed by such Guarantor, any other Guarantor, any other guarantor or by any other party, and the liability of each Guarantor hereunder shall not be affected or impaired by (a) any direction as to application of payment by the Borrower or by any other party, or (b) any other continuing or other Guaranty, undertaking or maximum liability of a guarantor or of any other party as to the Indebtedness of the Borrower, or (c) any payment on or in reduction of any such other Guaranty Obligation or undertaking except to the extent such payment is applied to the Obligations or such reduction results from application of a payment to the Obligations, or (d) any dissolution, termination or increase, decrease or change in personnel by the Borrower, or (e) any payment made to any Bank or the Agent on the amounts which the Banks or the Agent repay the Borrower pursuant to a court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each Guarantor waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding.

11.3 Obligations Independent. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor, any other guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor, any other guarantor or the Borrower and whether or not any other Guarantor, any other guarantor or the Borrower be joined in any such action or actions. Each Guarantor waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Borrower or other circumstance which operates to toll any statute of limitations as to the Borrower shall operate to toll the statute of limitations as to each Guarantor.

11.4 Waiver of Notice. Each Guarantor hereby waives notice of acceptance of this Agreement and notice of any liability to which it may apply, and waives promptness, diligence, presentment, demand of payment, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking of other action by the Agent or any Bank against, and any other notice to, any party liable thereon (including such Guarantor or any other guarantor).

11.5 Guarantee of Payment. This Agreement is a guarantee of payment and not of collection. The Agent or any Bank may at any time and from time to time without the consent of, or notice to, any Guarantor, without incurring responsibility to such Guarantor, without impairing or releasing the obligations of such Guarantor hereunder, upon or without any terms or conditions and in whole or in part:

(i) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew or alter, any of the Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the guarantee made in this Agreement shall apply to the Obligations as so changed, extended, renewed or altered;

(ii) sell, exchange, release, surrender, realize upon or otherwise deal with, in any manner and in any order, any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset thereagainst;

exercise or refrain from exercising any rights against the Borrower or any Guarantor or others or otherwise act or refrain from acting;

(iv) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Borrower to creditors of the Borrower;

(v) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of the Borrower to the Banks regardless of what liabilities of the Borrower remain unpaid;

(vi) consent to or waive any breach of, or any act, omission or default under any Senior Indebtedness, any documents evidencing the Senior Indebtedness, or any of other instrument or agreement, or otherwise amend, modify or supplement the Senior Indebtedness, any documents evidencing the Senior Indebtedness, or any other instrument or agreement; and/or

(vi) fail to perfect any Lien that may be granted to the Agent or to or for the benefit of any of the Banks to secure any of the Obligations.

11.6 Obligations Unconditional. (a) The obligations of each Guarantor under this Agreement are absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated (except in accordance with the terms hereof) or otherwise affected by, any circumstance or occurrence whatsoever, including without limitation: (i) any action or inaction by the Agent or the Banks as contemplated in Section 11.5; (ii) any invalidity, irregularity or unenforceability of all or part of the Obligations or of any security therefor; or (iii) to the extent permitted by applicable law, any other act or circumstance that might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor. The obligations of each Guarantor hereunder are primary obligations of each Guarantor.

(b) The obligations of each Guarantor hereunder shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower in respect of the Obligations is rescinded or must be otherwise returned by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

11.7 Continuing Guarantee. This Agreement is a continuing one and all liabilities to which it applies (or may apply) under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of the Agent or any Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Agent or any Bank would otherwise have. No notice to or demand on any Guarantor in any case shall (i) entitle such Guarantor to any other further notice or demand in similar or other circumstances except for any notice or demand required hereunder or (ii) constitute a waiver of the rights of the Agent or any Bank to any other or further action in any circumstances without notice or demand. It is not necessary for the Agent or any Bank to inquire into the capacity or powers of the officers, directors, partners or agents acting or purporting to act on behalf of any Guarantor or the Borrower, and any Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

11.8 Subordination. Any Indebtedness of the Borrower now or hereafter held by any Guarantor, whether arising by subrogation, contribution or otherwise, is hereby subordinated to the Obligations as provided for below; and such Indebtedness of the Borrower to any Guarantor, if the Agent, after an Event of Default has occurred and is continuing, so requests, shall be collected, enforced and received by such Guarantor as trustee for the Banks and be paid over to the Agent on account of the Obligations, but without affecting or impairing in any manner the liability of such Guarantor under the other provisions of this Agreement. Prior to the transfer to any non-Affiliate by any Guarantor of any note or negotiable instrument evidencing any Indebtedness of the Borrower to such Guarantor, such Guarantor shall mark such note or negotiable instrument with a legend, acceptable to the Agent, that the same is subject to this subordination.

11.9 Exhaustion of Remedies. (a) Each Guarantor waives any right (except as shall be required by applicable statute and cannot be waived) to require the Agent or the Banks to (i) proceed against the Borrower, any other Guarantor or any other Person, (ii) proceed against or exhaust any security held from the Borrower, any other Guarantor or any other Person or (iii) pursue any other remedy in the Agent's or the Banks' power whatsoever. Each Guarantor waives any defense based on or arising out of any defense of the Borrower, any other Guarantor or any other Person other than payment in full of the Obligations, including without limitation any defense based on or arising out of the disability of the Borrower, any other Guarantor or any other party, or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower other than payment in full of the Obligations. The Agent on behalf of the Banks may, at its election, foreclose on any security held by the Agent or the Banks by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy the Agent or the Banks may have against the Borrower or any other Person, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been paid. Each Guarantor waives any defense arising out of any such election by the Agent or the Banks, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Person or any security.

(b) Each Guarantor waives all presentments, demands for performance, protests and notices, including without limitation notices of nonperformance, notice of protest, notices of dishonor, notices of acceptance of this Agreement, and notices of the existence, creation or incurring of new or additional Indebtedness. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Agent and the Banks shall have no duty to advise any Guarantor of information known to them regarding such circumstances or risks.

(c) Each Guarantor understands, is aware and hereby acknowledges that to the extent the Obligations are secured by real property located- in the State of California, such Guarantor shall be liable for the full amount of its liability hereunder notwithstanding foreclosure on such real property by trustee sale or any other reason impairing each Guarantor's or the Agent's or any Bank's right to proceed against the Borrower. Each Guarantor hereby waives, to the fullest extent permitted by law, all rights and benefits under Section 2809 of the California Civil Code purporting to reduce a guarantor's obligation in proportion to the principal obligation. Each Guarantor hereby waives all rights and benefits under Section 580a of the California Code of Civil Procedure purporting to limit the amount of any deficiency judgment which might be recoverable following the occurrence of a trustee's sale under a deed of trust and all rights and benefits under Section 580b of the California Code of Civil Procedure stating that no deficiency judgment may be recovered on a real property purchase money obligation. Each Guarantor further understands, is aware and hereby acknowledges that if the Agent on behalf of the Banks elects to nonjudicially foreclose on any real property security located in the State of California, any right of subrogation of the Guarantors against the Agent or the Banks may be impaired or extinguished and that as a result of such impairment or extinguishment of subrogation rights, each Guarantor will have a defense to a deficiency judgment arising out of the operation of (i) Section 580d of the California Code of Civil Procedure which states that no deficiency judgment may be recovered on a note secured by a deed of trust on real property in case such real property is sold under the power of sale contained in such deed of trust, and (ii) related principles of estoppel. To the fullest extent permitted by law, each Guarantor hereby waives all rights and benefits and any defense arising out of the operation of Section 580d of the California Code of Civil Procedure and related principles

of estoppel, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other party or any security. In addition, each Guarantor hereby waives, to the fullest extent permitted by applicable law and without limiting the generality of the foregoing or any other provision hereof, all rights and benefits which might otherwise be available to such Guarantor under Section 726 of the California Code of Civil Procedure and all rights and benefits which might otherwise be available to such Guarantor under California Civil Code Sections 2809, 2810, 2815, 2819, 2821, 2839, 2845, 2848, 2849, 2850, 2899, 3275 and 3433 (and any analogous or successor provisions to such Sections). Furthermore, each Guarantor hereby waives, to the fullest extent permitted by law, the benefits of the provisions of Nevada Revised Statutes §§ 40.430 et seq., 40.451 et seq, and 40.465 et seg. (and any analogous or successor provisions to such Sections).

(d) Each Guarantor agrees that, as between such Guarantor and the Agent and Banks, the Obligations may be declared to be forthwith due and payable (and shall be deemed to have become automatically due and payable) in accordance with the terms thereof for purposes of Section 11.1 hereof notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing such Obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such Obligations being deemed to have become automatically due and payable) such Obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by each Guarantor for purposes of Section 11.1.

11.10 Reinstatement. If claim is ever made upon the Agent or any Bank for repayment or recovery of any amount or amounts received in payment or on account of any of the Obligations and any of the aforesaid payees repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (b) any settlement or compromise of any such claim effected by such payee with any such claimant (including the Borrower), then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or other instrument evidencing any liability of the Borrower, and such Guarantor shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

ARTICLE XII

MISCELLANEOUS

12.1 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Obligor or any other Credit Party therefrom, shall be effective unless in writing signed by the Required Banks and the Borrower, and acknowledged by the Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall, unless in writing and signed by all the Banks and the Borrower do any of the following:

(a) increase or extend the Commitment of any Bank (or reinstate any Commitment terminated pursuant to Section 9.2);

(b) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Banks (or any of them) hereunder or under any other Loan Document

(c) reduce the principal of, or the rate of interest specified herein on any Loan, or (subject to clause (iv) below) any fees or other amounts payable hereunder or under any other Loan Document;

(d) change the definition of "Required Banks" or change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans which is required for the Banks or any of them to take any action hereunder;

(e) amend this Section, or Section 2.14, or any provision herein providing for consent or other action by all Banks;

(f) release either or both of the Guarantors from their obligations under Article XI hereof;

(g) release all or substantially all of the Restricted Subsidiaries from their obligations under the Subsidiary Guarantee; or

(h) release all or substantially all the collateral, if any, securing the Obligations;

and, provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Required Banks or all the Banks, as the case may be, affect the rights or duties of the Agent under this Agreement or any other Loan Document, (ii) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Bank in addition to the Required Banks or all the Banks, as the case may be, affect the rights or duties of the Issuing Bank under this Agreement or any L/C-Related Documents relating to any Letter of Credit Issued or to be Issued by it, (iii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Bank in addition to the Banks required above, affect the rights or duties of the Swing Line Bank under this Agreement and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed by the parties thereto.

In connection with a proposed merger, consolidation or sale of all or substantially all of the assets of the Borrower in accordance with Section 8.8(a)(iii) or (b)(iii) to a corporation, the parties agree (i) to effect, simultaneously with such transaction, all necessary and appropriate modifications to the terms and conditions of this Agreement and the other Loan Documents to which it is a party (including without limitation the ability of the Borrower to make payments under Section 8.5, taking into account the effect of any change in the tax status of the Borrower on its financial condition and the applicable financial covenants) to reflect the corporate existence of such successor corporation and any other matters in form acceptable to the Required Banks, provided, that such modified terms and conditions convey to the parties substantially the same rights and obligations provided under the Loan Documents to which it is a party immediately prior to such transaction, and (ii) that any Default described in Section 9.1(j) which would result from such transaction shall not be asserted by the Agent or any Bank if after giving effect to such transaction UGI shall own directly or indirectly at least 51% of the voting shares of the corporation that is the successor to the Borrower.

In the event a Bank or Participant (as hereinafter defined) shall refuse to enter into or consent to any amendment, waiver or other modification of any provision of this Agreement or any other Loan Document, and such Bank's or Participant's consent is necessary for such amendment, waiver or modification to become effective, the Borrower may pay Obligations (including, with respect to Letter of Credit, cash collateralization of an interest therein) outstanding to any such nonconsenting Bank or to any Originating Bank having participated interests to any such nonconsenting Participant and reduce or eliminate any such Bank's Commitment; provided, that the Borrower may take such action only if Banks representing at least 80% of the outstanding Commitments necessary therefor have entered into or consented to such amendment, waiver or modification and no Default or Event of Default then exists.

12.2 Notices and Other Communications; Facsimile Copies. (a) General. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or (subject to subsection (c) below) electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, if to the Borrower, the Agent, the Issuing Bank, the Swing Line Bank or any Bank, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 12.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties. All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (c) below), when delivered; provided, however, that notices and other communications to the Agent, the Issuing Bank and the Swing Line Bank pursuant to Articles II and III shall not be effective until actually received by such Person. In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

(b) Effectiveness of Facsimile Documents and Signatures. Loan Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually-signed originals and shall be binding on all Credit Parties, the Agent and the Banks. The Agent may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided, however, that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

(c) Reliance by Agent and Banks. The Agent and the Banks shall be entitled to rely and act upon any notices (including telephonic Notices of Borrowing) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof The Borrower shall indemnify each Agent-Related Person and each Bank from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

12.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Bank, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

12.4 Costs and Expenses. The Borrower shall:

(a) whether or not the transactions contemplated hereby are consummated, pay or reimburse Wachovia (including in its capacity as Agent) within five Business Days after demand and receipt by the Borrower of reasonable supporting documentation for all reasonable costs and expenses incurred by Wachovia (including in its capacity as Agent) in connection with the development, preparation, delivery, administration and execution of this Agreement, any Loan Document and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including Attorney Costs (excluding allocated costs of internal legal counsel) incurred by Wachovia (including in its capacity as Agent) with respect thereto; and

(b) pay or reimburse the Agent within five Business Days after demand and receipt by the Borrower of reasonable supporting documentation for all reasonable costs and expenses incurred by the Agent in connection with any amendment, supplement, waiver or modification to (in each case, whether or not consummated), this Agreement, any Loan Document and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including Attorney Costs incurred by the Agent with respect thereto (provided, that the fees of any law firm or other external counsel, and the allocated costs of internal legal services, shall not both be reimbursed with respect to any amendment, supplement, waiver or modification relating to the same or any substantially similar matter); and

(c) pay or reimburse the Agent, the Arranger and each Bank within five Business Days after demand and receipt by the Borrower of reasonable supporting documentation for all reasonable costs and expenses (including Attorney Costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Loan Document during the existence of an Event of Default or after acceleration of the Loans (including in connection with any "workout" or restructuring regarding the Loans, and including in any Insolvency Proceeding or appellate proceeding).

The foregoing costs and expenses shall include all search, filing, recording, title insurance and fees and taxes related thereto incurred by the Agent, and, with respect to those costs and expenses referred to in Section 12.4(b) or 12.4(c) above, the reasonable cost of independent public accountants, appraisers and other outside experts retained by the Agent. The agreements in this Section shall survive the termination of the Commitments and repayment of all other Obligations.

12.5 Indemnity. Whether or not the transactions contemplated hereby are consummated, the Obligors shall indemnify and hold harmless each Agent-Related Person, the Arrangers, the Issuing Bank, each Bank and their respective affiliates, directors, officers, employees and agents (collectively, the ***"Indemnified Parties")*** from and against any and all losses, claims, damages (other than consequential or exemplary damages), liabilities and reasonable out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of counsel, amounts paid in settlement and court costs) (collectively, the ***"Indemnified Liabilities")*** which may be incurred by any such Indemnified Party as a result of a claim by a third party or asserted by a third party against any such Indemnified Party, in each case, in connection with or arising out of or in any way relating to or resulting from any transaction or proposed transaction (whether or not consummated) contemplated to be financed with the proceeds of any Loan or other financial accommodation contemplated hereby, and the Obligors hereby agree to reimburse each such Indemnified Party for any Attorneys' Costs or other out-of-pocket expenses incurred in connection with investigating, defending or participating in any action or proceeding (whether or not such Indemnified Party is a party to such action or proceeding) out of which any such losses, claims, damages, liabilities or expenses may arise; provided, however, that the Obligors shall not be required to reimburse the expenses of more than one counsel for all Indemnified Parties except to the extent that different Indemnified Parties shall have conflicting interests. Notwithstanding anything herein to the contrary, the Obligors shall not be liable or responsible for losses, claims, damages, costs and expenses incurred by any Indemnified Party arising out of or relating to such Indemnified Party's own gross negligence or willful misconduct as either determined in a final, nonappealable judgment by a court of competent jurisdiction or otherwise agreed to in writing by such Indemnified Party and the Obligors. If for any reason the indemnification provided for herein is unavailable to any Indemnified Party or insufficient to hold it harmless as and to the extent contemplated hereby, then the Obligors hereby agree to contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect the relative benefits received by the Obligors, on the one hand, and such Indemnified Party, on the other hand, and also the respective fault of the Obligors, on the one hand, and such Indemnified Party, on the other hand, as the case may be, as well as any other relevant equitable considerations. This Section 12.5 shall survive the termination of this Agreement.

12.6 Liability. (a) The liability of the Obligors hereunder and under the Loan Documents shall be absolute, unconditional and irrevocable irrespective of:

(i) any lack of validity, legality or enforceability of this Agreement, any Note or any other Loan Document;

(ii) the failure of any Bank

(A) to enforce any right or remedy against any other Person (including any guarantor) under the provisions of this Agreement, the Note, any other Loan Document or otherwise, or

(B) to exercise any right or remedy against any guarantor of, or collateral, if any, securing, any Obligations;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise or renewal of any Obligations;

(iv) any reduction, limitation, impairment or termination of any Obligations with respect to any other Credit Party for any reason including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and the Borrower hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Obligations with respect to any other Credit Party;

(v) any addition, exchange, release, surrender or nonperfection of any collateral, or any amendment to or waiver or release or addition of, or consent to departure from, any guaranty, held by any Bank securing any of the Obligations; or

(vi) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any other Credit Party, any surety or any guarantor.

The Borrower agrees that its liability hereunder shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must be restored by any Bank, upon the insolvency, bankruptcy or reorganization of the Borrower as though such payment had not been made.

The Obligors hereby expressly waive: (a) notice of the Banks' acceptance of this Agreement; (b) notice of the existence or creation or non-payment of all or any of the Obligations; (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever other than notices expressly provided for in this Agreement and (d) all diligence in collection or protection of or realization upon the Obligations or any thereof any obligation hereunder, or any security for or guaranty of any of the foregoing.

No delay on any of the Banks' part in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by any of the Banks of any right or remedy, shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of any of the Banks permitted hereunder shall in any way affect or impair any such Banks' rights or Obligors' obligations under this Agreement.

Each Obligor hereby represents and warrants to each of the Banks that it now has and will continue to have independent means of obtaining information concerning the other Obligors' affairs, financial condition and business. The Banks shall not have any duty or responsibility to provide any Obligor with any credit or other information concerning the Obligors' Subsidiaries' affairs, financial condition or business which may come into the Banks' possession. Each of the Obligors agrees that any action or notice which is required or authorized to be taken or given or received under this Agreement or any of the Loan Documents shall be taken, given or received by the Borrower acting on behalf of the other Credit Parties (and not by Petrolane or the General Partner), and the other Credit Parties agree to be bound by, and authorizes the Agent and each Bank to rely upon, any such action or notice as if fully authorized by each of the Obligors.

12.7 Payments Set Aside. To the extent that the Borrower makes a payment to the Agent or the Banks, or the Agent or the Banks exercise their right of set-off, and such payment or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Bank severally agrees to pay to the Agent upon demand its pro rata share of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

12.8 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no Obligors may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Agent and each Bank. Any attempted assignment in violation of this provision shall be null and void.

12.9 Assignments, Participations. etc. (a) Any Bank may, with the written consent of the Borrower, the Agent and the Issuing Bank, which consent of the Borrower shall not be unreasonably withheld, at any time assign and delegate to one or more Eligible Assignees (provided, that no written consent of the Borrower, the Agent or the Issuing Bank shall be required in connection with any assignment and delegation by a Bank to (x) an Eligible Assignee that is an Affiliate of such Bank or (y) another Bank (each an *"Assignee"))* all, or any ratable part of all, of the Loans, the Commitments and the other rights and obligations of such Bank hereunder, in a minimum amount of $5,000,000; provided, however, that the Borrower, the Agent and the Issuing Bank may continue to deal solely and directly with such Bank in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower, the Agent and the Issuing Bank by such Bank and the Assignee; (ii) such Bank and its Assignee shall have delivered to the Borrower, the Agent and the Issuing Bank an Assignment and Acceptance in the form of Exhibit E (an ***"Assignment and Acceptance")*** and (iii) the assignor Bank or Assignee has paid to the Agent a processing fee in the amount of $4,000; and provided, further, each Bank's Pro Rata Share shall be the same in each type of Commitment.

(b) From and after the date that the Agent notifies the assignor Bank that it has received (and the Borrower, the Agent and the Issuing Bank have provided their consent with respect to) an executed Assignment and Acceptance and payment of the above-referenced processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Bank under the Loan Documents, and (ii) the assignor Bank shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under the Loan Documents (and, in the case of an Assignment and Acceptance covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 4.1, 443, 44A, 12.4 and 12.5 with respect to facts and circumstances occurring prior to the effective date of such assignment).

(c) Within five Business Days after its receipt of notice by the Agent that it has received an executed Assignment and Acceptance and payment of the processing fee (and provided, that the Borrower consents to such assignment in accordance with Section 12.9(a)), the Borrower shall, if requested by the Assignee or the assignor Bank thereunder, execute and deliver to the Agent new Notes evidencing such Assignee's assigned Loans and Commitments and, if the assignor Bank has retained a portion of its Loans and its Commitment, replacement Notes in the principal amount of the Loans and Commitments retained by the assignor Bank (such Notes to be in exchange for, but not in payment of, the Notes held by such Bank) and the assignor Bank shall deliver its Note or Notes marked "exchanged" or "cancelled," as applicable, to the Agent. Immediately upon payment of the processing fee payment under the Assignment and Acceptance and the satisfaction of the other conditions set forth in Section 12.9(a), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce such Commitments of the assigning Bank pro tanto.

(d) The Agent shall maintain at its address referred to in Schedule 12.2 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Banks and the Commitment of, and principal amount of the Loans owing to, each Bank from time to time (the ***"Register").*** The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent and the Banks may treat each Person whose name is recorded in the Register as a Bank hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Bank at any reasonable time and from time to time upon reasonable prior notice. Any assignment of any Loan or other obligations shall be effective only upon an entry with respect thereto being made in the Register.

(e) Any Bank may at any time sell to one or more commercial banks or other Persons not Affiliates of the Borrower *(a "Participant")* participating interests in any Loans, the Commitment of that Bank and the other interests of that Bank (the ***"Originating Bank")*** hereunder and under the other Loan Documents; provided, however, that (i) the Originating Bank's obligations under this Agreement shall remain unchanged, (ii) the Originating Bank shall remain solely responsible for the performance of such obligations, (iii) the Borrower, the Agent, the Issuing Bank and the other Banks shall continue to deal solely and directly with the

Originating Bank in connection with the Originating Bank's rights and obligations under this Agreement and the other Loan Documents. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 12.1 that directly affects such Participant. In the case of any such participation, the Participant shall be entitled to the benefit of Sections 4.1, 4.3, 4.4 and 12.5 as though it were also a Bank hereunder (but not in any greater amounts than would have been payable to the Bank selling the participation if no participation were sold), and not have any rights under this Agreement, or any of the other Loan Documents, and all amounts payable by the Borrower hereunder shall be determined as if such Bank had not sold such participation; except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Bank under this Agreement, provided such Participant agrees to be subject to Section 2.14 as though it were a Bank.

(f) Nothing contained in this Agreement shall prevent a Bank from pledging its interest in its Loans to a Federal Reserve Bank in the Federal Reserve System of the United States in accordance with applicable law.

(g) After payment in full of, and satisfaction of all Obligations under, any Note, the Bank or other party holding such Note agrees to promptly return such Note marked "Paid in Full" to the Borrower.

(h) Notwithstanding the foregoing provisions of this Section 12.9, no assignment or participation may be made if such assignment or participation involves, or could involve, the use of assets that constitute, or may be deemed under ERISA, the Code or any other applicable law, or any ruling or regulation issued thereunder, or any court decision, to constitute the assets of any employee benefit plan (as defined in section 3(3) of ERISA) or any plan as defined in section 4975(e)(1) of the Code).

12.10 Confidentiality. (a) Each of the Agent and the Banks agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed

(i) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (ii) to the extent requested by any regulatory authority; (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (iv) to any other party to this Agreement; (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder; (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (x) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any direct or indirect contractual counterparty or prospective counterparty (or such contractual

counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of the Credit Parties; (vii) with the written consent of the Borrower; (viii) to the extent such Information (ix) becomes publicly available other than as a result of a breach of this Section or (x) becomes available to the Agent or any Bank on a nonconfidential basis from a source other than a Credit Party; or (xi) to the National Association of Insurance Commissioners or any other similar organization.The Agent and the Banks may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agent and the Banks in connection with the administration and management of this Agreement, the other Loan Documents, the Commitments, and the Credit Extensions; provided, however, that information disclosed by the Agent or any Bank to any such market data collectors or similar service providers shall be of a type generally provided to such Persons in other transactions. For the purposes of this Section 12.10, ***"Information"*** means all information received from any Credit Party relating to any Credit Party or its business.

(c) The Borrower acknowledges that one or more of the Banks may treat its Loans as part of a transaction that is subject to Treasury Regulation Section 1.6011-4 or Section 301.6112-1, and the Agent and such Bank or Banks, as applicable, may (i) maintain such lists or other records as they may determine are required by such Treasury Regulations and (ii) file such IRS forms as they may determine are required by such Treasury Regulations with written notice by the party making such filing to the Borrower.

(d) Any Person required to maintain the confidentiality of Information as provided in this Section 12.10 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Each of the Agent, the Banks and the Participants shall promptly notify the Borrower of its receipt of any subpoena or similar process or authority, unless prohibited therefrom by the issuing Person.

12.11 Set-off. In addition to any rights and remedies of the Banks provided by law, upon the occurrence and during the continuance of any Event of Default, each Bank is authorized at any time and from time to time, without prior notice to the Borrower or any other Credit Party, any such notice being waived by the Borrower (on their own behalf and on behalf of each Credit Party) to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Bank to or for the credit or the account of the respective Credit Party against any and all Obligations owing to such Bank hereunder or under any other Loan Document, now or hereafter existing, irrespective of whether or not the Agent or such Bank shall have made demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured or denominated in a currency different from that of the applicable deposit or indebtedness. Each Bank agrees promptly to notify the Borrower and the Agent after any such set-off and application made by such Bank; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

12.12 Notification of Addresses; etc. Each Bank shall notify the Agent in writing of any changes in the address to which notices to the Bank should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Agent shall reasonably request.

12.13 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

12.14 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

12.15 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Obligors, the Banks, the Agent and the Agent-Related Persons, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents.

12.16 Governing Law and Jurisdiction. (a) THIS AGREEMENT AND OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK; PROVIDED, THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW. THE LETTERS OF CREDIT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE ISP98. AS TO MATTERS NOT COVERED BY THE ISP98, THE LETTER OF CREDIT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH THE ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE OBLIGORS, THE AGENT AND THE BANKS EACH CONSENT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE OBLIGORS, THE AGENT AND THE BANKS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE OBLIGORS, THE AGENT AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

12.17 Waiver of Jury Trial. EACH OF THE OBLIGORS, THE BANKS AND THE AGENT WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE OBLIGORS, THE BANKS AND THE AGENT AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

12.18 Entire Agreement. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; provided, that the inclusion of supplemental rights or remedies in favor of the Agent or the Banks in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

12.19 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the ***"Maximum Rate").*** If the Agent or any Bank shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Agent or a Bank exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

12.20 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Agent and each Bank, regardless of any investigation made by the Agent or any Bank or on their behalf and notwithstanding that the Agent or any Bank may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

12.21 Patriot Act . Each of the Banks and the Agent hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies the Borrower and the other Credit Parties, which information includes the name and address of the Borrower and the other Credit Parties and other information that will allow such Bank or the Agent, as applicable, to identify the Borrower and the other Credit Parties in accordance with such Act.

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BORROWER:

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC., as
General Partner

By: Robert W. Krick
Vice President, Treasurer and
Assistant Secretary

GUARANTORS:

AMERIGAS PROPANE, INC.

By: Robert W. Krick
Vice President, Treasurer and
Assistant Secretary

PETROLANE INCORPORATED

By: Robert W. Krick
Vice President, Treasurer and
Assistant Secretary

[Credit Agreement Signature Page]

[Signature Page to Credit Agreement with AmeriGas Propane, L.P.]

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent, Issuing Bank, Swing Line Bank and a Bank

By: /s/ Lawrence P. Sullivan
Name: Lawrence P. Sullivan
Title: Director

Signature Page to Credit Agreement
with AmeriGas Propane, L.P.

CITIBANK, N.A.

By: /s/ Oscar Cragwell
Name: Oscar Cragwell
Title: Vice President

[Signature Page to Credit Agreement
with AmeriGas Propane, L.P.]

JPMORGAN CHASE BANK, N.A.

By: /s/ Tara Narasiman
Name: Tara Narasiman
Title: Associate

[Signature Page to Credit Agreement with AmeriGas Propane, L.P.]

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: /s/ Thomas Cantello
Name: Thomas Cantello
Title: Vice President

By: /s/ Laurence Lapeyre
Name: Laurence Lapeyre
Title: Associate

[Signature Page to Credit Agreement with AmeriGas Propane, L.P.]

CITIZENS BANK OF PENNSYLVANIA

By: /s/ ILLEGIBLE
Name: ILLEGIBLE
Title: ILLEGIBLE

**[Signature Page to Credit Agreement
With AmeriGas Propane, L.P.]**

MELLON BANK; N.A.

By: /s/ Thomas J. Tarasovich, Jr.
Name: Thomas J. Tarasovich, Jr.
Title: Vice President

[Signature Page to Credit Agreement with AmeriGas Propane, L.P.]

NATIONAL CITY BANK

By: /s/ ILLEGIBLE
Name: ILLEGIBLE
Title: Vice President

[Signature Page to Credit Agreement with AmeriGas Propane, L.P.]

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Frank A. Pugliese
Name: Frank A. Pugliese
Title: Senior Vice President

[Signature Page to Credit Agreement with AmeriGas Propane, L.P.]

MANUFACTURERS AND TRADERS TRUST COMPANY

By: _____
Name: ILLEGIBLE
Title: ILLEGIBLE

SCHEDULE 2.1

COMMITMENTS

BANK	REVOLVING COMMITMENT	ACQUISITION COMMITMENT	TOTAL COMMITMENT
Wachovia Bank, National Association	$ 17,187,500	$ 10,312,500	$ 27,500,000
Citibank, N.A.	$ 17,187,500	$ 10,312,500	$ 27,500,000
JPMorgan Chase Bank, N.A.	$ 15,625,000	$ 9,375,000	$ 25,000,000
Credit Suisse, Cayman Islands Branch	$ 15,625,000	$ 9,375,000	$ 25,000,000
Citizens Bank of Pennsylvania	$ 13,125,000	$ 7,875,000	$ 21,000,000
Mellon Bank, N.A.	$ 13,125,000	$ 7,875,000	$ 21,000,000
National City Bank	$ 13,125,000	$ 7,875,000	$ 21,000,000
PNC Bank, National Association	$ 13,125,000	$ 7,875,000	$ 21,000,000
Manufacturers and Traders Trust Company	$ 6,875,000	$ 4,125,000	$ 11,000,000
TOTAL	**$ 125,000,000**	**$ 75,000,000**	**$ 200,000,000**

Schedule 3.1(a)

EXISTING LETTERS OF CREDIT

LOC#	Beneficiary	Issuing Bank	Issue Date	Expiry Date	Amount
SM204266W	ACE American Insurance Co.	Wachovia	8/28/2003	8/5/2007	$ 15,862,300
SM209193	ACE American Insurance Co.	Wachovia	7/30/2004	7/30/2007	16,146,715
SM204265W	Lumberman's Mutual, et al	Wachovia	8/7/2003	8/7/2007	19,150,000
SM210261W	Lumberman's Mutual, et al	Wachovia	10/1/2004	9/30/2006	1,518,264
SM204271W	National Union Fire Ins. Co.	Wachovia	8/7/2003	8/7/2007	4,157,659
SM204270W	Arizona Dept. of Environmental Quality	Wachovia	8/8/2003	8/7/2007	867,679
517335	SAFECO Insurance Co.	Wachovia	8/5/1996	7/29/2007	738,700
519451	Pacific Employers Ins. Co.	Wachovia	8/26/1996	8/22/2007	455,789
TOTAL AMERIGAS LOCs UNDER REVOLVING CREDIT FACILITY					**$ 58,897,106**

Schedule 6.2

PARTNERSHIP INTERESTS; SUBSIDIARIES; RESTRICTED SUBSIDIARIES; OTHER INVESTMENTS

Subsidiaries:

AmeriGas Propane Parts & Service, Inc.

AmeriGas Eagle Propane, Inc. (formerly Columbia Propane Corporation)

AmeriGas Eagle Holdings, Inc. (formerly CP Holdings, Inc.)

AmeriGas Eagle Propane, L.P. (formerly Columbia Propane, L.P.)

AmeriGas Eagle Parts & Service, Inc.

Active Propane of Wisconsin, LLC (formerly AmeriGas, LLC)

AmerE Holdings, Inc.

Investments:

AmeriGas Propane, L.P. holds a note payable by AmeriGas Eagle Propane, L.P. in the amount of $137,997,000

Schedule 6.3

FOREIGN QUALIFICATIONS

AmeriGas Propane, L.P.	All fifty states of the United States and the District of Columbia, with the exception of Delaware, the state of organization
AmeriGas Propane, Inc.	All fifty states of the United States and the District of Columbia, with the exception of Pennsylvania, the state of organization
Petrolane Incorporated	None
Restricted Subsidiaries	
AmeriGas Eagle Propane, L.P.	The following states, Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware (State of Organization), Florida (DBA AmeriGas Propane), Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia (DBA Commonwealth Propane), West Virginia, Wisconsin, Wyoming
AmeriGas Eagle Parts & Service, Inc.	The following states: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, Ohio, Pennsylvania (State of Organization) Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, Wisconsin, Wyoming
AmeriGas Eagle Holdings, Inc.	Alabama, Arkansas, California, Delaware (State of Organization), Florida, Illinois, Maine, Massachusetts, Michigan, Mississippi, North Dakota, Ohio, Pennsylvania, South Carolina, Utah, Virginia, West Virginia, Wisconsin

AmeriGas Propane Parts & Service, Inc.	All fifty states of the United States and the District of Columbia, with the exception of Pennsylvania, the state of organization
AmeriGas Eagle Propane, Inc.	Pennsylvania (DBA Commonwealth Propane, Inc.)

Schedule 6.7

PERMITTED INDEBTEDNESS

See attached page.

Restrictive Agreements: None

AmeriGas Propane, LP
Notes Payable and other Debt
For the month ended September 30, 2006

Name	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011	Total
CAPITAL LEASES						
ePlus1	21,829					21,829
ePlus10	19,103					19,103
ePlus12	317					317
ePlus13	3,755					3,755
ePlus14	905					905
ePlus15	413					413
ePlus16	139					139
ePlus17	7,756					7,756
ePlus18	836					836
ePlus19	6,712					6,712
ePlus20	3,145					3,145
ePlus21	2,729					2,729
ePlus22	1,485					1,485
ePlus23	4,608					4,608
ePlus24	4,700					4,700
ePlus25	15,009					15,009
ePlus26	20,228					20,228
ePlus27	1,508					1,508
ePlus28	1,812					1,812
ePlus29	6,936					6,936
ePlus30	2,976					2,976
ePlus31	13,456	5,862				19,318
ePlus32	3,542					3,542
ePlus33	2,567	1,099				3,666
ePlus35	3,657					3,657
ePlus36	5,347					5,347
ePlus37	17,549					17,549
ePlus100	4,011	4,088	377			8,476
ePlus101	1,230	1,493				2,723
HP6	21,796					21,796
HP7	163,056	30,069				193,125
HP8	2,772	235				3,007
HP9	47,494					47,494
CIT Systems 3	3,237					3,237
CIT Systems 4	25,993	2,369				28,362
Lease Corp of America	2,496	1,894				4,390
TOTAL	445,104	47,109	377	—	—	492,590
NOTES PAYABLE						
Acorn Enterprises	20,141					20,141
Willow Gas	164,302					164,302
TOTAL	184,443	—	—	—	—	184,443
NON COMPETES & OTHER CONSULTING AGREEMENTS						
Taylor Gas, Inc.	8,333	8,333	8,333			24,999
Dampman Sturges	45,000					45,000
Noreika Gas	24,996					24,996
Ollie W. Ash	1,736					1,736
William R. Zenniker	30,000	30,000	30,000			90,000
Elaine Zenniker	18,000	18,000	18,000			54,000
Gutermuth Gas & Appliance Co	53,000	53,000	53,000			159,000
Rocky Mountain	32,800	32,800				65,600
Quality Propane	10,000	10,000				20,000
Choice Propane	50,000	50,000	50,000			150,000
Carroll Independent Fuel	100,000	100,000	100,000	100,000		400,000
Hankel Trucking Co.	30,437	30,437	30,437	30,437	26,375	148,123
Willows Gas	40,000	40,000	40,000	40,000	40,000	200,000
TOTAL	444,302	372,570	329,770	170,437	66,375	1,383,454
TOTAL OTHER DEBT	**1,073,849**	**419,679**	**330,147**	**170,437**	**66,375**	**2,060,487**

Schedule 6.8(a)

PERMITS AND CONSENTS

None

Schedule 6.9

LITIGATION

1. Swiger, et al. v. UGI/AmeriGas, Inc. et al. Plaintiffs Samuel and Brenda Swiger and their son (the "Swigers") sustained personal injuries and property damage as a result of a fire that occurred when propane that leaked from an underground line ignited. In July 1998, the Swigers filed a class action lawsuit against AmeriGas OLP (named incorrectly as "UGI/AmeriGas, Inc."), in the Circuit Court of Monongalia County, West Virginia (Civil Action No. 98-C-298), in which they sought to recover an unspecified amount of compensatory and punitive damages and attorney's fees, for themselves and on behalf of persons in West Virginia for whom the defendants had installed propane gas lines, allegedly resulting from the defendants' failure to install underground propane lines at depths required by applicable safety standards. In 2003, AmeriGas settled the individual personal injury and property damage claims of the Swigers. In 2004, the court granted the plaintiffs' motion to include customers acquired from Columbia Propane in August 2001 as additional potential class members, and the plaintiffs amended their complaint to name additional parties pursuant to such ruling. Subsequently, in March 2005, AmeriGas filed a cross-claim against Columbia Energy Group, former owner of Columbia Propane, seeking indemnification for conduct undertaken by Columbia Propane prior to AmeriGas's acquisition. Class counsel has indicated that the class is seeking compensatory damages in excess of $12 million plus punitive damages, civil penalties and attorneys' fees. The defendants believe they have good defenses to the claims of the class members and intend to vigorously defend against the remaining claims in this lawsuit.

Schedule 6.19

ENVIRONMENTAL LIABILITIES

None

Schedule 6.20

COPYRIGHTS, PATENTS, TRADEMARKS AND LICENSES, ETC.

1. In a letter dated July 20, 2006, Kirkland & Ellis LLP, on behalf of its client Emergis Inc., notified AmeriGas that Emergis owns U.S. Patent No. 6,044,362 (the "362 Patent") relating to electronic invoicing, payment and presentment ("EIPP"), and that the 362 Patent covers a system for automated EIPP from a variety of user terminals, including those used by retail customers. The letter did not accuse AmeriGas of patent infringement, but rather invited AmeriGas to license the allegedly patented process from Emergis, based on a fee for each transaction processed through EIPP. No formal claim or complaint has been filed.

SCHEDULE 12.2

AGENT'S PAYMENT OFFICE
ADDRESSES FOR NOTICES

BORROWER:

AmeriGas Propane, L.P.
460 North Gulph Road
King of Prussia, Pennsylvania 19406
Attention: Robert W. Krick
Treasurer
Telephone: (610) 337-1000 ext. 3141
Facsimile: (610) 992-3259
Electronic Mail: krickr@ugicorp.com

AGENT, ISSUING BANK, SWING LINE BANK:

WACHOVIA BANK, NATIONAL ASSOCIATION

Credit Related Notices:

Wachovia Bank, National Association
One Wachovia Center
201 South College Street, CP-8
Charlotte, North Carolina 28288-0680
Attention: Larry Sullivan
Telephone: (704) 715-1794
Telecopy: (704) 383-6647

Operations Related Notices:

Wachovia Bank, National Association
201 S. College St NC 0680
Charlotte, NC 28211
Attention: Jeff Rainwater
Telephone: (704) 715-2210
Telecopy: (704) 383-0288

BANKS:

WACHOVIA BANK, NATIONAL ASSOCIATION

Credit Related Notices:

Wachovia Bank, National Association
One Wachovia Center
201 South College Street, CP-8
Charlotte, North Carolina 28288-0680
Attention: Larry Sullivan
Telephone: (704) 715-1794
Telecopy: (704) 383-6647

Operations Related Notices:

Wachovia Bank, National Association
201 S.College St NC 0680
Charlotte, NC 28211
Attention: Jeff Rainwater
Telephone: (704) 715-2210
Telecopy: (704) 383-0288

CITIBANK, N.A.

Citibank, N.A.
388 Greenwich Street
21st Floor
New York, New York 10013
Attn: Oscar Cragwell
Telephone: (212) 816-8113
Facsimile: (646) 291-1757

CITIZENS BANK OF PENNSYLVANIA

Primary Credit

Citizens Bank of Pennsylvania
3025 Chemical Rd., Suite 300
Plymouth Meeting, PA 19462
Attn: Nancy Krewson
Telephone: (610) 941-8442
Facsimile: 610) 941-4136

Loan Administration/Operations

Citizens Bank of Pennsylvania
525 William Penn Place
Pittsburgh, PA 15219
Attn: Carlyn Simmons
Phone #: (412) 867-4046
Fax#: (412) 867-2619

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

Credit Suisse, Cayman Islands Branch
Eleven Madison Avenue
New York, New York 10010
Attn: Tom Cantello
Telephone: (212) 325-6865
Facsimile: (212) 325-8321

JPMORGAN CHASE BANK, NA

JPMorgan Chase Bank, NA
227 West Monroe Street, Floor 28
Chicago, IL 60606-5055
Attn: Kenneth Fatur
Telephone: (312) 541-3352
Facsimile: (312) 541-3376

MELLON BANK, N.A.

Mellon Bank, N.A.
500 Ross Street, Room 154-0865
Pittsburgh, PA 15262-0001
Attn: Thomas J. Tarasovich
Telephone: (412) 236-2790
Facsimile: (412) 236-1840

MANUFACTURERS AND TRADERS TRUST COMPANY

Manufacturers and Traders Trust Company
2055 South Queen Street
York, Pennsylvania 17404
Attn: Brian J. Sohocki
Telephone: (724) 743-1831
Facsimile: (724) 743-2802

NATIONAL CITY BANK

National City Bank
20 Stanwix Street IDC 25-191
Pittsburgh, Pennsylvania 15222
Attn: J. Barrett Donovan
Telephone: (412) 644-7740
Facsimile: (412) 471-4883

PNC BANK, NATIONAL ASSOCIATION

PNC Bank, National Association
1600 Market Street, 22nd Floor
Philadelphia, Pennsylvania 19103
Attn: Frank Pugliese
Telephone: (215) 585-5961
Facsimile: (215) 585-6987
Email: frank.pugliese@pncbank.com

EXHIBIT A-1

NOTICE OF BORROWING
(SWING LINE LOANS)

Date: _____, _____

To: Wachovia Bank, National Association, as Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of November 6, 2006 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as borrower, AmeriGas Propane, Inc., as guarantor, Petrolane Incorporated, as guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank and the other parties thereto, the terms defined therein being used herein as therein defined. The undersigned hereby gives you notice irrevocably, pursuant to Section 2.16 of the Credit Agreement, of the Borrowing specified below:

1. The Business Day of the proposed Borrowing is _____, _____.

2. The aggregate amount of the proposed Borrowing is $_____.

3. The Borrowing is to be comprised of $_____ of Swing Line Loans.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of the Obligors contained in Article VI of the Credit Agreement are true and correct in all material respects as though made on and as of such date (except to the extent such representations and warranties expressly relate to an earlier time or date, in which case they shall have been true and correct in all material respects as of such time or date);

(b) no Default or Event of Default has occurred and is continuing, or would result from such proposed Borrowing; and

(c) The proposed Borrowing will not cause the aggregate principal amount of all outstanding Revolving Loans plus all outstanding Swing Line Loans plus all L/C Obligations to exceed the combined Revolving Commitments of the Banks.

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: _____
Name: _____
Title: _____

EXHIBIT A-2

NOTICE OF BORROWING
(REVOLVING LOANS/ACQUISITIONS LOANS)

Date: _____, _____

To: Wachovia Bank, National Association, as Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of November 6, 2006 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as borrower, AmeriGas Propane, Inc., as guarantor, Petrolane Incorporated, as guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank and the other parties thereto, the terms defined therein being used herein as therein defined. The undersigned hereby gives you notice irrevocably, pursuant to Section 2.3 of the Credit Agreement, of the Borrowing specified below:

1. The Business Day of the proposed Borrowing is _____, _____.

2. The aggregate amount of the proposed Borrowing is $_____.

3. The Borrowing is to be comprised of $_____ of [Base Rate] [Eurodollar Rate] Loans which shall also be [Acquisition] [Revolving) Loans.

4. [The duration of the Interest Period for the Eurodollar Rate Loans included in the Borrowing shall be _____ weeks/months].

5. The Borrowing is [not] a Specified Acquisition Loan [and the outstanding principal amount of Revolving Loans as of the date hereof equal the Revolving Commitments].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of the Obligors contained in Article VI of the Credit Agreement are true and correct in all material respects as though made on and as of such date (except to the extent such representations and warranties expressly relate to an earlier time or date, in which case they shall have been true and correct in all material respects as of such time or date);

(b) no Default or Event of Default has occurred and is continuing, or would result from such proposed Borrowing; and

(c) The proposed Borrowing will not cause the aggregate principal amount of all outstanding [Acquisition] [Revolving] Loans [plus all outstanding Swing Line Loans plus all L/C Obligations] to exceed the combined [Acquisition] [Revolving] Commitments of the Banks.

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: _____
Name: _____
Title: _____

EXHIBIT B

NOTICE OF CONVERSION/CONTINUATION

Date: _____, _____

To: Wachovia Bank, National Association, as Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of November 6, 2006 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as borrower, AmeriGas Propane, Inc., as guarantor, Petrolane Incorporated, as guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank and the other parties thereto, the terms defined therein being used herein as therein defined. The undersigned hereby gives you notice irrevocably, pursuant to Section 2.4 of the Credit Agreement, of the [conversion] [continuation] of the [Acquisition] [Revolving] Loans specified herein, as follows:

1. The Conversion/Continuation Date is _____, _____.

2. The aggregate amount of the [Acquisition] [Revolving] Loans to be [converted] [continued] is $_____.

3. The [Acquisition] [Revolving] Loans are to be [converted into] [continued as] [Eurodollar Rate] [Base Rate] Loans.

4. [If applicable:] The duration of the Interest Period for the [Eurodollar Rate] Loans included in the [conversion] [continuation] shall be _____ [weeks] [months].

[Include the following if Loans are being converted into or continued as Eurodollar Rate Loans:]

[The undersigned hereby certifies that the following statement is true on the date hereof, and will be true on the proposed Conversion/Continuation Date, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) no Default or Event of Default has occurred and is continuing, or would result from such proposed [conversion] [continuation).]

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF COMMITMENT TERMINATION DATE EXTENSION REQUEST

Date: _____, _____

To: Wachovia Bank, National Association, as Agent under
the Credit Agreement referred to below

The Banks party to the Credit Agreement
referred to below

Ladies and Gentlemen:

This Commitment Termination Date Extension Request is furnished pursuant to that certain Credit Agreement dated as of November 6, 2006 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as borrower, AmeriGas Propane, Inc., as guarantor, Petrolane Incorporated, as guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank and the other parties thereto. Unless otherwise defined herein, terms used herein shall have the meanings assigned to such terms in the Credit Agreement.

In accordance with Section 2.15 of the Credit Agreement, the undersigned hereby requests an extension of the Termination Date to _____, _____ or if such date is not a Business Day, to the next succeeding Business Day.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Termination Date, before and after giving effect to the proposed extension:

(a) the representations and warranties of the Obligors contained in Article VI of the Credit Agreement are true and correct in all material respects as though made on and as of such date (except to the extent such representations and warranties expressly relate to an earlier time or date, in which case they shall have been true and correct in all material respects as of such time or date);

(b) no Default or Event of Default has occurred and is continuing, or would result from such proposed extension; and

Please indicate your consent to such extension by signing the enclosed copy of this letter in the space provided below and returning it to the undersigned.

Very truly yours,

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: _____

Name: _____

Title: _____

Consented to this _____ day of _____

[INSERT SIGNATURE LINE FOR EACH BANK PARTY TO CREDIT AGREEMENT]

EXHIBIT D

AMERIGAS PROPANE, L.P.
COMPLIANCE CERTIFICATE

Financial
Statement Date: _____, _____

Reference is made to that certain Credit Agreement dated as of November 6, 2006 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as borrower, AmeriGas Propane, Inc., as guarantor, Petrolane Incorporated, as guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank and the other parties thereto. Unless otherwise defined herein, capitalized terms used herein have the respective meanings assigned to them in the Credit Agreement.

The undersigned Responsible Officer of AmeriGas Propane, L.P. (the "***Borrower***"), hereby certifies as of the date hereof that he/she is the _____ of the Borrower, and that, as such, he/she is authorized to execute and deliver this Certificate to the Banks and the Agent on the behalf of the Borrower, and that:

[Use the following paragraph if this Certificate is delivered in connection with the financial statements required by subsection [7.1(b)(ii)] of the Credit Agreement.]

1. Attached as Schedule 1 hereto are (a) a true and correct copy of the audited consolidated and consolidating balance sheets of the Borrower and its Subsidiaries [(except, as to consolidating balance sheets only, for inactive Subsidiaries)] as at the end of the fiscal year ended _____, _____ and (b) the related consolidated (and, as to statements of income, consolidating except for inactive Subsidiaries) statements of income, partner's capital and cash flow for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, and (i) in the case of such consolidated financial statements accompanied by the opinion of [PricewaterhouseCoopers LLP] or another nationally-recognized certified independent public accounting firm (the "***Independent Auditor***") which report shall not be qualified with respect to scope limitations imposed by the Borrower or any of its Restricted Subsidiaries not in accordance with GAAP and states that such consolidated financial statements fairly present, in all material respects, the financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flows for the periods indicated in conformity with GAAP, and that the audit by such Independent Auditor in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards in effect in the United States, and in the case of such consolidated and consolidating financial statements, certified by the principal financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except, in the case of such consolidating financial statements, for the absence of footnotes), in accordance with GAAP.

-or-

[Use the following paragraph if this Certificate is delivered in connection with the financial statements required by subsection [7.1 (b)(i)] of the Credit Agreement.]

1. Attached as Schedule 1 hereto are (a) a true and correct copy of the unaudited consolidated and consolidating balance sheets of the Borrower and its Subsidiaries [(except, as to consolidating balance sheets only, for inactive Subsidiaries)] as at the end of the fiscal quarter ended _____, _____, and (b) the related unaudited consolidated (and, as to statements of income, consolidating, except for inactive Subsidiaries) statements of income, partners' capital and cash flows for the period commencing on the first day and ending on the last day of such quarter [and for the period from the beginning of the current fiscal year to the end of such quarterly period], [setting forth in each ease in comparative form the figures for the previous year,] and certified by the principal

financial officer of the General Partner as presenting fairly, in all material respects, the information contained therein (except for the absence of footnotes and subject to changes resulting from normal year-end adjustments), in accordance with GAAP applied on a basis consistent with prior fiscal periods (other than periods ending prior to the Restatement Effective Date) except for inconsistencies resulting from changes in accounting principles and methods agreed to by the Borrower's independent accountants.

2. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and the other Loan Documents and has made, or has caused to be made under his/her supervision, a review in reasonable detail of the transactions and condition of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements.

[select one:]

[3. To the best of the undersigned's knowledge, as of the date hereof, no Default or Event of Default has occurred and is continuing.]

-or-

[3. The following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. The following financial covenant analyses and other information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Certificate.

[Note: Include adjustments if any Unrestricted Subsidiaries exist.]

-or-

[Use the following paragraph if this Certificate is delivered in connection with each incurrence of Indebtedness, immediately after giving effect thereto, pursuant to subsection 8.1(f) of the Credit Agreement.]

1. Attached as Schedule 3 hereto are the true and correct financial covenant analyses regarding (i) the ratio of Consolidated Cash Flow to Consolidated Pro Forma Debt Service and (ii) the ratio of Consolidated Cash Flow to Average Consolidated Pro Forma Debt Service pursuant to Section 8.1(f) of the Credit Agreement.

[select one:]

[2. The covenants set forth in Section 8.1(f) of the Credit Agreement have been performed or observed.]

-or-

[2. The covenants set forth in Section 8.1(f) of the Credit Agreement have not been performed or observed and the following is a list of the Default and its nature and status:]

-or-

[Use the following paragraph if this Certificate is delivered in connection with each merger or consolidation pursuant to subsections 8.8(a)(ii) and/or (iii) of the Credit Agreement immediately after giving effect thereto.]

1. Attached as Schedule 4 hereto are the true and correct financial covenant analysis pursuant to Section [8.8(a)(ii)] [8.8(a)(iii)] of the Credit Agreement.

[select one:]

[2. The covenant set forth in Section [8.8(a)(ii)] [8.8(a)(iii)] of the Credit Agreement has been performed or observed.]

-or-

[2. The covenant set forth in Section [8.8(a)(ii)] [8.8(a)(iii)] of the Credit Agreement has not been performed or observed and the following is a list of the Default and its nature and status:]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____, _____.

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: _____
Name: _____
Title: _____

[SAMPLE]

For the fiscal quarter/year ended
_____, _____
("***Computation Date***")

SCHEDULE 2
to the Compliance Certificate

	Actual	**Required/Permitted**
1. Available Cash:		
A. All cash of Borrower and Restricted Subsidiaries on hand at Computation Date	$_____	
B. All additional cash of Borrower and Restricted Subsidiaries on hand on date of determination of Available Cash with respect to quarter resulting from borrowings subsequent to Computation Date	$_____	
C. Sum of A and B	$_____	
D. Amount determined by General Partner pursuant to clause (b) of definition of Available Cash	$_____	
E. Reserves required by definition of Available Cash as itemized on attached schedule	$_____	
F. Sum of D and E	$_____	
G. Available Cash = C minus F	$_____	
2. Consolidated Cash Flow		
A. Consolidated Net Income	$_____	
B. Consolidated Non-Cash Charges	$_____	
C. Consolidated Interest Expense	$_____	
D. Consolidated Income Tax Expense	$_____	
E. Sum of A, B, C and D =	$_____	
F. Any non-cash items included in D	$_____	
G. Consolidated Cash Flow = E minus F		
3. Consolidated Net Income:		
A. Net income of the Borrower and	$_____	Consolidated Net Income shall

	Actual	Required/Permitted
the Restricted Subsidiaries, on a consolidated basis		include the amount of dividends or distributions actually paid to the Borrower or any Restricted Subsidiary
B. Net after-tax extraordinary gains or losses	$_____	
C. Net after-tax gains or losses attributable to Asset Sales	$_____	
D. Net income or loss of any Person which is not a Restricted Subsidiary and which is accounted for by the equity method of accounting	$_____	
E. Net income of any Restricted Subsidiary to the extent that dividends or distributions of such net income are not at the date of determination permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or other regulation	$_____	
F. Cumulative effect of any changes in GAAP	$_____	
G. Sum of B, C, D, E and F	$_____	
H. Consolidated Net Income = A minus G	$_____	
4. EBIT:		
A. Consolidated Net Income U. (without duplication, not including losses resulting from the extinguishment of debt and extraordinary gains or losses, other than losses arising from reserves established in connection with the Tax Indemnity Provisions (as defined in the National Propane Purchase Agreement)	$_____	
B. Consolidated Interest Expense	$_____	
C. Consolidated Income Tax Expense	$_____	

	Actual	Required/Permitted
D. EBIT = Sum of A, B and C	$_____	
5. EBITDA:		
A. EBIT	$_____	
B. Borrower's and Restricted Subsidiaries' depreciation of the following items, in each case as taken into account in calculating Consolidated Net Income		
i. property	$_____	
ii. plant	$_____	
iii. equipment	$_____	
iv. intangible assets	$_____	
C. EBITDA = Sum of A, B(i), B(ii), B(iii) and B(iv)	$_____	
6. Indebtedness:		
A. All indebtedness for borrowed money	$_____	
B. All obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables and accrued expenses arising in the ordinary course of business on ordinary terms)	$_____	
C. All non-contingent reimbursement or payment obligations with respect to Surety Instruments	$_____	
D. All obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses	$_____	

	Actual	Required/Permitted
E. All indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property);	$_____	
F. All Capitalized Lease Liabilities	$_____	
G. All indebtedness referred to in A through F above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness		
H. All Redeemable Capital Stock of such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends	$_____	
I. Any Preferred Stock of any Subsidiary of such Person valued at the sum of the liquidation preference thereof or any mandatory redemption payment obligations in respect thereof plus, in either case, accrued dividends thereon	$_____	
J. All Guaranty Obligations in respect of indebtedness or obligations of others of the kinds referred to in A through I above	$_____	
K. Indebtedness = the sum of A, B, C, D, E, F, G, H, I and J, without duplication of any indebtedness	$_____	

	Actual	Required/Permitted
7. Total Debt:		
A. Aggregate principal amount of all Indebtedness of the Borrower and the Restricted Subsidiaries at the time outstanding	$_____	
B. Subordinated indebtedness of a Restricted Subsidiary owed to the Borrower or to a Wholly-Owned Restricted Subsidiary	$_____	
C. Subordinated indebtedness of the Borrower owed to a Wholly-Owned Restricted Subsidiary	$_____	
D. B plus C	$_____	
E. Total Debt = A minus D	$_____	
8. Section 7.9(e) Distributions from the Borrower to the Public Partnership:		
A. The amount of distributions received by the Public Partnership from the Borrower and made with the proceeds of Indebtedness incurred pursuant to Section 8.1(1) not used to make payments, purchases, prepayments, redemptions, defeasances or other repayments (scheduled or unscheduled) of Indebtedness of the Public Partnership (and to pay all fees, premiums, make whole amounts and transaction expenses incurred in connection therewith)	$_____	
9. Section 8.1 Indebtedness:		
A. $75,000,000 plus the amount of aggregate net cash proceeds received by the Borrower as capital contributions or as consideration for the issuance by the Borrower of more partnership interests for purpose of financing expenditures referred to in Section 8.1(b)	$_____	The amount of amount of assumed Indebtedness shall not exceed the purchase price of the additions to Assets and any extensions, renewals, refundings or refinancings of any Indebtedness shall not exceed the principal amount thereof

	Actual	Required/Permitted
B. Aggregate amount of Indebtedness incurred and outstanding under Section 8.1(b)	$_____	Shall not exceed A
C. Aggregate Indebtedness owing to General Partner or an Affiliate of General Partner referred to in Section 8.1(d)	$_____	Not to exceed $50,000,000
D. Aggregate amount of Capitalized Lease Liabilities under Section 8.1(k)	$_____	Not to exceed $10,000,000 at any time
E. Aggregate amount of Indebtedness incurred and outstanding under Section 8.1(l)	$_____	Not to exceed $105,000,000 at any time
F. Aggregate amount of Indebtedness of AEPLP or any of its Subsidiaries pursuant to the last paragraph in Section 8.1	$_____	Cannot incur Indebtedness other than: (i) Indebtedness of the type described in Section 8.1(c); (ii) the Indebtedness of AELP on the closing date of the Columbia Purchase Acquisition; and (iii) Indebtedness evidenced by the $137,997,000 Intercompany Note
10. Section 8.2 Minimum Interest Coverage:		
A. EBITDA, as at the end of any fiscal quarter for the four full fiscal quarters most recently ended	$_____	
B. Consolidated Interest Expense for four fiscal quarters ending on Computation Date	$_____	
C. Ratio of A to B	_____	Must not be less than 3.00 to 1.0
11. Section 8.4(c) Investments:		
A. 10% of Total Assets	$_____	
B. Investments by the Borrower and its Restricted Subsidiaries up to $25,000,000 per fiscal year pursuant to Section 8.4(c)	$_____	Such Investments shall not be made in Capital Stock or Indebtedness of AmeriGas Partners, L.P. or any of its Subsidiaries (other than the Borrower and its Restricted Subsidiaries) and shall not include the principal amount of the Intercompany Note

	Actual	Required/Permitted
C. Outstanding Investments pursuant to Section 8.4(c) and (h) not permitted by Annual Limit	$_____	Shall not exceed A
12. Section 8.4(d) Investments:		
A. Investments arising out of loans and advances to employees incurred in the ordinary course of business	$_____	Shall not exceed $1,000,000 at any time outstanding
B. Investments arising out of extensions of trade credit or advances to third parties in the ordinary course of business	$_____	
C. Investments acquired by reason of the exercise of customary creditors' rights upon default or pursuant to the bankruptcy, insolvency or reorganization of a debtor	$_____	
13. Section 8.5 Restricted Payments:		
A. Available Cash for quarter immediately preceding quarter ended on Computation Date	$_____	
B. Restricted Payments during quarter ended on Computation Date	$_____	Shall not exceed A
14. Section 8.8(c) Asset Sales:		
A. Net Proceeds of all Asset Sales during fiscal year	$_____	
B. Net Proceeds of Asset Sales during fiscal year applied in accordance with subdivision (ii)(B) of Section 8.8(c)	$_____	
C. A minus B	$_____	Shall not exceed $10,000,000 pursuant to Section 8.8(c)(ii)(A)
15. Section 8.13 Receivables:		
A. Receivables sold in ordinary course of business which remain unpaid	$_____	Shall not exceed $500,000

	Actual	Required/Permitted
16. Section 8.14 Leverage Ratio:		
A. Total Debt	$_____	
B. EBITDA choose one (but must be the same choice as made with respect to 17. below for any given reporting period): (i) as at the end of any fiscal quarter for the four full fiscal quarters most recently ended or (ii) as at the end of any fiscal quarter for the eight full fiscal quarters most recently ended (in which case EBITDA shall be divided by two)	$_____	
C. Ratio of A to B	_____	Shall not exceed 4.00 to 1.0 at any time
17. Section 8.15 Minimum EBITDA:		
EBITDA choose one (but must be the same choice as made with respect to 16.B. above for any given reporting period): (i) as at the end of any fiscal quarter for the four full fiscal quarters most recently ended or (ii) as at the end of any fiscal quarter for the eight full fiscal quarters most recently ended (in which case EBITDA shall be divided by two)		Shall not be less than $200,000,000
18. Section 8.15 Acquisitions:		
A. Aggregate net book value of all PP&E Assets acquired by AEPLP or any of its Subsidiaries in any fiscal year pursuant to Acquisitions (other than PP&E Assets acquired with the proceeds of any prior or concurrent Capped Investments or PP&E Transfers) (prior to and after giving effect to such Acquisition)	$_____	Shall not exceed the sum of (i) 33 1/3% of the aggregate net book value of the PP&E Assets of the Borrower and its Restricted Subsidiaries and (ii) $70,000,000

	Actual	Required/Permitted
B. Aggregate net book value of the PP&E Assets acquired by AEPLP and its Subsidiaries in connection with all Acquisitions in any fiscal year pursuant to Section 8.16	$_____	
C. Sum of A plus B	$_____	Together with any Capped Investments and any PP&E Transfers made in such fiscal year pursuant to Section 8.18(a) and Section 8.18(b)(iii), may not exceed (i) $35,000,000 plus (ii) the amount of any Carryover Threshold
19. Section 8.17(a) AEPLP Investments:		
A. The aggregate net book value (as determined in good faith by the General Partner) of all Investments in AEPLP or its Subsidiaries made pursuant to Sections 8.4(b) and (c)	$_____	
B. The aggregate of any AEPLP Acquisitions and PP&E Transfers made in any fiscal year pursuant to Section 8.16 and Section 8.18(b)(iii)	$_____	
C. Sum of A plus B	$_____	Shall not exceed the PP&E Acquisition/Investment/Transfer Limit for such fiscal year
20. Section 8.18(b)(iii) Asset Transfers:		
A. The aggregate net book value of all PP&E Assets (together with associated working capital) that are Transferred by the Borrower or a Non-AEPLP Restricted Subsidiary to AEPLP or any of its Subsidiaries	$_____	
B. The aggregate net book value of any AEPLP Acquisitions and Capped Investments made in any fiscal year pursuant to Section 8.16 and Section 8.18(a)	$_____	
C. Sum of A plus B	$_____	Shall not exceed the PP&E Acquisition/Investment/Transfer

	Actual	Required/Permitted
		Limit for such fiscal year; provided, that the aggregate net book value of all PP&E Assets of AEPLP and its Subsidiaries shall not any time exceed the sum of (i) 33 1/3% of the aggregate net book value of all PP&E Assets of the Borrower and its Restricted Subsidiaries and (ii) $70,000,000
21. Section 8.18(d) Trade Accounts Payable:		
A. Aggregate amount of trade accounts payable (including but not limited to amounts owed under equipment leases) of AEPLP and its Subsidiaries	$_____	Not to exceed $15,000,000 at any time
22. Pricing Tier:		
A. Indebtedness for borrowed money or the deferred purchase price of property or services, other than indebtedness for trade payables and non-recourse indebtedness which is not required by GAAP to be classified as a liability	$_____	
B. Capitalized Lease Liabilities	$_____	
C. Contingent Obligations	$_____	
D. Funded Debt = sum of 1, 2 and 3	$_____	
E. EBITDA for four fiscal quarters ending on Computation Date	$_____	
F. EBITDA for Acquisitions, as if on first day of four quarter period	$_____	
G. Actual Acquisition Expense	$_____	
H. Pro Forma Acquisition Expense	$_____	
I. Savings Factor = 50% of (G-H)	$_____	
J. 10% of EBITDA	$_____	
K. Lesser of I or J	$_____	
L. Sum of E, F, and K	$_____	

	Actual	Required/Permitted
M. Pricing Tier based on E plus F	$_____	
N. Pricing Tier Based on L	$_____	
O. Higher Pricing Tier of M or N	$_____	

SCHEDULE 3
to the Compliance Certificate

For each incurrence of Indebtedness pursuant to Section 8.1(f) immediately after giving effect thereto

(i) ratio of Consolidated Cash Flow to Consolidated Pro Forma Debt to Consolidated Pro Forma Debt Service	_____	Must equal or be greater than 2.50 to 1.0
(ii) ratio of Consolidated Cash Flow to Average Consolidated Pro Forma Debt Service	_____	Must be equal to or greater than 1.25 to 1.0

SCHEDULE 4
to the Compliance Certificate

For each merger or consolidation pursuant to Section 8.8(a)(ii) or (iii):

A. Consolidated Net Worth of surviving entity immediately after giving effect to such transactions	$_____	
B. Consolidated Net Worth of the Borrower immediately prior to the effectiveness of such transaction	$_____	A may not be less than B
C. Amount of Indebtedness which could be incurred in compliance with clauses (i) and (ii) of Section 8.1(f) immediately after giving effect to such transaction	$_____	Must be at least $1

EXHIBIT E

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (this ***"Assignment and Acceptance")*** is dated as of the Effective Date set forth below and is entered into by and between *[Insert name of Assignor]* (the ***"Assignor")*** and *[Insert name of Assignee]* (the "***Assignee"***). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the ***"Credit Agreement"),*** receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor's rights and obligations as a Bank under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including, without limitation, Letters of Credit, Guarantees and Swing Line Loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Bank) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "***Assigned Interest").*** Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____ [and is an Affiliate of [identify Bank] *1*]

3. Borrower: AmeriGas Propane, L.P.

---

1 Select if applicable.

4. Agent: Wachovia Bank, National Association, as the administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement dated as of November 6, 2006 (as extended, renewed, amended or restated from time to time, the ***"Credit Agreement"***) among AmeriGas Propane, L.P., as borrower, AmeriGas Propane, Inc., as guarantor, Petrolane Incorporated, as guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank and the other parties thereto.

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment for all Banks*	Amount of Commitment Assigned*	Percentage Assigned of Commitment[2]
[3]	$	$	%
	$	$	%
	$	$	%

[7. Trade Date: _____][4]

Effective Date: _____, 20_____ [TO BE INSERTED BY THE AGENT AND WHICH SHALL BE THE EFFECT WE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

2 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Banks thereunder.

3 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Commitment", "Acquisition Commitment", etc.).

4 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

[Consented to and] Accepted:

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent

By: _____
Name: _____
Title: _____

[Consented to:]

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC., as General Partner

By: _____
Name: _____
Title: _____

[Consented to:]

WACHOVIA BANK, NATIONAL ASSOCIATION, as Issuing Bank

By: _____
Name: _____
Title: _____

ANNEX 1 TO ASSIGNMENT AND ACCEPTANCE

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby, and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Bank under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Bank thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Bank thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Bank, and (v) if it is a Foreign Bank, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Bank.

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the

Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT F-1
FORM OF PROMISSORY NOTE (ACQUISITION LOANS)

PROMISSORY NOTE
(ACQUISITION LOANS)

$ _____ November 6, 2006
New York, New York

FOR VALUE RECEIVED, AmeriGas Propane, L.P. (the ***"Borrower"),*** hereby promises to pay to _____ (the ***"Bank"),*** for the account of its respective Applicable Lending Office provided for by the Credit Agreement referred to below, at the Agent's Payment Office, the principal sum of _____ (or such lesser amount as shall equal the aggregate unpaid principal amount of the Acquisition Loans made by the Bank to the Borrower under the Credit Agreement), in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount of each such Acquisition Loan, at such office, in like money and funds, for the period commencing on the date of such Acquisition Loan until such Acquisition Loan shall be paid in full, at the rates per annum and on-the dates provided in the Credit Agreement.

The date, amount, Type, interest rate and duration of Interest Period (if applicable) of each Acquisition Loan made by the Bank to the Borrower, and each payment made on account of the principal of such Acquisition Loan, shall be recorded by the Bank on its books and, prior to any transfer of this Note, endorsed by the Bank on the schedule attached to this Note or any continuation of such schedule, provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or under this Note in respect of the Acquisition Loans made by the Bank.

This Note is one of the Notes referred to in the Credit Agreement dated as of November 6, 2006 (as extended, renewed, amended or restated from time to time, the "***Credit Agreement***") among AmeriGas Propane, L.P., as borrower, AmeriGas Propane, Inc., as guarantor, Petrolane Incorporated, as guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank and the other parties thereto, and evidences Acquisition Loans made by the Bank under the Credit Agreement. Capitalized terms used but not defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Loans upon the terms and conditions specified in the Credit Agreement. This Note is secured by and entitled to the benefits of the Security Documents.

Except as permitted by Section 12.9 of the Credit Agreement, this Note may not be assigned by the Bank to any other Person.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK.

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: _____
Name: _____
Title: _____

SCHEDULE OF ACQUISITION LOANS

This Note evidences Acquisition Loans made, continued or converted under the Credit Agreement to the Borrower, on the dates, in the principal amounts, of the Types, bearing interest at the rates and having Interest Periods (if applicable) of the durations set forth below, subject to the payments, continuations, conversions and prepayments of principal set forth below:

Date Made, Continued or Converted	Portion of Principal Amount Maintained as		Interest Rate	Duration of Interest Period	Amount Paid, Prepaid, Continued or Converted	Unpaid Principal Amount	Notation made by
	Base Rate Loan	Eurodollar Loan					

EXHIBIT F-2
FORM OF PROMISSORY NOTE (REVOLVING LOANS)

PROMISSORY NOTE
(REVOLVING LOANS)

$_____ November 6, 2006
New York, New York

FOR VALUE RECEIVED, AmeriGas Propane, L.P. (the "***Borrower***"), hereby promise to pay to _____ (the "***Bank***"), for the account of its respective Applicable Lending Office provided for by the Credit Agreement referred to below, at the Agent's Payment Office, the principal sum of _____ (or such lesser amount as shall equal the aggregate unpaid principal amount of the Revolving Loans made by the Bank to the Borrower under the Credit Agreement), in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount of each such Revolving Loan, at such office, in like money and funds, for the period commencing on the date of such Revolving Loan until such Revolving Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

The date, amount, Type, interest rate and duration of Interest Period (if applicable) of each Revolving Loan made by the Bank to the Borrower, and each payment made on account of the principal of such Revolving Loan, shall be recorded by the Bank on its books and, prior to any transfer of this Note, endorsed by the Bank on the schedule attached to this Note or any continuation of such schedule, provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or under this Note in respect of the Revolving Loans made by the Bank.

This Note is one of the Notes referred to in the Credit Agreement dated as of November 6, 2006 (as extended, renewed, amended or restated from time to time, the ***"Credit Agreement")*** among AmeriGas Propane, L.P., as borrower, AmeriGas Propane, Inc., as guarantor, Petrolane Incorporated, as guarantor, certain Banks which are parties thereto, Wachovia Bank, National Association, as Agent, Issuing Bank and Swing Line Bank and the other parties thereto, and evidences Revolving Loans made by the Bank under the Credit Agreement. Capitalized terms used but not defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Loans upon the terms and conditions specified in the Credit Agreement. This Note is secured by and entitled to the benefits of the Security Documents.

Except as permitted by Section 12.9 of the Credit Agreement, this Note may not be assigned by the Bank to any other Person.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK.

AMERIGAS PROPANE, L.P.

By: AMERIGAS PROPANE, INC.,
as General Partner

By: _____
Name: _____
Title: _____

SCHEDULE OF REVOLVING LOANS

This Note evidences Revolving Loans made, continued or converted under the Credit Agreement to the Borrower, on the dates, in the principal amounts, of the Types, bearing interest at the rates and having Interest Periods (if applicable) of the durations set forth below, subject to the payments, continuations, conversions and prepayments of principal set forth below:

Date Made, Continued or Converted	Portion of Principal Amount Maintained as		Interest Rate	Duration of Interest Period	Amount Paid, Prepaid, Continued or Converted	Unpaid Principal Amount	Notation made by
	Base Rate Loan	Eurodollar Loan					

EXHIBIT G

FORM OF SUBORDINATION PROVISIONS

Subordination. (a) The indebtedness ("***Subordinated Debt***") evidenced by this instrument is subordinate and junior in right of payment to all Senior Debt (as defined in subsection (b) hereof) of [_____][1] (the "***Company***") to the extent provided herein.

(b) For all purposes of these subordination provisions the term "***Senior Debt***" shall mean all principal and interest and other amounts of any kind or nature owing under the Credit Agreement dated as of November 6, 2006 (the "***Credit Agreement***") by and among the Company, AmeriGas Propane, Inc., as a guarantor, Petrolane Incorporated, as a guarantor, the financial institutions party thereto, Wachovia Bank, National Association, as Administrative Agent and the other parties thereto. The Senior Debt shall continue to be Senior Debt and entitled to the benefits of these subordination provisions irrespective of any amendment, modification or waiver of any term of or extension or renewal of the Senior Debt.

(c) Upon the happening of an Event of Default with respect to any Senior Debt, as defined in the Credit Agreement, which occurs at the maturity thereof or which automatically accelerates or permits the holders thereof to accelerate the maturity thereof, then, unless and until such event of default shall have been remedied or waived or shall have ceased to exist, no direct or indirect payment (in cash, property or securities or by set off or otherwise) other than Permitted Payments shall be made on account of the principal of, or premium, if any, or interest on any Subordinated Debt, or as a sinking fund for the Subordinated Debt, or in respect of any redemption, retirement, purchase or other acquisition of any of the Subordinated Debt. For purposes of these subordination provisions, "***Permitted Payments***" shall mean (i) payments of in-kind interest and (ii) payments of Permitted Securities (as defined below) pursuant to subsection (d) below.

(d) In the event of:

(i) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to the Company, its creditors as such or its property,

(ii) any proceeding for the liquidation, dissolution or other winding up of the Company, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings,

(iii) any assignment by the Company for the benefit of creditors, or

(iv) any other marshalling of the assets of the Company,

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1 Fill in name of Borrower (if entered into pursuant to Section 8.1(d) of the Credit Agreement) or Restricted Subsidiary (if entered into pursuant to Section 8.1(c) of the Credit Agreement), as applicable.

all Senior Debt (including any interest thereon accruing at the legal rate after the commencement of any such proceedings and any additional interest that would have accrued thereon but for the commencement of such proceedings) shall first be paid in full before any payment or distribution, whether in cash, securities or other property (other than Permitted Payments), shall be made to any holder of any Subordinated Debt on account of any Subordinated Debt. Any payment or distribution, whether in cash, securities or other property (other than securities ("***Permitted Securities***") of the Company or any other entity provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in these subordination provisions with respect to Subordinated Debt, to the payment of all Senior Debt at the time outstanding and to any securities issued in respect thereof under any such plan of reorganization or readjustment), which would otherwise (but for these subordination provisions) be payable or deliverable in respect of this Subordinated Debt shall be paid or delivered directly to the holders of Senior Debt in accordance with the priorities then existing among such holders until all Senior Debt (including any interest thereon accruing at the legal rate after the commencement of any such proceedings and any additional interest that would have accrued thereon but for the commencement of such proceedings) shall have been paid in full.

(e) In the event that any holder of Subordinated Debt shall have the right to declare any Subordinated Debt due and payable as a result of the occurrence of any one or more defaults in respect thereof, under circumstances when the terms of subsection (d) above are not applicable, such holder shall not declare such Subordinated Debt due and payable or otherwise to be in default and, solely in its capacity as a holder of such Subordinated Debt, shall take no action at law or in equity in respect of any such default unless and until all Senior Debt shall have been paid in full.

(f) If any payment or distribution of any character or any security, whether in cash, securities or other property (other than Permitted Payments), shall be received by a holder of Subordinated Debt in contravention of any of the terms hereof before all the Senior Debt shall have been paid in full, such payment or distribution or security shall be received in trust for the benefit of, and shall be paid over or delivered and transferred to, the holders of the Senior Debt at the time outstanding in accordance with the priorities then existing among such holders for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all such Senior Debt in full. In the event of the failure of any holder of any Subordinated Debt to endorse or assign any such payment, distribution or security, each holder of Senior Debt is hereby irrevocably authorized to endorse or assign the same.

(g) No present or future holder of any Senior Debt shall be prejudiced in the right to enforce subordination of Subordinated Debt by any act or failure to act on the part of the Company. Nothing contained herein shall impair, as between the Company and the holder of this Subordinated Debt, the obligation of the Company to pay to the holder hereof the principal hereof and interest hereon as and when the same shall become due and payable in accordance with the terms hereof, or prevent the holder of any Subordinated Debt from exercising all rights, powers and remedies otherwise permitted by applicable law or hereunder upon a default or Event of Default hereunder, all subject to the rights of the holders of the Senior Debt to receive cash,

securities or other property (other than Permitted Payments) otherwise payable or deliverable to the holders of Subordinated Debt.

(h) Upon the payment in full of all Senior Debt, the holders of Subordinated Debt shall be subrogated to all rights of any holders of Senior Debt to receive any further payments or distributions applicable to the Senior Debt until the Subordinated Debt shall have been paid in full, and, for purposes of such subrogation, no payment or distribution received by the holders of Senior Debt of cash, securities or other property to which the holders of the Subordinated Debt would have been entitled except for these subordination provisions shall, as between the Company and its creditors other than the holders of Subordinated Debt, on the one hand, and the holders of Subordinated Debt, on the other, be deemed to be a payment or distribution by the Company to or on account of Senior Debt.

Exhibit 10.46

EXECUTION COPY

AMENDMENT NO. 7
Dated as of April 23, 2009
to
RECEIVABLES PURCHASE AGREEMENT
Dated as of November 30, 2001

This AMENDMENT NO. 7 (this "Amendment") dated as of April 23, 2009 is entered into among ENERGY SERVICES FUNDING CORPORATION, a Delaware corporation, as the seller (the "Seller"), UGI ENERGY SERVICES, INC., a Pennsylvania corporation ("UGI"), as initial servicer (in such capacity, together with its successors and permitted assigns in such capacity, the "Servicer"), MARKET STREET FUNDING LLC, a Delaware limited liability company (as successor to Market Street Funding Corporation) (together with its successors and permitted assigns, the "Issuer"), and PNC BANK, NATIONAL ASSOCIATION, a national banking association, as administrator (in such capacity, together with its successors and assigns in such capacity, the "Administrator").

RECITALS

WHEREAS, the parties hereto have entered into that certain Receivables Purchase Agreement, dated as of November 30, 2001 (as amended, supplemented or otherwise modified from time to time, the "Agreement");

WHEREAS, in connection with this Amendment and concurrently herewith, the Parties are entering into the Fourth Amended and Restated Fee Letter, dated the date hereof (the "A&R Fee Letter"); and

WHEREAS, the parties hereto wish to make certain changes to the Agreement as herein provided below;

NOW, THEREFORE, in consideration of the promises and the mutual agreements contained herein and in the Agreement, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms used but not otherwise defined herein are used herein as defined in the Agreement.

SECTION 2. Amendments to the Agreement.

2.1 Section 1.6(b) of the Agreement is amended by replacing the rate "2.0% per annum" where it appears therein with the rate "3.00% per annum".

2.2 The definition of "Alternate Rate" set forth in Exhibit I to the Agreement is replaced in its entirety with the following:

"Alternate Rate" for any Settlement Period for any Portion of Capital of the Purchased Interest means an interest rate per annum equal to: (a) 2.00% per annum above the Euro-Rate for such Settlement Period, or, in the sole discretion of the Administrator, (b) the Base Rate for such Settlement Period; provided,

however, that the "Alternate Rate" for any day while a Termination Event exists shall be an interest rate equal to 3.00% per annum above the Base Rate in effect on such day.

2.3 The definition of "Concentration Percentage" set forth in Exhibit I to the Agreement is amended by replacing the percentage "16.00%" where it appears in clause (b) thereof with the percentage "12.00%".

2.4 The definition of "Concentration Reserve Percentage" set forth in Exhibit I to the Agreement is replaced in its entirety with the following:

"Concentration Reserve Percentage" means, at any time, the largest of: (a) the sum of five largest Group D Obligor Percentages, (b) the sum of the three largest Group C Obligor Percentages, (c) the sum of two largest Group B Obligor Percentages and (d) the largest Group A Obligor Percentage.

2.5 The definition of "CP Rate" set forth in Exhibit I to the Agreement is amended by replacing the percentage "2.00%" where it appears therein with the percentage "3.00%".

2.6 Clause (a) of the definition of "Defaulted Receivable" set forth in Exhibit I to the Agreement is amended by replacing the phrase "90 days from the original invoice date" where it appears therein with the phrase "60 days from the original due date".

2.7 The definition of "Delinquent Receivable" set forth in Exhibit I to the Agreement is amended by replacing the phrase "90 days from the original invoice date" where it appears therein with the phrase "60 days from the original due date".

2.8 The definition of "Dilution Reserve Percentage" set forth in Exhibit I to the Agreement is amended by replacing the number "2.0" where it appears therein with the number "2.25".

2.9 Clause (d) of the definition of "Eligible Receivable" set forth in Exhibit I to the Agreement is replaced in its entirety with the following:

(d) (i) that arises under a duly authorized Contract for the sale and delivery of goods and services in the ordinary course of the Originator's business or (ii) in the case of a Receivable arising in connection with the sale or assignment by the Originator to a Purchasing Utility of a Billing Program Receivable, such Receivable arises under an Approved Billing Program; provided, however, that Receivables described in clause (ii) above shall not constitute Eligible Receivables to the extent that the aggregate Outstanding Balance of such Receivables exceeds 20% of the aggregate Outstanding Balance of all Eligible Receivables,

2.10 The definition of "Facility Termination Date" set forth in Exhibit I to the Agreement is amended by replacing the date "April 23, 2009" where it appears in clause (a) thereof with the date April 22, 2010.

2.11 The definition of "Loss Reserve Percentage" set forth in Exhibit I to the Agreement is amended by replacing the number "2.0" where it appears therein with the number "2.25".

2.12 The definition of "Receivable" set forth in Exhibit I to the Agreement is replaced in its entirety with the following:

"Receivable" means any indebtedness and other obligations (whether or not earned by performance) owed to the Seller (as assignee of the Originator) or the Originator by, or any right of the Seller or the Originator to payment from or on behalf of, an Obligor (including a Purchasing Utility), whether constituting an account, chattel paper, instrument or general intangible, arising in connection with (i) property or goods that have been or are to be sold or otherwise disposed of, or services rendered or to be rendered by the Originator (including, in each case and without limitation, the sale of electricity or natural gas) or (ii) the sale or assignment by the Originator to a Purchasing Utility of a Billing Program Receivable, and, in each case, includes the obligation (if any) to pay any finance charges, fees and other charges with respect thereto; provided, however, that "Receivable" shall not include any Billing Program Receivable. Indebtedness and other obligations arising from any one transaction, including indebtedness and other obligations represented by an individual invoice or agreement, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other obligations arising from any other transaction.

2.13 The definition of "Yield Reserve Percentage" set forth in Exhibit I to the Agreement is amended by replacing the number "1.5" where it appears in the formula therein with the number "2.0".

2.14 The following defined terms and definitions thereof are added to Exhibit I of the Agreement in appropriate alphabetical order:

"Approved Billing Program" means any consolidated billing or similar agreement between a Purchasing Utility and the Originator pursuant to which the Originator may from time to time sell and/or assign receivables, which agreement has been approved in writing by the Administrator; provided, that if (i) the Originator delivers to the Administrator in writing and in accordance with Section 5.2 a copy of such an agreement (or a substantially final draft thereof) with a request that it be approved as an "Approved Billing Program" and (ii) the Administrator does not, on or prior to the date that is ten (10) Business Days following such delivery, notify the Originator or the Servicer that the Administrator is withholding such approval, the Administrator shall be deemed to have approved such agreement as an "Approved Billing Program" in accordance with this definition. Without limiting the generality of the foregoing, each of the following agreements shall be an Approved Billing Program: (x) that certain Consolidated Utility Billing Service and Assignment Agreement, contemplated to be entered into between Consolidated Edison Company of New York, Inc. and the Originator, containing terms and conditions in form and substance substantially

similar to those set forth in the draft of such agreement previously delivered by the Originator to the Administrator on April 7, 2009 and (y) that certain Third Party Supplier Customer Account Services Master Service Agreement, dated November 6, 2008, by and between Public Service Electric and Gas Company and the Originator, a copy of which was delivered by the Originator to the Administrator on April 20, 2009.

"Billing Program Receivable" means a Receivable described in clause (i) of the definition of the term "Receivable", which is sold and/or assigned by the Originator to a Purchasing Utility from time to time pursuant to an Approved Billing Program.

"Days' Sales Outstanding" means, for any calendar month, an amount (expressed as a number of days) computed as of the last day of such calendar month equal to: (a) the average of the Outstanding Balance of all Pool Receivables as of the last day of each of the three most recent calendar months ended on the last day of such calendar month divided by (b) (i) the aggregate credit sales made by the Originator during the three calendar months ended on the last day of such calendar month divided by (ii) 90.

"Purchasing Utility" means a jurisdictional natural gas or electricity distribution company.

2.15 Clause (g) of Exhibit V to the Agreement is replaced in its entirety with the following:

(g) (i) the (A) Default Ratio shall exceed 2.25% or (B) Delinquency Ratio shall exceed 10.0% or (ii) the average for three consecutive calendar months of (A) the Default Ratio shall exceed 1.50%, (B) the Delinquency Ratio shall exceed 9.0%, (C) the Dilution Ratio shall exceed 1.75% or (iii) Days' Sales Outstanding exceeds 45 days;

2.16 Schedule IV (Location of Records) to the Agreement is replaced in its entirety with the new Schedule IV attached to this Amendment (which new Schedule reflects the change of address previously communicated to the Administrator).

SECTION 3. Certain Representations, Warranties and Covenants. Each of the Seller, UGI and the Servicer, as to itself, hereby represents and warrants that:

(a) the representations and warranties of such Person contained in Exhibit III to the Agreement (as amended hereby) are true and correct as of the date hereof (including after giving effect to the filing of the financing statement amendments attached as Exhibit A hereto) (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date);

(b) the execution and delivery by such Person of this Amendment, and the performance of its obligations under this Amendment and the Agreement (as amended hereby) are within its corporate powers and have been duly authorized by all necessary

corporate action on its part, and this Amendment and the Agreement (as amended hereby) are its valid and legally binding obligations, enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally; and

(c) no Termination Event or Unmatured Termination Event has occurred, is continuing, or would occur as a result of this Amendment or the filing of the financing statement amendments attached as Exhibit A hereto.

SECTION 4. UCC Filings. The Seller hereby authorizes the Issuer (or the Administrator on its behalf) to file financing statements describing as the collateral covered thereby as "all of the debtor's personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the collateral described in the Agreement. The Administrator (on the Issuer's behalf) agrees, and UGI and the Seller authorize the Administrator and the Issuer, to file (at UGI's and the Seller's expense) the UCC-3 financing statement amendments attached as Exhibit A hereto.

SECTION 5. Effectiveness. This Amendment shall become effective as of the date hereof when the Administrator shall have received (i) counterparts of this Amendment (whether by facsimile or otherwise), executed and delivered by each of the parties hereto, (ii) counterparts of the A&R Fee Letter duly executed by each of the parties thereto, (iii) confirmation that the "Maturity Extension Fee" has been paid in accordance with and as defined in the A&R Fee Letter and (iv) such other documents as the Administrator may reasonably request.

SECTION 6. References to Agreement. Upon the effectiveness of this Amendment, each reference in the Agreement to "this Agreement", "hereunder", "hereof, "herein", or words of like import shall mean and be a reference to the Agreement as amended hereby, and each reference to the Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Agreement shall mean and be a reference to the Agreement as amended hereby.

SECTION 7. Effect on the Agreement. Except as specifically amended above, the Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

SECTION 8. No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

SECTION 9. Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to the conflict of laws principles thereof).

SECTION 10. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 11. Headings. The Section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.

SECTION 12. Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

ENERGY SERVICES FUNDING CORPORATION

By: /s/ Bradley C. Hall
Name: Bradley C. Hall
Title: Vice President

UGI ENERGY SERVICES, INC.

By: /s/ Bradley C. Hall
Name: Bradley C. Hall
Title: President

MARKET STREET FUNDING LLC

By: /s/ Doris J. Hearn
Name: Doris J. Hearn
Title: Vice President

Amendment No. 7 to
Receivables Purchase Agreement (UGI)

PNC BANK, NATIONAL ASSOCIATION, as
Administrator

By: /s/ William P. Falcon
Name: William P. Falcon
Title: Vice President

SCHEDULE IV
LOCATION OF RECORDS OF SELLER

460 North Gulph Road
King of Prussia, Pennsylvania 19406-2815

1 Meridian Boulevard
Reading, Pennsylvania 19610

EXHIBIT A

FINANCING STATEMENT AMENDMENTS

(Attached)

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
34651231 Filed 12/4/2001

1b. This FINANCING STATEMENT AMENDMENT
o is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. o TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. o CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. o ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects o Debtor or ☑ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☑ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

o DELETE name: Give record name to be deleted in item 6a or 6b.

o ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

Market Street Funding Corporation

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

Market Street Funding LLC

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
c/o Amacar Group LLC, 6525 Morrison Blvd	Charlotte	NC	28211	USA

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any	o NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral o deleted or o added, or give entire o restated collateral description, or describe collateral o assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here o and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

Market Street Funding LLC (f/k/a Market Street Funding Corporation)

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

File w/SOS PA (01917304- 8) (Debtor: UGI Energy Services Inc.) (#9215258) (FILE FIRST)

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
34651231 Filed 12/4/2001

1b. This FINANCING STATEMENT AMENDMENT
o is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. o TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. o CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. o ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☑ Debtor or o Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☑ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

o DELETE name: Give record name to be deleted in item 6a or 6b.

o ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

UGI Energy Services, Inc.

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

UGI Energy Services, Inc.

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
1 Meridian Boulevard	Reading	PA	19610	USA

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any	o NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral o deleted or o added, or give entire o restated collateral description, or describe collateral o assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here o and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

Market Street Funding LLC

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

File w/SOS PA (01917304- 9) (Debtor: UGI Energy Services Inc.) (#9215901) (FILE SECOND)

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
34651231 Filed 12/4/2001

1b. This FINANCING STATEMENT AMENDMENT
o is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. o TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. o CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. o ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects o Debtor or o Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

o CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.	o DELETE name: Give record name to be deleted in item 6a or 6b.	o ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any	o NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral o deleted or o added, or give entire ☑ restated collateral description, or describe collateral o assigned.

The Schedule A attached to the financing statement referenced above is deleted in its entirety and is replaced with the Schedule A, consisting of 4 pages, which is attached hereto and made a part hereof.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here o and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

Market Street Funding LLC

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File w/SOS PA (01917304- 10) (Debtor: UGI Energy Services Inc.) (#9215260) (FILE THIRD)

SCHEDULE A
to
Amendment to Uniform Commercial Code Financing Statement
on Form UCC-3

DEBTOR/SELLER:

UGI Energy Services, Inc.
1 Meridian Boulevard
Reading, Pennsylvania 19610

SECURED PARTY/PURCHASER:

Energy Services Funding Corporation
460 North Gulph Road, Suite 200
King of Prussia, Pennsylvania 19406-2815

ASSIGNEE OF SECURED
PARTY/PURCHASER:

Market Street Funding LLC
c/o AMACAR Group, LLC
6525 Morrison Boulevard, Suite 318
Charlotte, North Carolina 28211

The financing statement (the "Financing Statement") to which this Schedule A is attached and made a part thereof covers all legal and equitable right, title and interest of the Debtor/Seller in, to and under all of the following, whether now or hereafter owned, existing or arising (collectively, the "Property"):

(a) each Receivable and the Related Security now existing and hereafter created by the Debtor/Seller;

(b) all monies due or to become due and all amounts received with respect thereto;

(c) all books and records of the Debtor/Seller related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest of the Debtor/Seller in each lock-box and related lock-box address and account to which Collections are sent, all amounts on deposit therein, all certificates and instruments, if any, from time to time evidencing such accounts and amounts on deposit therein, and all related agreements between such Debtor/Seller and each Lock-Box Bank; and

(d) all proceeds and products of any of the foregoing.

The Financing Statement is being filed to perfect all interests in the Property (described above) that is or will be purchased from time to time by the Secured Party/Purchaser from the Debtor/Seller pursuant to the Purchase and Sale Agreement. A purchase of or a grant of a security interest in any Property (described above) described in this Financing Statement will violate the rights of the Secured Party/Purchaser.

As used herein, the following terms shall have the meanings set forth below:

"Administrator" means PNC Bank, National Association, a national bank association, as Administrator, together with its successors or assigns in such capacity.

"Approved Billing Program" means any consolidated billing or similar agreement between a Purchasing Utility and the Debtor/Seller pursuant to which the Debtor/Seller may from time to time sell and/or assign receivables, which agreement has been approved by the Administrator in accordance with the Receivables Purchase Agreement.

"Billing Program Receivable" means a Receivable described in clause (i) of the definition of the term "Receivable", which is sold and/or assigned by the Debtor/Seller to a Purchasing Utility from time to time pursuant to an Approved Billing Program.

"Collections" means, with respect to any Pool Receivable: (a) all funds that are received by the Debtor/Seller, the Secured Party/Purchaser or the Servicer in payment of any amounts owed in respect of such Receivable (including purchase price, finance charges, interest and all other charges), or applied to amounts owed in respect of such Receivable (including insurance payments and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the related Obligor or any other Person directly or indirectly liable for the payment of such Pool Receivable and available to be applied thereon), (b) all amounts deemed to have been received pursuant to Section 1.4(e) of the Receivables Purchase Agreement and (c) all other proceeds of such Pool Receivable.

"Contract" means, with respect to any Receivable, any and all contracts, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Receivable arises or that evidence such Receivable or under which an Obligor becomes or is obligated to make payment in respect of such Receivable.

"Lock-Box Account" means an account in the name of the Secured Party/Purchaser and maintained by the Secured Party/Purchaser at a bank or other financial institution for the purpose of receiving Collections.

"Lock-Box Bank" means any of the banks or other financial institutions holding one or more Lock-Box Accounts.

"Obligor" means, with respect to any Receivable, the Person obligated to make payments pursuant to the Contract relating to such Receivable.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Pool Receivable" means a Receivable in the Receivables Pool.

"Purchase and Sale Agreement" means the Purchase and Sale Agreement, dated as of November 30, 2001 among Secured Party/Purchaser and Debtor/Seller, as such agreement may be amended, amended and restated, supplemented, or otherwise modified from time to time.

"Purchasing Utility" means a jurisdictional natural gas or electricity distribution company.

"Receivable" means any indebtedness and other obligations (whether or not earned by performance) owed to the Debtor/Seller by, or any right of the Debtor/Seller to payment from or on behalf of, an Obligor (including a Purchasing Utility), whether constituting an account, chattel paper, instrument or general intangible, arising in connection with (i) property or goods that have been or are to be sold or otherwise disposed of, or services rendered or to be rendered by the Debtor/Seller (including, in each case and without limitation, the sale of electricity or natural gas) or (ii) the sale or assignment by the Debtor/Seller to a Purchasing Utility of a Billing Program Receivable, and, in each case, includes the obligation (if any) to pay any finance charges, fees and other charges with respect thereto; provided, however, that "Receivable" shall not include any Billing Program Receivable. Indebtedness and other obligations arising from any one transaction, including indebtedness and other obligations represented by an individual invoice or agreement, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other obligations arising from any other transaction.

"Receivables Pool" means, at any time, all of the then outstanding Receivables purchased or otherwise acquired by the Secured Party/Purchaser pursuant to the Purchase and Sale Agreement.

"Receivables Purchase Agreement" means the Receivables Purchase Agreement, dated as of November 30, 2001 among Secured Party/Purchaser, the Servicer, the Administrator and Market Street Funding Corporation, as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Related Security" means, with respect to any Receivable: (a) all of the Debtor/Seller's interest in any goods (including returned goods), and documentation of title evidencing the shipment or storage of any goods (including returned goods), relating to any sale giving rise to such Receivable, (b) all instruments and chattel paper that may evidence such Receivable, (c) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all UCC financing statements or similar filings relating thereto, and (d) all of the Debtor/Seller's rights, interests and claims under the Contracts and all guaranties, indemnities, insurance, letters of credit and other agreements (including the related Contract) or

arrangements of whatever character from time to time supporting or securing payment of such Receivable or otherwise relating to such Receivable, whether pursuant to the Contract related to such Receivable or otherwise.

"Servicer" means UGI Energy Services, Inc., as the initial Servicer, and any of its successors and assigns.

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
1160260 1 Filed 12/4/2001

1b. This FINANCING STATEMENT AMENDMENT is to
o be filed [for record] (of recorded) in the REAL ESTATE RECORDS.

2. o TERMINATION: Effectiveness of the Financing Statement Identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. o CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. o ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects o Debtor or ☑ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in Items 6 and/or 7.

☑ CHANGE name and/or address: Please refer to the detailed Instructions in regards to changing the name/address of a party.

o DELETE name: Give record name to be deleted in item 6a or 6b.

o ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (If applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

Market Street Funding Corporation

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

Market Street Funding LLC

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
c/o Amacar Group LLC, 6525 Morrison Blvd	Charlotte	NC	28211	USA

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f . JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, If any	o NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral o deleted or o added, or give entire o restated collateral description, or describe collateral o assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here o and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

Market Street Funding LLC (f/k/a Market Street Funding Corporation)

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

File w/SOS DE (01917304- 6) (Debtor: Energy Services Funding Corporation) (#9215254) (FILE FIRST)

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
1160260 1 Filed 12/4/2001

1b. This FINANCING STATEMENT AMENDMENT is
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4. o ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects o Debtor or o Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in Items 6 and/or 7.

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6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f . JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, If any	o NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral o deleted or o added, or give entire ☑ restated collateral description, or describe collateral o assigned.

The Schedule A attached to and made a part of the financing statement referenced above is hereby deleted in its entirety and the collateral covered by the financing statement is restated in its entirety to read as follows:

This Financing Statement Covers The Following Collateral:

All assets and property of the Debtor/Seller, whether now owned or hereafter acquired or coming into existence and wherever located.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here o and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

Energy Services Funding Corporation

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File w/SOS DE (01917304- 7) (Debtor: Energy Services Funding Corporation) (#9215256) (FILE SECOND)

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

EXECUTION COPY

AMENDMENT NO. 8
Dated as of April 22, 2010
to
RECEIVABLES PURCHASE AGREEMENT
Dated as of November 30, 2001

This AMENDMENT NO. 8 (this "Amendment") dated as of April 22, 2010 is entered into among ENERGY SERVICES FUNDING CORPORATION, a Delaware corporation, as the seller (the "Seller"), UGI ENERGY SERVICES, INC., a Pennsylvania corporation ("UGI"), as initial servicer (in such capacity, together with its successors and permitted assigns in such capacity, the "Servicer"), MARKET STREET FUNDING LLC, a Delaware limited liability company (as successor to Market Street Funding Corporation) (together with its successors and permitted assigns, the "Issuer"), and PNC BANK, NATIONAL ASSOCIATION, a national banking association, as administrator (in such capacity, together with its successors and assigns in such capacity, the "Administrator").

RECITALS

WHEREAS, the parties hereto have entered into that certain Receivables Purchase Agreement, dated as of November 30, 2001 (as amended, supplemented or otherwise modified from time to time, the "Agreement");

WHEREAS, in connection with this Amendment and concurrently herewith, the Parties are entering into the Fifth Amended and Restated Fee Letter, dated the date hereof (the "A&R Fee Letter"); and

WHEREAS, the parties hereto wish to amend the Agreement as set forth herein;

NOW, THEREFORE, in consideration of the promises and the mutual agreements contained herein and in the Agreement, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms used but not otherwise defined herein are used herein as defined in the Agreement.

SECTION 2. Amendment to the Agreement. The definition of "Facility Termination Date" set forth in Exhibit I to the Agreement is amended by replacing the date "April 22, 2010" where it appears in clause (a) thereof with the date April 21, 2011.

SECTION 3. Certain Representations, Warranties and Covenants. Each of the Seller, UGI and the Servicer, as to itself, hereby represents and warrants that:

(a) the representations and warranties of such Person contained in Exhibit III to the Agreement (as amended hereby) are true and correct as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date);

(b) the execution and delivery by such Person of this Amendment, and the performance of its obligations under this Amendment and the Agreement (as amended hereby) are within its corporate powers and have been duly authorized by all necessary corporate action on its part, and this Amendment and the Agreement (as amended hereby) are its valid and legally binding obligations, enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally; and

(c) no Termination Event or Unmatured Termination Event has occurred, is continuing, or would occur as a result of this Amendment.

SECTION 4. Effectiveness. This Amendment shall become effective as of the date hereof when the Administrator shall have received (i) counterparts of this Amendment (whether by facsimile or otherwise), executed and delivered by each of the parties hereto and (ii) counterparts of the A&R Fee Letter duly executed by each of the parties thereto.

SECTION 5. References to Agreement. Upon the effectiveness of this Amendment, each reference in the Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import shall mean and be a reference to the Agreement as amended hereby, and each reference to the Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Agreement shall mean and be a reference to the Agreement as amended hereby.

SECTION 6. Effect on the Agreement. Except as specifically amended above, the Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

SECTION 7. No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

SECTION 8. Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to the conflict of laws principles thereof).

SECTION 9. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 10. Headings. The Section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.

SECTION 11. Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

ENERGY SERVICES FUNDING CORPORATION

By: _____
Name:
Title:

UGI ENERGY SERVICES, INC.

By: _____
Name:
Title:

MARKET STREET FUNDING LLC

By: _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as Administrator

By: _____
Name:
Title:

EXECUTION COPY

AMENDMENT NO. 9
Dated as of August 26, 2010
to
RECEIVABLES PURCHASE AGREEMENT
Dated as of November 30, 2001

This AMENDMENT NO. 9 (this "Amendment") dated as of August 26, 2010 is entered into among ENERGY SERVICES FUNDING CORPORATION, a Delaware corporation, as the seller (the "Seller"), UGI ENERGY SERVICES, INC., a Pennsylvania corporation ("UGI"), as initial servicer (in such capacity, together with its successors and permitted assigns in such capacity, the "Servicer"), MARKET STREET FUNDING LLC, a Delaware limited liability company (as successor to Market Street Funding Corporation) (together with its successors and permitted assigns, the "Issuer"), and PNC BANK, NATIONAL ASSOCIATION, a national banking association, as administrator (in such capacity, together with its successors and assigns in such capacity, the "Administrator").

RECITALS

WHEREAS, the parties hereto have entered into that certain Receivables Purchase Agreement, dated as of November 30, 2001 (as amended, supplemented or otherwise modified from time to time, the "Agreement"); and

WHEREAS, the parties hereto wish to amend the Agreement as set forth herein;

NOW, THEREFORE, in consideration of the promises and the mutual agreements contained herein and in the Agreement, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms used but not otherwise defined herein are used herein as defined in the Agreement.

SECTION 2. Amendments to the Agreement.

(i) Section 1.1(b) of the Agreement is hereby amended and restated in its entirety to read as follows:

> (b) The Seller may, upon at least 60 days' written notice to the Administrator, terminate the Purchase Facility provided in this Section in whole or, upon at least 30 days' written notice to the Administrator, from time to time, irrevocably reduce in part the unused portion of the Purchase Limit; provided, that, so long as the Credit Agreement is in effect, the Seller's right to terminate the Purchase Facility in whole pursuant to this Section 1.1(b) is conditioned upon the Seller exercising its option to repurchase in full (but not in part) the Purchased Interest in accordance with the terms of Section 5.14; provided, further, that each partial reduction shall be in the amount of at least $5,000,000, or an integral multiple of $1,000,000 in excess thereof, and that, unless terminated in whole, the Purchase Limit shall in no event be reduced below $20,000,000.

(ii) A new Section 5.14 is hereby added to the Agreement immediately following Section 5.13 therein to read as follows:

Section 5.14 Purchase Option. So long as the Credit Agreement is in effect, the Seller shall have the right to repurchase in full (but not in part) the Purchased Interest from the Issuer and the Purchasers, if any, on any Settlement Date on the terms hereinafter set forth in this Section 5.14 (such date, the "Repurchase Date"). The Seller shall give the Administrator at least sixty (60) days' prior written notice of such repurchase. The Repurchase Date shall occur not later than the Settlement Date immediately after the sixty-day period following Seller's written notice of such repurchase to the Administrator. Upon payment of the full Repurchase Price for the Purchased Interest on the Repurchase Date, as herein provided, the Issuer and the Purchasers, as applicable, shall be deemed to have reconveyed the Purchased Interest to the Seller without recourse, representation or warranty. The Seller shall pay such repurchase price (the "Repurchase Price") for the Purchased Interest on the Repurchase Date in immediately available funds to the Administrator in an amount equal to the sum of (i) the aggregate of the Discount accrued for each Portion of Capital for the Issuer and each Purchaser accrued to and including the Repurchase Date, (ii) the Capital for the Issuer and each Purchaser, (iii) all amounts payable pursuant to Sections 1.5, 1.7, 1.8 or 5.4 or Article III accrued to and including the Repurchase Date, (iv) all other fees, costs, expenses and other obligations of the Seller and the Servicer pursuant to the Transaction Documents that are payable as of the Repurchase Date, and (v) if UGI is not the Servicer, the Issuer's Share of the Servicing Fee allocated to the Purchased Interest that has accrued to and including the Repurchase Date.

(iii) Exhibit I to the Agreement is hereby amended by adding the following terms, as alphabetically appropriate:

"Credit Agreement" means that certain Credit Agreement, dated on or about August 26, 2010, among UGI, as borrower, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, Wells Fargo Bank, National Association, and certain other parties, as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Repurchase Price" has the meaning set forth in Section 5.14 of the Agreement.

SECTION 3. Certain Representations, Warranties and Covenants. Each of the Seller, UGI and the Servicer, as to itself, hereby represents and warrants that:

(a) the representations and warranties of such Person contained in Exhibit III to the Agreement (as amended hereby) are true and correct as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date);

(b) the execution and delivery by such Person of this Amendment, and the performance of its obligations under this Amendment and the Agreement (as amended hereby) are within its corporate powers and have been duly authorized by all necessary corporate action on its part, and this Amendment and the Agreement (as amended hereby) are its valid and legally binding obligations, enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally; and

(c) no Termination Event or Unmatured Termination Event has occurred, is continuing, or would occur as a result of this Amendment.

SECTION 4. Effectiveness. This Amendment shall become effective as of the date hereof when the Administrator shall have received counterparts of this Amendment (whether by facsimile or otherwise), executed and delivered by each of the parties hereto.

SECTION 5. References to Agreement. Upon the effectiveness of this Amendment, each reference in the Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import shall mean and be a reference to the Agreement as amended hereby, and each reference to the Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Agreement shall mean and be a reference to the Agreement as amended hereby.

SECTION 6. Effect on the Agreement. Except as specifically amended above, the Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

SECTION 7. No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

SECTION 8. Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to the conflicts of law principles thereof).

SECTION 9. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 10. Headings. The Section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.

SECTION 11. Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

ENERGY SERVICES FUNDING CORPORATION

By: _____
Name:
Title:

UGI ENERGY SERVICES, INC.

By: _____
Name:
Title:

Amendment No. 9 to
Receivables Purchase Agreement (UGI)

MARKET STREET FUNDING LLC

By: _____
Name:
Title:

Amendment No. 9 to
Receivables Purchase Agreement (UGI)

PNC BANK, NATIONAL ASSOCIATION, as
Administrator

By: _____
Name:
Title:

Exhibit 10.47

PURCHASE AND SALE AGREEMENT

Dated as of November 30, 2001

between

UGI ENERGY SERVICES, INC.

and

ENERGY SERVICES FUNDING CORPORATION

THIS DESK COPY INCORPORATES AMENDMENTS 1 THROUGH 3 TO THE PURCHASE AND SALE AGREEMENT. THIS DESK COPY IS FOR ADMINISTRATIVE PURPOSES ONLY. THE EXECUTED PURCHASE AND SALE AGREEMENT AND AMENDMENTS SHOULD BE USED FOR ALL OTHER PURPOSES. MORGAN, LEWIS & BOCKIUS LLP MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF THIS DESK COPY.

THIS **PURCHASE AND SALE AGREEMENT** (this "Agreement"), dated as of November 30, 2001, is entered into between UGI ENERGY SERVICES, INC. (the "Originator"), a Pennsylvania corporation, and ENERGY SERVICES FUNDING CORPORATION, a Delaware corporation (the "Company").

DEFINITIONS

Unless otherwise indicated herein, capitalized terms used in this Agreement are defined in Exhibit I to the Receivables Purchase Agreement of even date herewith (as the same may be amended, supplemented or otherwise modified from time to time, the "Receivables Purchase Agreement") among the Company, as the Seller; UGI Energy Services, Inc. (individually, "UGI"), as the initial Servicer; Market Street Funding Corporation; and PNC Bank, National Association, as the Administrator. All references herein to months are to calendar months unless otherwise expressly indicated.

BACKGROUND:

1. The Company is a special purpose corporation, the issued and outstanding shares of which are owned by the Originator;

2. The Originator generates Receivables in the ordinary course of its business;

3. The Originator, in order to finance its business, wishes to sell or contribute, as the case may be, Receivables to the Company, and the Company is willing to purchase or accept Receivables, as the case may be, from the Originator, on the terms and subject to the conditions set forth herein; and

4. The Originator and the Company intend this transaction to be an absolute and irrevocable true sale and conveyance of Receivables by the Originator to the Company, providing the Company with the full benefits of ownership of the Receivables, and the Originator and the Company do not intend the transactions hereunder to be characterized as a loan from the Company to the Originator.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I
AGREEMENT TO PURCHASE AND SELL

SECTION 1.1 Agreement To Purchase and Sell. On the terms and subject to the conditions set forth in this Agreement, the Originator, severally and for itself, agrees to sell to the Company, and the Company agrees to purchase from the Originator, from time to time on or after the Closing Date, but before the Purchase and Sale Termination Date, all of the Originator's right, title and interest in and to:

(a) each Receivable of the Originator that existed and was owing to the Originator at the closing of the Originator's business on December 3, 2001 (the "Cut-off Date") other than Receivables contributed pursuant to Section 3.1 (the "Contributed Receivables");

(b) each Receivable generated by the Originator from and including the Cut-off Date to and including the Purchase and Sale Termination Date (other than any Receivable later contributed pursuant to the second sentence of Section 3.1);

(c) all rights to, but not the obligations of the Originator under, all Related Security;

(d) all monies due or to become due to the Originator with respect to any of the foregoing;

(e) all books and records of the Originator related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest of the Originator in each lock-box and related lock-box address and account to which Collections are sent, all amounts on deposit therein, all certificates and instruments, if any, from time to time evidencing such accounts and amounts on deposit therein, and all related agreements between the Originator and each Lock-Box Bank; and

(f) all collections and other proceeds and products of any of the foregoing (as defined in the applicable UCC) that are or were received by the Originator on or after the Cut-off Date, including, without limitation, all funds which either are received by the Originator, the Company or the Servicer from or on behalf of the Obligors in payment of any amounts owed (including, without limitation, invoice price, finance charges, interest and all other charges) in respect of Receivables, or are applied to such amounts owed by the Obligors (including, without limitation, any insurance payments that the Originator or the Servicer applies in the ordinary course of its business to amounts owed in respect of any Receivable, and net proceeds of sale or other disposition of repossessed goods or other collateral or property of the Obligors in respect of Receivables or any other parties directly or indirectly liable for payment of such Receivables).

All purchases and contributions hereunder are absolute and irrevocable and shall be made without recourse except as expressly provided in Sections 3.3, 3.4 and 9.1, but shall be made pursuant to, and in reliance upon, the representations, warranties and covenants of the Originator set forth in this Agreement and each other Transaction Document. No obligation or liability to any Obligor on any Receivable is intended to be, or shall be, assumed by the Company hereunder, and any such assumption is expressly disclaimed. The Company's foregoing commitment to purchase Receivables and the proceeds and rights described in clauses (c) through (f) (collectively, the "Related Rights") is herein called the "Purchase Facility."

In connection with the transfer of ownership or the grant of the security interest in the Receivables and Related Rights, by signing this Agreement in the space provided, the Originator hereby authorizes the filing of all applicable UCC financing statements in all necessary jurisdictions.

SECTION 1.2 Timing of Purchases.

(a) Closing Date Purchases. The Originator's entire right, title and interest in, to and under (i) each Receivable that existed and was owing to the Originator at the Cut-off Date (other than Contributed Receivables), (ii) all Receivables created by the Originator from and including the Cut-off Date, to and including the Closing Date (other than Contributed Receivables), and (iii) all Related Rights with respect thereto automatically shall be deemed to have been sold by the Originator to the Company on the Closing Date.

(b) Subsequent Purchases. After the Closing Date, until the Purchase and Sale Termination Date, each Receivable and the Related Rights generated by the Originator shall be, and shall be deemed to have been, sold by the Originator to the Company immediately (and without further action) upon the creation of such Receivable.

SECTION 1.3 Consideration for Purchases. On the terms and subject to the conditions set forth in this Agreement, the Company agrees to make Purchase Price payments to the Originator in accordance with Article III and to reflect all contributions in accordance with Section 3.1.

SECTION 1.4 Purchase and Sale Termination Date. The "Purchase and Sale Termination Date" shall be the earlier to occur of (a) the date the Purchase Facility is terminated pursuant to Section 8.2 and (b) the Facility Termination Date.

SECTION 1.5 Intention of the Parties. It is the express intent of the parties hereto that the transfers of the Receivables, Contributed Receivables and Related Rights by the Originator to the Company, as contemplated by this Agreement, be treated as true, final, absolute and irrevocable sales or contributions, as applicable (without recourse except as expressly provided in Sections 3.3, 3.4 and 9.1), of all of the Originator's legal and equitable right, title and interest in, to and under the Receivables or the Contributed Receivables, as applicable, and Related Rights. If, however, notwithstanding the intent of the parties, such transactions are deemed to be loans, the Originator hereby grants to the Company a first priority security interest in all of the Originator's right, title and interest in and to: (i) the Receivables, Contributed Receivables and the Related Rights now existing and hereafter created by the Originator, (ii) all monies due or to become due and all amounts received with respect thereto, (iii) all books and records of the Originator related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest of the Originator in each lock-box and related lock-box address and account to which Collections are sent, all amounts on deposit therein, all certificates and instruments, if any, from time to time evidencing such accounts and amounts on deposit therein, and all related agreements between the Originator and each Lock-Box Bank, and (iv) all proceeds and products of any of the foregoing to secure all of the Originator's obligations hereunder.

ARTICLE II
PURCHASE REPORT; CALCULATION OF PURCHASE PRICE

SECTION 2.1 Purchase Report. On the Closing Date and on each Settlement Date, the Servicer shall deliver to the Company and the Originator a report in substantially the form of Exhibit A (each such report being herein called a "Purchase Report") setting forth, among other things:

(a) Receivables purchased by the Company from the Originator on the Closing Date (in the case of the Purchase Report to be delivered on the Closing Date);

(b) Receivables purchased by the Company from the Originator during the period commencing on, and including, the Settlement Date immediately preceding such Settlement Date to (but not including) such Settlement Date (in the case of each subsequent Purchase Report); and

(c) the calculations of reductions of the Purchase Price for any Receivables as provided in Section 3.3 (a) and (b).

SECTION 2.2 Calculation of Purchase Price. The "Purchase Price" to be paid to the Originator (or in the case of Contributed Receivables, the amount to be recognized as a capital contribution) for the Receivables that are hereunder purchased from or contributed by, as the case may be, the Originator shall be determined in accordance with the following formula:

PP = OB x FMVD

where:

PP = Purchase Price for each Receivable as calculated on the relevant Payment Date.

OB = The Outstanding Balance of such Receivable on the relevant Payment Date.

FMVD = Fair Market Value Discount, as measured on such Payment Date, which is equal to the quotient (expressed as percentage) of (a) one divided by (b) the sum of (i) one, *plus* (ii) a fraction, the numerator of which is 6% and the denominator of which is 12.

"Payment Date" means (i) the Closing Date and (ii) each Business Day thereafter that the Originator is open for business.

"Prime Rate" means a *per annum* rate equal to the "Prime Rate" as published in the "Money Rates" section of The Wall Street Journal or if such information ceases to be published in The Wall Street Journal, such other publication as determined by the Administrator in its reasonable discretion.

ARTICLE III
PAYMENT OF PURCHASE PRICE

SECTION 3.1 Contribution of Receivables and Initial Purchase Price Payment. (a) On the Closing Date, UGI shall, and hereby does, irrevocably and absolutely contribute to the capital of the Company Receivables and Related Rights consisting of each Receivable of UGI that existed and was owing to UGI on the Closing Date beginning with the oldest of such Receivables and continuing chronologically thereafter such that the aggregate Outstanding Balance of all such Contributed Receivables shall be not less than $4,000,000. Notwithstanding anything in this Agreement to the contrary, UGI shall not be prevented from contributing Receivables to the Company from time to time. Contributions made in connection with the immediately preceding sentence (i) shall have no effect on the aggregate Purchase Price of any Receivables sold by UGI to the Company on the date of such contribution and (ii) shall not affect the aggregate outstanding balance of any Company Note.

(b) On the terms and subject to the conditions set forth in this Agreement, the Company agrees to pay to the Originator the Purchase Price for the purchase to be made from the Originator on the Closing Date partially in cash (in an amount to be agreed between the Company and the Originator and set forth in the initial Purchase Report) and partially by issuing a promissory note in the form of Exhibit B to the Originator with an initial principal balance equal to the remaining Purchase Price (each such promissory note, as it may be amended, supplemented, endorsed or otherwise modified from time to time, together with all promissory notes issued from time to time in substitution therefor or renewal thereof in accordance with the Transaction Documents, each being herein called a "Company Note").

SECTION 3.2 Subsequent Purchase Price Payments. On each Payment Date subsequent to the Closing Date, on the terms and subject to the conditions set forth in this Agreement, the Company shall pay to the Originator the Purchase Price for the Receivables generated by the Originator on such Payment Date and sold to the Company hereunder:

(a) First, in cash to the extent the Company has cash available therefor; and

(b) Second, to the extent any portion of the Purchase Price remains unpaid, the principal amount outstanding under the applicable Company Note shall be increased by an amount equal to such remaining Purchase Price.

The Servicer shall make all appropriate record keeping entries with respect to each of the Company Notes to reflect the foregoing payments and reductions made pursuant to Section 3.3, and in the absence of manifest error the Servicer's books and records shall constitute rebuttable presumptive evidence of the principal amount of, and accrued interest on, each of the Company Notes at any time. Furthermore, the Servicer shall hold the Company Notes for the benefit of the Originator. The Originator hereby irrevocably authorizes the Servicer to mark the Company Notes "CANCELED" and to return such Company Notes to the Company upon the final payment thereof after the occurrence of the Purchase and Sale Termination Date.

SECTION 3.3 Settlement as to Specific Receivables and Dilution.

(a) If, on the day of purchase or contribution of any Receivable from the Originator hereunder, any of the representations or warranties set forth in Sections 5.4 and 5.12 are not true with respect to such Receivable or as a result of any action or inaction of the Originator, on any subsequent day, any of such representations or warranties set forth in Sections 5.4 and 5.12 are no longer true with respect to such Receivable, then the Purchase Price (or in the case of a Contributed Receivable, the capital contribution with respect to such Receivable (the "Contributed Value")), with respect to such Receivable shall be reduced by an amount equal to the Outstanding Balance of such Receivable and shall be accounted to the Originator as provided in clause (c) below; provided, that if the Company thereafter receives payment on account of Collections due with respect to such Receivable, the Company promptly shall deliver such funds to the Originator.

(b) If, on any day, the Outstanding Balance of any Receivable (including any Contributed Receivable) purchased or contributed hereunder is reduced or adjusted as a result of any defective, rejected, returned goods or services, or any discount or other adjustment made by the Originator, the Company or the Servicer or any setoff or dispute between the Originator or the Servicer and an Obligor as indicated on the books of the Company (or, for periods prior to the Closing Date, the books of the Originator), then the Purchase Price or Contributed Value, as the case may be, with respect to such Receivable shall be reduced by the amount of such net reduction and shall be accounted to the Originator as provided in clause (c) below.

(c) Any reduction in the Purchase Price or Contributed Value of any Receivable pursuant to clause (a) or (b) above shall be applied as a credit for the account of the Company against the Purchase Price of Receivables subsequently purchased by or contributed to the Company from the Originator hereunder; provided, however if there have been no purchases of Receivables from the Originator (or insufficiently large purchases of Receivables) to create a Purchase Price sufficient to so apply such credit: (i) shall be paid in cash to the Company by the Originator in the manner and for application as described in the following proviso, or (ii) shall be deemed to be a payment under, and shall be deducted from the principal amount outstanding under, the Company Note payable to the Originator; against, the amount of such credit shall be paid in cash to the Company by the Originator in the manner and for application as described in the following proviso;

provided, further, that at any time (y) when a Termination Event or Unmatured Termination Event exists under the Receivables Purchase Agreement or (z) on or after the Purchase and Sale Termination Date, the amount of any such credit shall be paid by the Originator to the Company by deposit in immediately available funds into the relevant Lock-Box Account for application by the Servicer to the same extent as if Collections of the applicable Receivable in such amount had actually been received on such date.

SECTION 3.4 Reconveyance of Receivables. In the event that the Originator has paid to the Company the full Outstanding Balance of any Receivable pursuant to Section 3.3, the Company shall reconvey such Receivable to the Originator, without representation or warranty, but free and clear of all liens, security interests, charges, and encumbrances created by the Company.

ARTICLE IV
CONDITIONS OF PURCHASES

SECTION 4.1 Conditions Precedent to Initial Purchase. The initial purchase hereunder is subject to the condition precedent that the Servicer (on the Company's behalf) shall have received, on or before the Closing Date, the following, each (unless otherwise indicated) dated the Closing Date, and each in form and substance satisfactory to the Servicer (acting on the Company's behalf):

(a) An Originator Assignment Certificate in the form of Exhibit C from the Originator, duly completed, executed and delivered by the Originator;

(b) A copy of the resolutions of the Board of Directors of the Originator approving the Transaction Documents to be delivered by it and the transactions contemplated hereby and thereby, certified by the Secretary or Assistant Secretary of the Originator;

(c) Good standing or validly subsisting certificates for the Originator issued as of a recent date acceptable to the Servicer by the Secretary of State of the jurisdiction of the Originator's organization and each jurisdiction where the Originator is qualified to transact business;

(d) A certificate of the Secretary or Assistant Secretary of the Originator certifying the names and true signatures of the officers authorized on such Person's behalf to sign the Transaction Documents to be delivered by it (on which certificate the Servicer and the Company may conclusively rely until such time as the Servicer shall receive from such Person a revised certificate meeting the requirements of this clause (d));

(e) Copies of the certificate or articles of incorporation or other organizational document of the Originator duly certified by the Secretary of State of the jurisdiction of the Originator's organization as of a recent date, together with a copy of the by-laws of the Originator, each duly certified by the Secretary or an Assistant Secretary of the Originator;

(f) Originals of the proper financing statements (Form UCC-1) that have been duly executed and name the Originator as the debtor/seller and the Company as the secured party/purchaser (and the Issuer, as assignee of the Company) of the Receivables generated by the Originator as may be necessary or, in the Servicer's or the Administrator's opinion, desirable under the UCC of all appropriate jurisdictions to perfect the Company's ownership interest in all Receivables and such other rights, accounts, instruments and moneys (including, without limitation, Related Security) in which an ownership or security interest may be assigned to it hereunder;

(g) A written search report from a Person satisfactory to the Servicer listing all effective financing statements that name the Originator as debtor or seller and that are filed in the jurisdictions in which filings were made pursuant to the foregoing clause (f), together with copies of such financing statements (none of which, except for those described in the foregoing clause (f), shall cover any Receivable or any Related Rights which are to be sold to the Company hereunder), and tax and judgment lien search reports from a Person satisfactory to the Servicer showing no evidence of such liens filed against the Originator;

(h) A favorable opinion of Morgan, Lewis & Bockius LLP, counsel to the Originator, in form and substance satisfactory to the Servicer and the Administrator;

(i) [Intentionally Omitted.]

(j) A certificate from an officer of the Originator to the effect that the Servicer and the Originator have placed on the most recent, and have taken all steps reasonably necessary to ensure that there shall be placed on each subsequent, data processing report that the Originator generates which are of the type that a proposed purchaser or lender would use to evaluate the Receivables, the following legend (or the substantive equivalent thereof): "THE RECEIVABLES DESCRIBED HEREIN HAVE BEEN CONTRIBUTED OR SOLD BY UGI ENERGY SERVICES, INC. TO ENERGY SERVICES FUNDING CORPORATION PURSUANT TO A PURCHASE AND SALE AGREEMENT, DATED AS OF NOVEMBER 30, 2001, AS MAY BE AMENDED FROM TIME TO TIME, BETWEEN UGI ENERGY SERVICES, INC. AND ENERGY SERVICES FUNDING CORPORATION, AS PURCHASER; AND AN UNDIVIDED, FRACTIONAL OWNERSHIP INTEREST IN THE RECEIVABLES DESCRIBED HEREIN HAS BEEN SOLD TO MARKET STREET FUNDING CORPORATION PURSUANT TO A RECEIVABLES PURCHASE AGREEMENT, DATED AS OF NOVEMBER 30, 2001 AS MAY BE AMENDED FROM TIME TO TIME, AMONG ENERGY SERVICES FUNDING CORPORATION, AS SELLER, UGI ENERGY SERVICES, INC., AS SERVICER, MARKET STREET FUNDING CORPORATION, AND PNC BANK, NATIONAL ASSOCIATION, AS ADMINISTRATOR"; and

(k) Such other approvals, opinions or documents as the Administrator or the Issuer may reasonably request.

SECTION 4.2 Certification as to Representations and Warranties. The Originator, by accepting the Purchase Price related to each purchase of Receivables generated by the Originator, shall be deemed to have certified that the representations and warranties contained in Article V are true and correct on and as of such day, with the same effect as though made on and as of such day.

SECTION 4.3 Additional Originators. Additional Persons may be added as Originators hereunder, with the consent of the Company and the Administrator, provided that the following conditions are satisfied on or before the date of such addition:

(a) The Servicer shall have given the Administrator and the Company at least thirty days prior written notice of such proposed addition and the identity of the proposed additional Originator and shall have provided such other information with respect to such proposed additional Originator as the Administrator may reasonably request;

(b) such proposed additional Originator has executed and delivered to the Company and the Administrator an agreement substantially in the form attached hereto as Exhibit D (a "Joinder Agreement");

(c) such proposed additional Originator has delivered to the Company and the Administrator each of the documents with respect to the Originator described in Sections 4.1 and 4.2;

(d) the Administrator shall have received a written statement from each of Moody's and Standard & Poor's confirming that the addition of the Originator will not result in a downgrade or withdrawal of the current ratings of the Notes; and

(e) the Purchase and Sale Termination Date shall not have occurred.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE ORIGINATOR

In order to induce the Company to enter into this Agreement and to make purchases hereunder, the Originator hereby makes, with respect to itself, the representations and warranties set forth in this Article V.

SECTION 5.1 Organization and Valid Subsistence. The Originator has been duly incorporated or formed and is validly existing or subsisting as a corporation, limited liability company or partnership, as applicable, in good standing under the laws of its jurisdiction of incorporation or formation, with corporate power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted.

SECTION 5.2 Due Qualification. The Originator is located and is qualified to transact business as a foreign corporation, limited liability company or partnership, as applicable, in good standing in all jurisdictions in which (a) the ownership or lease of its property or the conduct of its business requires such licensing or qualification (except for the District of Columbia and the State of New York, in which jurisdictions the Originator shall be qualified within 90 days after the Closing Date) and (b) the failure to be so licensed or qualified would be reasonably likely to have a Material Adverse Effect.

SECTION 5.3 Power and Authority; Due Authorization. The Originator has (a) all necessary corporate power, authority and legal right (i) to execute and deliver, and perform its obligations under, each Transaction Document to which it is a party (including the use of the proceeds of the Purchase Price) and (ii) to generate, own, sell, contribute and assign Receivables on the terms and subject to the conditions herein and therein provided; and (b) duly authorized such execution and delivery and such sale, contribution and assignment and the performance of such obligations by all necessary corporate action.

SECTION 5.4 Valid Sale; Binding Obligations. Each sale or contribution, as the case may be, of Receivables made by the Originator pursuant to this Agreement is and shall constitute an irrevocable and absolute valid sale or contribution, as the case may be, transfer, and assignment of Receivables to the Company, enforceable against creditors of, and purchasers from, the Originator; and this Agreement constitutes, and each other Transaction Document to be signed by the Originator, when duly executed and delivered by the Originator, will constitute, a legal, valid, and binding obligation of the Originator, enforceable against the Originator in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

SECTION 5.5 No Violation. The consummation by the Originator of the transactions contemplated by this Agreement and the other Transaction Documents to be signed by the Originator, and the fulfillment by the Originator of the terms hereof or thereof, will not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under (i) the Originator's certificate or articles of incorporation or bylaws, limited partnership agreements, articles of organization or limited liability company agreements, as applicable or (ii) any indenture, loan agreement, mortgage, deed of trust, or other similar agreement or instrument to which it is a party or by which it is bound, (b) result in the creation or imposition of any Adverse Claim upon any of its properties pursuant to the terms of any such indenture, loan agreement, mortgage, deed of trust, or other similar agreement or instrument, other than the Transaction Documents, or (c) violate any law or any order, rule or regulation applicable to it of any court or of any state or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over it or any of its properties.

SECTION 5.6 Proceedings. Except as set forth in Schedule 5.6, there is no action, suit, proceeding or investigation pending before any court, regulatory body, arbitrator, administrative agency, or other tribunal or governmental instrumentality (a) asserting the invalidity of any Transaction Document, (b) seeking to prevent the Originator from transferring any Receivable hereunder (or in the case such transfer does not constitute a sale or an absolute conveyance under any applicable law, from granting or maintaining the security interest in any Receivable) to the Company or the consummation of any of the transactions contemplated by any Transaction Document or (c) seeking any determination or ruling that is reasonably likely to have a Material Adverse Effect.

SECTION 5.7 Bulk Sales Acts. No transaction contemplated hereby requires compliance with, or will be subject to avoidance under, any bulk sales act or similar law.

SECTION 5.8 Government Approvals. Except for the filing of the UCC financing statements referred to in Article IV, all of which, at the time required in Article IV, shall have been duly made and shall be in full force and effect, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the Originator's due execution, delivery and performance of any Transaction Document to which it is a party.

SECTION 5.9 Financial Condition.

(a) Material Adverse Effect. Since September 30, 2001, no event has occurred that has had, or is reasonably likely to have, a Material Adverse Effect.

(b) Solvent. On the date hereof, and on the date of each purchase hereunder (both before and after giving effect to such purchase), the Originator shall be Solvent.

SECTION 5.10 Licenses, Contingent Liabilities, and Labor Controversies.

(a) The Originator has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain would be reasonably likely to have a Material Adverse Effect.

(b) There are no labor controversies pending against the Originator that have had (or are reasonably likely to have) a Material Adverse Effect.

SECTION 5.11 Margin Regulations. No use of any funds acquired by the Originator under this Agreement will conflict with or contravene any of Regulations, T, U and X promulgated by the Federal Reserve Board from time to time.

SECTION 5.12 Quality of Title.

(a) Each Receivable of the Originator (together with the Related Rights with respect to such Receivable) which is to be sold to the Company hereunder is or shall be owned by the Originator, free and clear of any Adverse Claim, except as provided herein and in the Receivables Purchase Agreement. Whenever the Company makes a purchase or accepts a contribution hereunder, it shall have acquired and shall continue to have maintained a valid and perfected ownership interest (free and clear of any Adverse Claim) in all Receivables (except for those Receivables reconveyed to the Originator pursuant to Section 3.4) generated by the Originator and all Collections related thereto, and in the Originator's entire right, title and interest in and to the Related Rights with respect thereto.

(b) No effective financing statement or other instrument similar in effect covering any Receivable generated by the Originator or any Related Rights is on file in any recording office except such as may be filed in favor of the Company or the Originator, as the case may be, in accordance with this Agreement or in favor of the Issuer in accordance with the Receivables Purchase Agreement.

(c) Unless otherwise identified to the Company on the date of the purchase or contribution hereunder, each Receivable purchased hereunder is on the date of purchase or contribution an Eligible Receivable.

SECTION 5.13 Accuracy of Information. All factual written information heretofore or contemporaneously furnished (and prepared) by the Originator to the Company or the Administrator for purposes of or in connection with any Transaction Document or any transaction contemplated hereby or thereby is, and all other such factual written information hereafter furnished (and prepared) by the Originator to the Company or the Administrator pursuant to or in connection with any Transaction Document will be, true and accurate in all material respects on the date as of which such information is dated or certified.

SECTION 5.14 Offices. The Originator's principal place of business and chief executive office is located at the address set forth in Schedule 5.14A and the offices where the Originator keeps all its books, records and documents evidencing its Receivables, the related Contracts and all other agreements related to such Receivables are located at the addresses specified in Schedule 5.14B (or at such other locations, notified to the Servicer and the Administrator in accordance with Section 6.1(f)), in jurisdictions where all action required by Section 7.3 has been taken and completed. The Originator's organization type, jurisdiction of organization and organizational identification number are set forth on Schedule 5.14A.

SECTION 5.15 Trade Names. The Originator does not use any trade name other than its actual corporate name and the trade names set forth in Schedule 5.15. From and after the date that fell five (5) years before the date hereof, except as set forth in Schedule 5.15, the Originator has not been known by any legal name other than its corporate name as of the date hereof, nor has the Originator been the subject of any merger or other corporate reorganization.

SECTION 5.16 Taxes. The Originator has filed all tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be owing, except any such taxes or charges which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

SECTION 5.17 Compliance with Applicable Laws. The Originator is in compliance with the requirements of all applicable laws, rules, regulations and orders of all Governmental Authorities, a breach of any of which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

SECTION 5.18 Reliance on Separate Legal Identity. The Originator acknowledges that the Issuer and the Administrator are entering into the Receivables Purchase Agreement in reliance upon the Company's identity as a legal entity separate from the Originator.

SECTION 5.19 Investment Company. The Originator is not an "investment company," or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940 as amended. In addition, the Originator is not a "holding company," a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

SECTION 5.20 Valid Contracts. Each Contract with respect to each Receivable is effective to create, and has created, a legal, valid and binding obligation of the related Obligor to pay the Outstanding Balance of the Receivable created thereunder and any accrued interest thereon, enforceable against the Obligor in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

ARTICLE VI
COVENANTS OF THE ORIGINATOR

SECTION 6.1 Affirmative Covenants. Until the latest of the Facility Termination Date, the date on which no Capital of or Discount in respect of the Purchased Interest shall be outstanding or the date on which all other amounts owed by the Originator under this Agreement or the Receivables Purchase Agreement to the Seller, the Issuer, the Administrator and any other Indemnified Party or Affected Person shall be paid in full, the Originator will, unless the Administrator and the Company shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders with respect to the Receivables generated by it and the Contracts and other agreements related thereto except where the failure to so comply would not materially and adversely affect the collectibility of such Receivables or the rights of the Company hereunder.

(b) Preservation of Corporate Existence. Except as otherwise permitted in Section 6.3(e), preserve and maintain its existence as a corporation, partnership or limited liability company, as applicable, and all rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation, partnership or limited liability company, as applicable, in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification would be reasonably likely to have a Material Adverse Effect.

(c) Receivables Reviews. (i) From time to time during regular business hours as reasonably requested in advance by the Company or the Administrator (unless a Termination Event or an Unmatured Termination Event exists or there shall be a material variance in the performance of the Receivables), permit the Company or the Administrator, or their respective agents or representatives, (A) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in possession or under the control of the Originator relating to Receivables, including, without limitation, the related Contracts and purchase orders and other agreements related thereto, and (B) to visit the offices and properties of the Originator for the purpose of examining such materials described in clause (A) above and to discuss matters relating to Receivables originated by it or the performance hereunder with any of the officers or employees of the Originator having knowledge of such matters, and (ii) without limiting the foregoing clause (i) above, permit certified public accountants or other auditors acceptable to the Company and Administrator to conduct, at the Company's expense, a review of the Originator's books and records with respect to such Receivables, provided that the Company shall not pay for more than one audit per year unless a Termination Event has occurred and is continuing.

(d) Keeping of Records and Books of Account. Maintain and implement administrative and operating procedures (including, without limitation, an ability to re-create records evidencing Receivables it generates in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of such Receivables (including, without limitation, records adequate to permit the daily identification of each new Receivable and all Collections of and adjustments to each existing Receivable).

(e) Performance and Compliance with Receivables and Contracts. Timely and fully perform and comply, in all material respects, with all provisions, covenants and other promises required to be observed by it under the Contracts and all other agreements related to the Receivables that it generates.

(f) Location of Records. Keep its principal place of business and chief executive office, and the offices where it keeps its records concerning or related to Receivables, at the address(es) referred to in Schedule 5.14 or, upon 15 days' prior written notice to the Company and the Administrator, at such other locations in jurisdictions where all action required by Section 7.3 shall have been taken and completed.

(g) Credit and Collection Policies. Comply in all material respects with its Credit and Collection Policy in connection with the Receivables that it generates and all Contracts and other agreements related thereto.

(h) Post Office Boxes. Within 30 days of the Closing Date, the only post office boxes into which Obligors will have been directed to send payments are post office boxes in the name of the relevant Lock-Box Banks.

(i) Transaction Documents. Comply in all material respects with the Transaction Documents to which it is a party.

(j) Change Affecting UCC. At least 30 days before any change in the Originator's name or any other change requiring the amendment of UCC financing statements, provide to the Company and the Servicer notice setting forth such changes and the effective date thereof and, prior to the effectiveness of such change, take all steps necessary to amend such financing statements to reflect such change.

SECTION 6.2 Reporting Requirements. Until the latest of the Facility Termination Date, the date on which no Capital of or Discount in respect of the Purchased Interest shall be outstanding or the date on which all other amounts owed by the Originator under this Agreement or the Receivables Purchase Agreement to the Seller, the Issuer, the Administrator and any other Indemnified Party or Affected Person shall be paid in full, the Originator will, unless the Servicer (on behalf of the Company) shall otherwise consent in writing, furnish to the Company and the Administrator:

(a) Purchase and Sale Termination Events. As soon as possible after the Originator has knowledge of the occurrence of, and in any event within three Business Days after the Originator has knowledge of the occurrence of each Purchase and Sale Termination Event or each Unmatured Purchase and Sale Termination Event in respect of the Originator, the statement of the chief financial officer or chief accounting officer of the Originator describing such Purchase and Sale Termination Event or Unmatured Purchase and Sale Termination Event and the action that the Originator proposes to take with respect thereto, in each case in reasonable detail;

(b) Proceedings. As soon as possible and in any event within three Business Days after the Originator otherwise has knowledge thereof, written notice of (i) material litigation, investigation or proceeding of the type described in Section 5.6 not previously disclosed to the Company and (ii) all materially adverse developments that have occurred with respect to any previously disclosed litigation, proceedings and investigations; and

(c) Other. Promptly, from time to time, such other information, documents, records or reports respecting the Receivables or the conditions or operations, financial or otherwise, of the Originator as the Company, the Issuer or the Administrator may from time to time reasonably request in order to protect the interests of the Company, the Issuer or the Administrator under or as contemplated by the Transaction Documents.

SECTION 6.3 Negative Covenants. Until the latest of the Facility Termination Date, the date on which no Capital of or Discount in respect of the Purchased Interest shall be outstanding or the date on which all other amounts owed by the Originator under this Agreement or the Receivables Purchase Agreement to the Seller, the Issuer, the Administrator and any other Indemnified Party or Affected Person shall be paid in full, the Originator agrees that, unless the Servicer (on behalf of the Company) and the Administrator shall otherwise consent in writing, it shall not:

(a) Sales, Liens, Etc. Except as otherwise provided herein or in any other Transaction Document, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any Receivable or related Contract or Related Security, or any interest therein, or any Collections thereon, or assign any right to receive income in respect thereof.

(b) Extension or Amendment of Receivables. Except as otherwise permitted in Section 4.2(a) of the Receivables Purchase Agreement, extend, amend or otherwise modify the terms of any Receivable in any material respect generated by it, or amend, modify or waive, in any material respect, any Contract related thereto (which term or condition relates to payments under, or the enforcement of, such Contract).

(c) Change in Business or Credit and Collection Policy. Make any change in the character of its business or materially alter its Credit and Collection Policy (other than a change to the insurance provisions of any such policy), which change or alteration would, in either case, materially adversely change the credit standing required of particular Obligors or potential Obligors or impair the collectibility of a material portion of Receivables generated by it.

(d) Receivables Not to be Evidenced by Promissory Notes or Chattel Paper. Take any action to cause or permit any Receivable generated by it to become evidenced by any “instrument” or “chattel paper” (as defined in the applicable UCC).

(e) Mergers, Acquisitions, Sales, etc. (i) Be a party to any merger or consolidation, except a merger or consolidation where the Originator is the surviving entity, or (ii) directly or indirectly sell, transfer, assign, convey or lease (A) whether in one or a series of transactions, all or substantially all of its assets or (B) any Receivables or any interest therein (other than pursuant to this Agreement).

(f) Lock-Box Banks. Make any changes in its instructions to Obligors regarding Collections or add or terminate any bank as a Lock-Box Bank unless the requirements of paragraph 2(g) of Exhibit IV to the Receivables Purchase Agreement have been met.

(g) Accounting for Purchases. Account for or treat (whether in financial statements or otherwise) the transactions contemplated hereby in any manner other than as sales or contributions to capital of the Receivables and Related Rights by the Originator to the Company.

(h) Transaction Documents. Enter into, execute, deliver or otherwise become bound by any agreement, instrument, document or other arrangement that restricts the right of the Originator to amend, supplement, amend and restate or otherwise modify, or to extend or renew, or to waive any right under, this Agreement or any other Transaction Document; provided, however, that the Originator may enter into the Credit Agreement as in effect as of August 26, 2010 (without giving effect to any future amendments, amendments and restatements, supplements or other modifications thereto).

SECTION 6.4 Substantive Consolidation. The Originator hereby acknowledges that this Agreement and the other Transaction Documents are being entered into in reliance upon the Company's identity as a legal entity separate from the Originator and its Affiliates. Therefore, from and after the date hereof, the Originator shall take all reasonable steps necessary to make it apparent to third Persons that the Company is an entity with assets and liabilities distinct from those of the Originator and any other Person, and is not a division of the Originator, its Affiliates or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, the Originator shall take such actions as shall be required in order that:

(a) except as provided for in Section 10.6, the Originator shall not be involved in the day to day management of the Company;

(b) the Originator shall maintain separate corporate records and books of account from the Company and otherwise will observe corporate formalities and have a separate area from the Company for its business;

(c) the financial statements and books and records of the Originator shall be prepared after the date of creation of the Company to reflect and shall reflect the separate existence of the Company; provided, that the Company's assets and liabilities may be included in a consolidated financial statement issued by an Affiliate of the Company; provided, however, all financial statements of UGI or any Affiliate thereof that are consolidated to include the Company will contain detailed notes clearly stating that (i) a special purpose corporation exists as a Subsidiary of UGI, (ii) the Originator has sold receivables and other related assets to such special purpose Subsidiary that, in turn, has sold undivided interests therein to certain financial institutions and other entities and (iii) that the special purpose Subsidiary's assets are not available to satisfy the obligations of UGI or any Affiliate;

(d) except as permitted by the Receivables Purchase Agreement or this Agreement, (i) the Originator shall maintain its assets separately from the assets of the Company, and (ii) the Company's assets, and records relating thereto, have not been, are not, and shall not be, commingled with those of the Originator;

(e) all of the Company's business correspondence and other communications shall be conducted in the Company's own name and on its own stationery;

(f) the Originator shall not act as an agent for the Company, other than UGI in its capacity as the Servicer, and in connection therewith, shall present itself to the public as an agent for the Company and a legal entity separate from the Company;

(g) the Originator shall not conduct any of the business of the Company in its own name;

(h) except as provided in Section 10.6, the Originator shall not pay any liabilities of the Company out of its own funds or assets;

(i) the Originator shall maintain an arm's-length relationship with the Company;

(j) the Originator shall not assume or guarantee or become obligated for the debts of the Company or hold out its credit as being available to satisfy the obligations of the Company;

(k) the Originator shall not acquire obligations of the Company;

(l) the Originator shall allocate fairly and reasonably overhead or other expenses that are properly shared with the Company, including, without limitation, shared office space;

(m) the Originator shall identify and hold itself out as a separate and distinct entity from the Company;

(n) the Originator shall correct any known misunderstanding respecting its separate identity from the Company;

(o) the Originator shall not enter into, or be a party to, any transaction with the Company, except in the ordinary course of its business and on terms which are intrinsically fair and not less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party; and

(p) the Originator shall not pay the salaries of the Company's employees, if any.

The provisions of this Section 6.4 shall survive any termination of this Agreement for one year and one day after the latest of the Facility Termination Date, the date on which no Capital of or Discount in respect of the Purchased Interest shall be outstanding or the date on which all other amounts owed by the Originator under this Agreement or the Receivables Purchase Agreement to the Seller, the Issuer, the Administrator and any other Indemnified Party or Affected Person shall be paid in full.

ARTICLE VII
ADDITIONAL RIGHTS AND OBLIGATIONS IN RESPECT OF RECEIVABLES

SECTION 7.1 Rights of the Company. The Originator hereby authorizes the Company, the Servicer or their respective designees to take any and all steps in the Originator's name necessary or desirable, in their respective determination, to collect on behalf of the Company all amounts due under any and all Receivables, including, without limitation, indorsing the name of the Originator on checks and other instruments representing Collections and enforcing such Receivables and the provisions of the related Contracts that concern payment and/or enforcement of rights to payment.

SECTION 7.2 Responsibilities of the Originator. Anything herein to the contrary notwithstanding:

(a) Collection Procedures. Within 30 days of the Closing Date, the Originator agrees to direct its respective Obligors to make payments of Receivables directly to a post office box related to the relevant Lock-Box Account at a Lock-Box Bank. The Originator further agrees to transfer any Collections that it receives directly to the Servicer (for the Company's account) within two (2) Business Days of receipt thereof, and agrees that all such Collections shall be deemed to be received in trust for the Company.

(b) The Originator shall perform its obligations hereunder, and the exercise by the Company or its designee of its rights hereunder shall not relieve the Originator from such obligations.

(c) None of the Company, the Servicer or the Administrator shall have any obligation or liability to any Obligor or any other third Person with respect to any Receivables, Contracts related thereto or any other related agreements, nor shall the Company, the Servicer, the Issuer or the Administrator be obligated to perform any of the obligations of the Originator thereunder.

(d) The Originator hereby grants to the Servicer an irrevocable power of attorney, with full power of substitution, coupled with an interest, to take, upon the occurrence and continuation of a Purchase and Sale Termination Event, in the name of the Originator and on behalf of the Company all steps necessary or advisable to endorse, negotiate or otherwise realize on any writing or other right of any kind held or transmitted by the Originator or transmitted or received by the Company (whether or not from the Originator) in connection with any Receivable and to take all other steps necessary to comply with its obligations as Servicer set forth in Article IV of the Receivables Purchase Agreement.

SECTION 7.3 Further Action Evidencing Purchases. The Originator agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action that the Servicer may reasonably request in order to perfect, protect or more fully evidence the Receivables and Related Rights purchased by or contributed to the Company hereunder, or to enable the Company to exercise or enforce any of its rights hereunder or under any other Transaction Document. Without limiting the generality of the foregoing, upon the request of the Servicer, the Originator will:

(a) execute and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate; and

(b) mark the master data processing records that evidence or list (i) such Receivables and (ii) related Contracts with the legend set forth in Section 4.1(j).

The Originator hereby authorizes the Company or its designee to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of the Receivables and Related Rights now existing or hereafter generated by the Originator. If the Originator fails to perform any of its agreements or obligations under this Agreement, the Company or its designee may (but shall not be required to) itself perform, or cause the performance of, such agreement or obligation, and the expenses of the Company or its designee incurred in connection therewith shall be payable by the Originator as provided in Section 9.1.

SECTION 7.4 Application of Collections. Any payment by an Obligor in respect of any amount owed by it to the Originator shall, except as otherwise specified by such Obligor or required by applicable law and unless otherwise instructed by the Servicer (with the prior written consent of the Administrator) or the Administrator, be applied as a Collection of any Receivable or Receivables of such Obligor to the extent of any amounts then due and payable thereunder (such application to be made starting with the oldest outstanding Receivable or Receivables) before being applied to any other indebtedness of such Obligor.

ARTICLE VIII
PURCHASE AND SALE TERMINATION EVENTS

SECTION 8.1 Purchase and Sale Termination Events. Each of the following events or occurrences described in this Section 8.1 shall constitute a "Purchase and Sale Termination Event":

(a) A Termination Event (as defined in the Receivables Purchase Agreement) shall have occurred and, in the case of a Termination Event (other than one described in paragraph (f) of Exhibit V of the Receivables Purchase Agreement), the Administrator, shall have declared the Facility Termination Date to have occurred; or

(b) The Originator shall fail to make any payment or deposit to be made by it hereunder when due and such failure shall remain unremedied for two (2) Business Days; or

(c) Any representation or warranty made or deemed to be made (pursuant to Section 4.2) by the Originator (or any of its officers) under or in connection with this Agreement, any other Transaction Documents, or any other written information or report delivered pursuant hereto or thereto shall prove to have been false or incorrect in any material respect when made or deemed made; provided, however, that if the violation of this paragraph (c) by the Originator may be cured without any potential or actual detriment to the Purchaser, the Administrator or any Program Support Provider, the Originator shall have 30 days from the earlier of (i) such Person's knowledge of such failure and (ii) notice to such Person of such failure to cure any such violation, before a Purchase and Sale Termination Event shall occur so long as such Person is diligently attempting to effect such cure; or

(d) The Originator shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed and such failure shall remain unremedied for 30 days after written notice thereof shall have been given by the Servicer to the Originator.

SECTION 8.2 Remedies.

(a) Optional Termination. Upon the occurrence of a Purchase and Sale Termination Event, the Company (and not the Servicer) shall have the option, by notice to the Originator (with a copy to the Administrator), to declare the Purchase Facility as terminated.

(b) Remedies Cumulative. Upon any termination of the Purchase Facility pursuant to Section 8.2(a), the Company shall have, in addition to all other rights and remedies under this Agreement, all other rights and remedies provided under the UCC of each applicable jurisdiction and other applicable laws, which rights shall be cumulative.

ARTICLE IX
INDEMNIFICATION

SECTION 9.1 Indemnities by the Originator. Without limiting any other rights which the Company may have hereunder or under applicable law, the Originator hereby agrees to indemnify the Company and each of its officers, directors, employees and agents (each of the foregoing Persons being individually called a "Purchase and Sale Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, judgments, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively called "Purchase and Sale Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of the failure of the Originator to perform its obligations under this Agreement or any other Transaction Document, or arising out of the claims asserted against a Purchase and Sale Indemnified Party relating to the transactions contemplated herein or therein or the use of proceeds thereof or therefrom, excluding, however, (i) Purchase and Sale Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Purchase and Sale Indemnified Party, (ii) recourse with respect to any Receivable to the extent that such Receivable is uncollectible on account of insolvency, bankruptcy or lack of creditworthiness of the related Obligor (except as otherwise specifically provided under this Agreement) and (iii) any tax based upon or measured by net income property, or gross receipts. Without limiting the foregoing, the Originator shall indemnify each Purchase and Sale Indemnified Party for Purchase and Sale Indemnified Amounts relating to or resulting from:

(a) the transfer by the Originator of an interest in any Receivable to any Person other than the Company;

(b) the breach of any representation or warranty made by the Originator (or any of its officers) under or in connection with this Agreement or any other Transaction Document, or any written information or report delivered by the Originator pursuant hereto or thereto, which shall have been false or incorrect in any respect when made or deemed made;

(c) the failure by the Originator to comply with any applicable law, rule or regulation with respect to any Receivable generated by the Originator or the related Contract, or the nonconformity of any Receivable generated by the Originator or the related Contract with any such applicable law, rule or regulation;

(d) the failure to vest and maintain vested in the Company an ownership interest in the Receivables generated by the Originator free and clear of any Adverse Claim, other than an Adverse Claim arising solely as a result of an act of the Company, the Issuer or the Administrator whether existing at the time of the purchase or contribution of such Receivables or at any time thereafter;

(e) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivables or purported Receivables generated by the Originator, whether at the time of any purchase or contribution or at any subsequent time;

(f) any dispute, claim, offset or defense (other than discharge in bankruptcy) of the Obligor to the payment of any Receivable or purported Receivable generated by the Originator (including, without limitation, a defense based on such Receivable's or the related Contract's not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the services related to any such Receivable or the furnishing of or failure to furnish such services;

(g) any product liability claim arising out of or in connection with services that are the subject of any Receivable generated by the Originator; and

(h) any tax or governmental fee or charge (other than any tax excluded pursuant to clause (iii) in the proviso to the preceding sentence), all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, which may arise by reason of the purchase or ownership of the Receivables generated by the Originator or any Related Security connected with any such Receivables.

If for any reason the indemnification provided above in this Section 9.1 is unavailable to a Purchase and Sale Indemnified Party or is insufficient to hold such Purchase and Sale Indemnified Party harmless, then the Originator, severally and for itself, shall contribute to the amount paid or payable by such Purchase and Sale Indemnified Party to the maximum extent permitted under applicable law.

ARTICLE X
MISCELLANEOUS

SECTION 10.1 Amendments, etc.

(a) The provisions of this Agreement may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and executed by the Company and the Originator (with the prior written consent of the Administrator).

(b) No failure or delay on the part of the Company, the Servicer, the Originator or any third party beneficiary in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on the Company, the Servicer or the Originator in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by the Company or the Servicer under this Agreement shall, except as may otherwise be stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval under this Agreement shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

(c) The Transaction Documents contain a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter thereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter thereof, superseding all prior oral or written understandings.

SECTION 10.2 Notices, etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by certified mail, postage prepaid, via nationally recognized courier, or by facsimile, to the intended party at the mailing address or facsimile number of such party set forth under its name on the signature pages hereof or at such other address or facsimile number as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective (i) if personally delivered, when received, (ii) if sent by certified mail three (3) Business Days after having been deposited in the mail, postage prepaid, (iii) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means (and shall be followed by a hard copy sent by first class mail), and (iv) if by nationally recognized overnight courier, the next Business Day.

SECTION 10.3 No Waiver; Cumulative Remedies. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. Without limiting the foregoing, the Originator hereby authorizes the Company, at any time and from time to time, to the fullest extent permitted by law, to set off, against any obligations of the Originator to the Company arising in connection with the Transaction Documents (including, without limitation, amounts payable pursuant to Section 9.1) that are then due and payable or that are not then due and payable but are accruing in respect of the then current Settlement Period, any and all indebtedness at any time owing by the Company to or for the credit or the account of the Originator.

SECTION 10.4 Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Company and the Originator and their respective successors and permitted assigns. The Originator may not assign any of its rights hereunder or any interest herein without the prior written consent of the Company, except as otherwise herein specifically provided. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until such time as the parties hereto shall agree in writing. The rights and remedies with respect to any breach of any representation and warranty made by the Originator pursuant to Article V and the indemnification and payment provisions of Article IX and Section 10.6 shall be continuing and shall survive any termination of this Agreement.

SECTION 10.5 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 10.6 Costs, Expenses and Taxes. In addition to the obligations of the Originator under Article IX, the Originator, agrees to pay on demand:

(a) to the Company (and any successor and permitted assigns thereof) all reasonable costs and expenses incurred by such Person in connection with the enforcement of this Agreement and the other Transaction Documents; and

(b) all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement or the other Transaction Documents to be delivered hereunder, and agrees to indemnify each Purchase and Sale Indemnified Party against any liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

SECTION 10.7 SUBMISSION TO JURISDICTION. EACH PARTY HERETO HEREBY IRREVOCABLY (a) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE OF NEW YORK OR THE FEDERAL COURT OF THE UNITED STATES FOR SOUTHERN DISTRICT OF NEW YORK, NEW YORK OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY TRANSACTION DOCUMENT; (b) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE OR UNITED STATES FEDERAL COURT; (c) WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING; (d) IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO SUCH PERSON AT ITS ADDRESS SPECIFIED IN SECTION 10.2; AND (e) AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS SECTION 10.7 SHALL AFFECT THE COMPANY'S RIGHT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING ANY ACTION OR PROCEEDING AGAINST THE ORIGINATOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTIONS.

SECTION 10.8 WAIVER OF JURY TRIAL. EACH PARTY HERETO WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, AND AGREES THAT (a) ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND (b) ANY PARTY HERETO (OR ANY ASSIGNEE OR THIRD PARTY BENEFICIARY OF THIS AGREEMENT) MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF ANY OTHER PARTY OR PARTIES HERETO TO WAIVER OF ITS OR THEIR RIGHT TO TRIAL BY JURY.

SECTION 10.9 Captions and Cross References; Incorporation by Reference. The various captions (including, without limitation, the table of contents) in this Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. References in this Agreement to any underscored Section or Exhibit are to such Section or Exhibit of this Agreement, as the case may be. The Exhibits hereto are hereby incorporated by reference into and made a part of this Agreement.

SECTION 10.10 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

SECTION 10.11 Acknowledgment and Agreement. By execution below, the Originator expressly acknowledges and agrees that all of the Company's rights, title, and interests in, to, and under this Agreement (but not its obligations), shall be assigned by the Company pursuant to the Receivables Purchase Agreement, and the Originator consents to such assignment. Each of the parties hereto acknowledges and agrees that the Administrator, and the Issuer are third party beneficiaries of the rights of the Company arising hereunder and under the other Transaction Documents to which the Originator is a party.

SECTION 10.12 No Proceeding. The Originator hereby agrees that it will not institute against, or cause to be instituted against, the Issuer, or join any other Person in instituting against the Issuer, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of Insolvency Proceeding) so long as any Notes shall be outstanding or there shall have elapsed less than one year plus two days since the last day on which any such Notes shall have been outstanding.

SECTION 10.13 Limited Recourse. Except as explicitly set forth herein, the obligations of the Company and the Originator under this Agreement or any other Transaction Documents to which each is a party are solely the obligations of the Company and each Originator. No recourse under any Transaction Document shall be had against, and no liability shall attach to, any officer, employee, director, or beneficiary, whether directly or indirectly, of the Company or the Originator; provided, however, that this Section shall not relieve any such Person of any liability it might otherwise have for its own gross negligence or willful misconduct.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

ENERGY SERVICES FUNDING CORPORATION

By: _____
Name: _____
Title: _____

Address: Energy Services Funding Corporation
460 North Gulph Road, Suite 200
King of Prussia, PA 19406-2815

Attention: Robert W. Krick
Telephone: (610) 337-1000 ext. 3141
Facsimile: (610) 992-3259

UGI ENERGY SERVICES, INC.

By: _____
Name: _____
Title: _____

Address: UGI Energy Services, Inc.
1100 Berkshire Boulevard, Suite 305
Wyomissing, PA 19610

Attention: Joseph L. Hartz
Telephone: (610) 373-7999 ext. 106
Facsimile: (610) 374-4288

PROCEEDINGS

Complaint of GASMARK against Columbia Gas of Pennsylvania, Inc. ("Columbia"), filed with the Public Utility Commission on July 19, 2001, regarding (i) the imposition of Operational Flow Orders and Operational Matching Orders, (ii) the imposition of penalties for the failure to deliver gas to Columbia's local market areas, and (iii) certain of Columbia's tariff provisions and business practices; Answer and new matter of Columbia filed on August 13, 2001, seeking unspecified sanctions against GASMARK for failure to honor its delivery obligations as a licensed supplier on the Columbia system.

CHIEF EXECUTIVE OFFICE OF THE ORIGINATOR

Originator	Jurisdiction of Organization and Type of Organization	Chief Executive Office	Organizational Identification Number
UGI Energy Services, Inc.	Pennsylvania corporation	1100 Berkshire Blvd Suite 305 Wyomissing, PA 19610	2627451

LOCATION OF BOOKS AND RECORDS OF THE ORIGINATOR

Originator	**Location of Books and Records**
UGI Energy Services, Inc.	460 North Gulph Road King of Prussia, Pennsylvania 19406-2815 100 Kachel Boulevard Suite 400 Reading, Pennsylvania 19607 1100 Berkshire Boulevard Suite 305 Wyomissing, Pennsylvania 19610

Schedule 5.15

TRADE NAMES

Legal Name	Trade Names
UGI Energy Services, Inc.	GASMARK POWERMARK

Exhibit A

FORM OF PURCHASE REPORT

Originator:

Purchaser: Energy Services Funding Corporation

Payment Date:

1. Outstanding Balance of Receivables Purchased:
2. Fair Market Value Discount:

   1 / {1+ [(0.06%) / 12]}
3. Purchase Price (1 x 2) = $_____

Exhibit B

FORM OF SUBORDINATED COMPANY NOTE

_____

_____, 200__

FOR VALUE RECEIVED, the undersigned, Energy Services Funding Corporation, a Delaware corporation ("Company"), promises to pay to UGI Energy Services Inc., a Pennsylvania corporation (the "Originator"), on the terms and subject to the conditions set forth herein and in the Purchase and Sale Agreement referred to below, the aggregate unpaid Purchase Price of all Receivables purchased by the Company from the Originator pursuant to such Purchase and Sale Agreement, as such unpaid Purchase Price is shown in the records of the Servicer.

1. Purchase and Sale Agreement. This Company Note is one of the Company Notes described in, and is subject to the terms and conditions set forth in, that certain Purchase and Sale Agreement of even date herewith (as the same may be amended, supplemented, amended and restated or otherwise modified in accordance with its terms, the "Purchase and Sale Agreement"), between the Company and the Originator. Reference is hereby made to the Purchase and Sale Agreement for a statement of certain other rights and obligations of the Company and the Originator.

2. Definitions. Capitalized terms used (but not defined) herein have the meanings assigned thereto in Exhibit I to the Receivables Purchase Agreement (as defined in the Purchase and Sale Agreement). In addition, as used herein, the following terms have the following meanings:

"Bankruptcy Proceedings" has the meaning set forth in clause (b) of paragraph 9 hereof.

"Final Maturity Date" means the Payment Date immediately following the date that falls one hundred twenty one (121) days after the Purchase and Sale Termination Date.

"Interest Period" means the period from and including a Settlement Date (or, in the case of the first Interest Period, the date hereof) to but excluding the next Settlement Date.

"Prime Rate" has the meaning assigned thereto in the Purchase and Sale Agreement.

"Receivables Purchase Agreement" means the Receivables Purchase Agreement, dated as of November 30, 2001, entered into among Energy Services Funding Corporation, UGI Energy Services, Inc., Market Street Funding Corporation and PNC Bank, National Association, as may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Senior Interests" means, collectively, (i) all accrued and unpaid Discount, (ii) all fees payable by the Company to the Senior Interest Holders pursuant to the Receivables Purchase Agreement, (iii) all amounts payable pursuant to Section 1.7 and 1.8 of the Receivables Purchase Agreement, (iv) the aggregate Capital and (v) all other obligations owed by the Company to the Senior Interest Holders under the Receivables Purchase Agreement and other Transaction Documents that are due and payable, together with any and all interest and Discount accruing on any such amount after the commencement of any Bankruptcy Proceedings, notwithstanding any provision or rule of law that might restrict the rights of any Senior Interest Holder, as against the Company or anyone else, to collect such interest.

"Senior Interest Holders" means, collectively, the Issuer, the Administrator and the Indemnified Parties.

"Subordination Provisions" means, collectively, clauses (a) through (l) of paragraph 9 hereof.

"One-Month LIBOR Rate" means, for any Interest Period, the rate set forth for "one month" under "London Interbank Offered Rates (Libor):" as published in the Wall Street Journal on the first day of such Interest Period.

3. Interest. Subject to the Subordination Provisions set forth below, the Company promises to pay interest on this Company Note as follows:

(a) Prior to the Final Maturity Date, the aggregate unpaid Purchase Price from time to time outstanding during any Interest Period shall bear interest at a rate per annum equal to the One-Month LIBOR Rate for such Interest Period as determined by the Servicer; and

(b) From (and including) the Final Maturity Date to (but excluding) the date on which the entire aggregate unpaid Purchase Price payable to the Originator is fully paid, such aggregate unpaid Purchase Price from time to time outstanding shall bear interest at a rate per annum equal to the Prime Rate.

4. Interest Payment Dates. Subject to the Subordination Provisions set forth below, the Company shall pay accrued interest on this Company Note on each Settlement Date, and shall pay accrued interest on the amount of each principal payment made in cash on a date other than a Settlement Date at the time of such principal payment.

5. Basis of Computation. Interest accrued hereunder that is computed by reference to the One-Month LIBOR Rate shall be computed for the actual number of days elapsed on the basis of a 360-day year, and interest accrued hereunder that is computed by reference to the rate described in paragraph 3(b) of this Company Note shall be computed for the actual number of days elapsed on the basis of a 365- or 366-day year.

6. Principal Payment Dates. Subject to the Subordination Provisions set forth below, payments of the principal amount of this Company Note shall be made as follows:

(a) The principal amount of this Company Note shall be reduced by an amount equal to each payment deemed made pursuant to Section 3.3 of the Purchase and Sale Agreement; and

(b) The entire remaining unpaid Purchase Price of all Receivables purchased by the Company from the Originator pursuant to the Purchase and Sale Agreement shall be due and payable on the Final Maturity Date.

Subject to the Subordination Provisions set forth below, the principal amount of and accrued interest on this Company Note may be prepaid on any Business Day without premium or penalty.

7. Payment Mechanics. All payments of principal and interest hereunder are to be made in lawful money of the United States of America.

8. Enforcement Expenses. In addition to and not in limitation of the foregoing, but subject to the Subordination Provisions set forth below and to any limitation imposed by applicable law, the Company agrees to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Originator in seeking to collect any amounts payable hereunder which are not paid when due.

9. Subordination Provisions. The Company covenants and agrees, and the Originator and any other holder of this Company Note (collectively, the Originator and any such other holder are called the "Holder"), by its acceptance of this Company Note, likewise covenants and agrees on behalf of itself and any holder of this Company Note, that the payment of the principal amount of and interest on this Company Note is hereby expressly subordinated in right of payment to the payment and performance of the Senior Interests to the extent and in the manner set forth in the following clauses of this paragraph 9:

(a) No payment or other distribution of the Company's assets of any kind or character, whether in cash, securities, or other rights or property, shall be made on account of this Company Note except to the extent such payment or other distribution is (i) permitted under paragraph 1(n) of Exhibit IV of the Receivables Purchase Agreement or (ii) made pursuant to clause (a) or (b) of paragraph 6 of this Company Note;

(b) In the event of any dissolution, winding up, liquidation, readjustment, reorganization or other similar event relating to the Company, whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the Company or any sale of all or substantially all of the assets of the Company other than as permitted by the Purchase and Sale Agreement (such proceedings being herein collectively called "Bankruptcy Proceedings"), the Senior Interests shall first be paid and performed in full and in cash before the Originator shall be entitled to receive and to retain any payment or distribution in respect of this Company Note. In order to implement the foregoing during any Bankruptcy Proceeding: (i) all payments and distributions of any kind or character in respect of this Company Note to which Holder would be entitled except for this clause (b) shall be made directly to the Administrator (for the benefit of the Senior Interest Holders); (ii) Holder shall promptly file a claim or claims, in the form required in any Bankruptcy Proceedings, for the full outstanding amount of this Company Note, and shall use commercially reasonable efforts to cause said claim or claims to be approved and all payments and other distributions in respect thereof to be made directly to the Administrator (for the benefit of the Senior Interest Holders) until the Senior Interests shall have been paid and performed in full and in cash; and (iii) Holder hereby irrevocably agrees that the Issuer (or the Administrator acting on the Issuer's behalf), in the name of Holder or otherwise, may demand, sue for, collect, receive and receipt for any and all such payments or distributions, and file, prove and vote or consent in any such Bankruptcy Proceedings with respect to any and all claims of Holder relating to this Company Note, in each case until the Senior Interests shall have been paid and performed in full and in cash;

(c) In the event that Holder receives any payment or other distribution of any kind or character from the Company or from any other source whatsoever, in respect of this Company Note, other than as expressly permitted by the terms of this Company Note, such payment or other distribution shall be received in trust for the Senior Interest Holders and shall be turned over by Holder to the Administrator (for the benefit of the Senior Interest Holders) forthwith. Holder will mark its books and records so as clearly to indicate that this Company Note is subordinated in accordance with the terms hereof. All payments and distributions received by the Administrator in respect of this Company Note, to the extent received in or converted into cash, may be applied by the Administrator (for the benefit of the Senior Interest Holders) first to the payment of any and all expenses (including reasonable attorneys' fees and legal expenses) paid or incurred by the Senior Interest Holders in enforcing these Subordination Provisions, or in endeavoring to collect or realize upon this Company Note, and any balance thereof shall, solely as between the Originator and the Senior Interest Holders, be applied by the Administrator (in the order of application set forth in Section 1.4(d)(ii) of the Receivables Purchase Agreement) toward the payment of the Senior Interests; but as between the Company and its creditors, no such payments or distributions of any kind or character shall be deemed to be payments or distributions in respect of the Senior Interests;

(d) Notwithstanding any payments or distributions received by the Senior Interest Holders in respect of this Company Note, while any Bankruptcy Proceedings are pending Holder shall not be subrogated to the then existing rights of the Senior Interest Holders in respect of the Senior Interests until the Senior Interests have been paid and performed in full and in cash. If no Bankruptcy Proceedings are pending, Holder shall only be entitled to exercise any subrogation rights that it may acquire (by reason of a payment or distribution to the Senior Interest Holders in respect of this Company Note) to the extent that any payment arising out of the exercise of such rights would be permitted under paragraph 1(n) of Exhibit IV of the Receivables Purchase Agreement;

(e) These Subordination Provisions are intended solely for the purpose of defining the relative rights of Holder, on the one hand, and the Senior Interest Holders on the other hand. Nothing contained in these Subordination Provisions or elsewhere in this Company Note is intended to or shall impair, as between the Company, its creditors (other than the Senior Interest Holders) and Holder, the Company's obligation, which is unconditional and absolute, to pay Holder the principal of and interest on this Company Note as and when the same shall become due and payable in accordance with the terms hereof or to affect the relative rights of Holder and creditors of the Company (other than the Senior Interest Holders);

(f) Holder shall not, until the Senior Interests have been paid and performed in full and in cash, (i) cancel, waive, forgive, transfer or assign, or commence legal proceedings to enforce or collect, or subordinate to any obligation of the Company, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due, other than the Senior Interests, this Company Note or any rights in respect hereof or (ii) convert this Company Note into an equity interest in the Company, unless Holder shall have received the prior written consent of the Administrator and the Issuer in each case;

(g) Holder shall not, without the advance written consent of the Administrator and the Issuer, commence, or join with any other Person in commencing, any Bankruptcy Proceedings with respect to the Company until at least one year and one day shall have passed since the Senior Interests shall have been paid and performed in full and in cash;

(h) If, at any time, any payment (in whole or in part) of any Senior Interest is rescinded or must be restored or returned by a Senior Interest Holder (whether in connection with Bankruptcy Proceedings or otherwise), these Subordination Provisions shall continue to be effective or shall be reinstated, as the case may be, as though such payment had not been made;

(i) Each of the Senior Interest Holders may, from time to time, at its sole discretion, without notice to Holder, and without waiving any of its rights under these Subordination Provisions, take any or all of the following actions: (i) retain or obtain an interest in any property to secure any of the Senior Interests; (ii) retain or obtain the primary or secondary obligations of any other obligor or obligors with respect to any of the Senior Interests; (iii) extend or renew for one or more periods (whether or not longer than the original period), alter or exchange any of the Senior Interests, or release or compromise any obligation of any nature with respect to any of the Senior Interests; (iv) amend, supplement, amend and restate, or otherwise modify any Transaction Document; and (v) release its security interest in, or surrender, release or permit any substitution or exchange for all or any part of any rights or property securing any of the Senior Interests, or extend or renew for one or more periods (whether or not longer than the original period), or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such rights or property;

(j) Holder hereby waives: (i) notice of acceptance of these Subordination Provisions by any of the Senior Interest Holders; (ii) notice of the existence, creation, non-payment or non-performance of all or any of the Senior Interests; and (iii) all diligence in enforcement, collection or protection of, or realization upon, the Senior Interests, or any thereof, or any security therefor;

(k) Each of the Senior Interest Holders may, from time to time, on the terms and subject to the conditions set forth in the Transaction Documents to which such Persons are party, but without notice to Holder, assign or transfer any or all of the Senior Interests, or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Senior Interests shall be and remain Senior Interests for the purposes of these Subordination Provisions, and every immediate and successive assignee or transferee of any of the Senior Interests or of any interest of such assignee or transferee in the Senior Interests shall be entitled to the benefits of these Subordination Provisions to the same extent as if such assignee or transferee were the assignor or transferor; and

(l) These Subordination Provisions constitute a continuing offer from the holder of this Company Note to all Persons who become the holders of, or who continue to hold, Senior Interests; and these Subordination Provisions are made for the benefit of the Senior Interest Holders, and the Administrator may proceed to enforce such provisions on behalf of each of such Persons.

10. General. No failure or delay on the part of the Originator in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No amendment, modification or waiver of, or consent with respect to, any provision of this Company Note shall in any event be effective unless (i) the same shall be in writing and signed and delivered by the Company and Holder and (ii) all consents required for such actions under the Transaction Documents shall have been received by the appropriate Persons.

11. Maximum Interest. Notwithstanding anything in this Company Note to the contrary, the Company shall never be required to pay unearned interest on any amount outstanding hereunder and shall never be required to pay interest on the principal amount outstanding hereunder at a rate in excess of the maximum interest rate that may be contracted for, charged or received under applicable federal or state law (such maximum rate being herein called the "Highest Lawful Rate"). If the effective rate of interest which would otherwise by payable under this Company Note would exceed the Highest Lawful Rate, or if the holder of this Company Note shall receive any unearned interest or shall receive monies that are deemed to constitute interest which would increase the effective rate of interest payable by the Company under this Company Note to a rate in excess of the Highest Lawful Rate, then (i) the amount of interest which would otherwise by payable by the Company under this Company Note shall be reduced to the amount allowed by applicable law, and (ii) any unearned interest paid by the Company or any interest paid by the Company in excess of the Highest Lawful Rate shall be refunded to the Company. Without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received by the Originator under this Company Note that are made for the purpose of determining whether such rate exceeds the Highest Lawful Rate applicable to the Originator (such Highest Lawful Rate being herein called the "Originator's Maximum Permissible Rate") shall be made, to the extent permitted by usury laws applicable to the Originator (now or hereafter enacted), by amortizing, prorating and spreading in equal parts during the actual period during which any amount has been outstanding hereunder all interest at any time contracted for, charged or received by the Originator in connection herewith. If at any time and from time to time (i) the amount of interest payable to the Originator on any date shall be computed at the Originator's Maximum Permissible Rate pursuant to the provisions of the foregoing sentence and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to the Originator would be less than the amount of interest payable to the Originator computed at the Originator's Maximum Permissible Rate, then the amount of interest payable to the Originator in respect of such subsequent interest computation period shall continue to be computed at the Originator's Maximum Permissible Rate until the total amount of interest payable to the Originator shall equal the total amount of interest which would have been payable to the Originator if the total amount of interest had been computed without giving effect to the provisions of the foregoing sentence.

12. No Negotiation. This Company Note is not negotiable except that is may be assigned to any Affiliate of the Originator.

13. GOVERNING LAW. THIS COMPANY NOTE HAS BEEN DELIVERED IN THE STATE OF NEW YORK, AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

14. Captions. Paragraph captions used in this Company Note are for convenience only and shall not affect the meaning or interpretation of any provision of this Company Note.

[signature page follows]

ENERGY SERVICES FUNDING CORPORATION

By: _____
Name: _____
Title: _____

Exhibit B-8

FORM OF ORIGINATOR ASSIGNMENT CERTIFICATE

ORIGINATOR ASSIGNMENT CERTIFICATE

Reference is made to the Purchase and Sale Agreement of even date herewith (as the same may be amended, supplemented, amended and restated or otherwise modified from time to time, the "Purchase and Sale Agreement") between the undersigned and Energy Services Funding Corporation (the "Company"). Unless otherwise defined herein, capitalized terms used herein have the meanings provided in the Purchase and Sale Agreement or in Exhibit I to the Receivables Purchase Agreement (as defined in the Purchase and Sale Agreement), as applicable.

The undersigned hereby sells, assigns and transfers unto the Company and its successors and assigns all right, title and interest of the undersigned in and to:

(a) each Receivable of the undersigned that existed and was owing to the undersigned as of the Cut-off Date other than Receivables contributed pursuant to Section 3.1 of the Purchase and Sale Agreement;

(b) each Receivable generated by the undersigned from and including the Cut-off Date to and including the Purchase and Sale Termination Date (other than any Receivable later contributed pursuant to the second sentence of Section 3.1 of the Purchase and Sale Agreement);

(c) all rights of the undersigned to, but not the obligations under, all Related Security;

(d) all monies due or to become due to the undersigned with respect to any of the foregoing;

(e) all books and records of the undersigned related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest of the undersigned in each lock-box and related lock-box address and account to which Collections are sent, all amounts on deposit therein, all certificates and instruments, if any, from time to time evidencing such accounts and amounts on deposit therein, and all related agreements between the undersigned and each Lock-Box Bank; and

(f) all collections and other proceeds and products of any of the foregoing (as defined in the applicable UCC) that are or were received by the undersigned on or after the Cut-off Date, including, without limitation, all funds which either are received by the undersigned, the Company or the Servicer from or on behalf of the Obligors in payment of any amounts owed (including, without limitation, invoice price, finance charges, interest and all other charges) in respect of Receivables, or are applied to such amounts owed by the Obligors (including, without limitation, insurance payments that the undersigned or the Servicer applies in the ordinary course of its business to amounts owed in respect of any Receivable, and net proceeds of sale or other disposition of repossessed goods or other collateral or property of the Obligors in respect of Receivables or any other parties directly or indirectly liable for payment of such Receivables).

This Originator Assignment Certificate is made without recourse but on the terms and subject to the conditions set forth in the Transaction Documents to which the undersigned is a party. The undersigned acknowledges and agrees that the Company and its successors and assigns are accepting this Originator Assignment Certificate in reliance on the representations, warranties and covenants of the undersigned contained in the Transaction Documents to which the undersigned is a party.

THIS ORIGINATOR ASSIGNMENT CERTIFICATE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE PURCHASE AND SALE AGREEMENT AND THE INTERNAL LAWS OF THE STATE OF NEW YORK.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Originator Assignment Certificate to be duly executed and delivered by its duly authorized officer this _____ day of _____, 200_____.

[ORIGINATOR]

By: _____
Name: _____
Title: _____

FORM OF JOINDER AGREEMENT

THIS **JOINDER AGREEMENT**, dated as of _____, 20_____ (this "Agreement") is executed by _____, a corporation organized under the laws of _____ (the "Additional Seller"), with its principal place of business located at _____.

BACKGROUND:

A. Energy Services Funding Corporation (the "Buyer") and UGI Energy Services, Inc. (the "Seller") have entered into that certain Purchase and Sale Agreement, dated as of November 30, 2001 (as amended through the date hereof, and as it may be further amended from time to time, the "Purchase and Sale Agreement").

B. The Additional Seller desires to become a Seller pursuant to Section 4.3 of the Purchase and Sale Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Additional Seller hereby agrees as follows:

SECTION 1. Definitions. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Purchase and Sale Agreement or in the Receivables Purchase Agreement (as defined in the Purchase and Sale Agreement).

SECTION 2. Transaction Documents. The Additional Seller hereby agrees that it shall be bound by all of the terms, conditions and provisions of, and shall be deemed to be a party to (as if it were an original signatory to), the Purchase and Sale Agreement and each of the other relevant Transaction Documents. From and after the later of the date hereof and the date that the Additional Seller has complied with all of the requirements of Section 4.3 of the Purchase and Sale Agreement, the Additional Seller shall be a Seller for all purposes of the Purchase and Sale Agreement and all other Transaction Documents. The Additional Seller hereby acknowledges that it has received copies of the Purchase and Sale Agreement and the other Transaction Documents.

SECTION 3. Representations and Warranties. The Additional Seller hereby makes all of the representations and warranties set forth in Article V (to the extent applicable) of the Purchase and Sale Agreement as of the date hereof (unless such representations or warranties relate to an earlier date, in which as of such earlier date), as if such representations and warranties were fully set forth herein. The Additional Seller hereby represents and warrants that the chief place of business and chief executive office of the Additional Seller, and the offices where the Additional Seller keeps all of its Records and Related Security is as follows:

_____

_____

_____

The Additional Seller hereby represents and warrants that it is a **[corporation], [limited liability company] [limited partnership]** organized in _____ and its organizational number is _____.

SECTION 4. Miscellaneous. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York. This Agreement is executed by the Additional Seller for the benefit of the Buyer, and its assigns, and each of the foregoing parties may rely hereon. This Agreement shall be binding upon, and shall inure to the benefit of, the Additional Seller and its successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its duly authorized officer as of the date and year first above written.

[NAME OF ADDITIONAL SELLER]

By: _____
Name: _____
Title: _____

Consented to

ENERGY SERVICES FUNDING CORPORATION

By: _____
Name: _____
Title: _____

PNC BANK, NATIONAL ASSOCIATION,
as Administrator

By: _____
Name: _____
Title: _____

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EXHIBITS FROM RECEIVABLES PURCHASE AGREEMENT INCORPORATED BY REFERENCE

EXHIBIT I
DEFINITIONS

As used in the Agreement (including its Exhibits, Schedules and Annexes), the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined). Unless otherwise indicated, all Section, Annex, Exhibit and Schedule references in this Exhibit are to Sections of and Annexes, Exhibits and Schedules to the Agreement.

"Administration Account" means the account (account number 1002422076, ABA number 043000096) of the Issuer maintained at the office of PNC at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707, or such other account as may be so designated in writing by the Administrator to the Servicer.

"Administrator" has the meaning set forth in the preamble to the Agreement.

"Adverse Claim" means a lien, security interest or other charge or encumbrance, or any other type of preferential arrangement; it being understood that any thereof in favor of, or assigned to, the Issuer or the Administrator (for the benefit of the Issuer) shall not constitute an Adverse Claim.

"Affected Person" has the meaning set forth in Section 1.7 of the Agreement.

"Affiliate" means, as to any Person: (a) any Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person, or (b) who is a director or officer: (i) of such Person or (ii) of any Person described in clause (a), except that, with respect to the Issuer, Affiliate shall mean the holder(s) of its capital stock. For purposes of this definition, control of a Person shall mean the power, direct or indirect: (x) to vote 51% or more of the securities having ordinary voting power for the election of directors or managers of such Person, or (y) to direct or cause the direction of the management and policies of such Person, in either case whether by ownership of securities, contract, proxy or otherwise.

"Agreement" has the meaning set forth in the preamble to the Agreement.

"Alternate Rate" for any Settlement Period for any Portion of Capital of the Purchased Interest means an interest rate per annum equal to: (a) 2.00% per annum above the Euro-Rate for such Settlement Period, or, in the sole discretion of the Administrator, (b) the Base Rate for such Settlement Period; provided, however, that the "Alternate Rate" for any day while a Termination Event exists shall be an interest rate equal to 3.00% per annum above the Base Rate in effect on such day. "Attorney Costs" means and includes all reasonable fees and disbursements of any law firm or other external counsel, the reasonable allocated cost of internal legal services and all reasonable disbursements of internal counsel.

"Approved Billing Program" means any consolidated billing or similar agreement between a Purchasing Utility and the Originator pursuant to which the Originator may from time to time sell and/or assign receivables, which agreement has been approved in writing by the Administrator; provided, that if (i) the Originator delivers to the Administrator in writing and in accordance with Section 5.2 a copy of such an agreement (or a substantially final draft thereof) with a request that it be approved as an "Approved Billing Program" and (ii) the Administrator does not, on or prior to the date that is ten (10) Business Days following such delivery, notify the Originator or the Servicer that the Administrator is withholding such approval, the Administrator shall be deemed to have approved such agreement as an "Approved Billing Program" in accordance with this definition. Without limiting the generality of the foregoing, each of the following agreements shall be an Approved Billing Program: (x) that certain Consolidated Utility Billing Service and Assignment Agreement, contemplated to be entered into between Consolidated Edison Company of New York, Inc. and the Originator, containing terms and conditions in form and substance substantially similar to those set forth in the draft of such agreement previously delivered by the Originator to the Administrator on April 7, 2009 and (y) that certain Third Party Supplier Customer Account Services Master Service Agreement, dated November 6, 2008, by and between Public Service Electric and Gas Company and the Originator, a copy of which was delivered by the Originator to the Administrator on April 20, 2009.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

"Base Rate" means, for any day, a fluctuating interest rate per annum as shall be in effect from time to time, which rate shall be at all times equal to the higher of:

(a) the rate of interest in effect for such day as publicly announced from time to time by PNC in Pittsburgh, Pennsylvania as its "prime rate." Such "prime rate" is set by PNC based upon various factors, including PNC's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate, and

(b) 0.50% per annum above the latest Federal Funds Rate.

"BBA" means the British Bankers' Association.

"Benefit Plan" means any employee benefit pension plan as defined in Section 3(2) of ERISA in respect of which the Seller, the Originator, UGI or any ERISA Affiliate is an "employer" as defined in Section 3(5) of ERISA.

"Billing Program Receivable" means a Receivable described in clause (i) of the definition of the term "Receivable", which is sold and/or assigned by the Originator to a Purchasing Utility from time to time pursuant to an Approved Billing Program.

"Business Day" means any day (other than a Saturday or Sunday) on which: (a) banks are not authorized or required to close in New York City, New York or Pittsburgh, Pennsylvania, and (b) if this definition of "Business Day" is utilized in connection with the Euro-Rate, dealings are carried out in the London interbank market.

"Capital" means the amount paid to the Seller in respect of the Purchased Interest by the Issuer pursuant to the Agreement, or such amount divided or combined in order to determine the Discount applicable to any Portion of Capital, in each case reduced from time to time by Collections distributed and applied on account of such Capital pursuant to Section 1.4(d) of the Agreement; provided, that if such Capital shall have been reduced by any distribution, and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Capital shall be increased by the amount of such rescinded or returned distribution as though it had not been made.

"Change in Control" means that (a) with respect to the Seller, UGI ceases to own, directly or indirectly, 100% of the capital stock of the Seller free and clear of all Adverse Claims, (b) with respect to UGI, UGI Enterprises, Inc. shall cease to own 51% or more of the shares of outstanding voting stock of UGI on a fully diluted basis.

"Closing Date" means November 30, 2001.

"Collections" means, with respect to any Pool Receivable: (a) all funds that are received by the Originator, UGI, the Seller or the Servicer in payment of any amounts owed in respect of such Receivable (including purchase price, finance charges, interest and all other charges), or applied to amounts owed in respect of such Receivable (including insurance payments and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the related Obligor or any other Person directly or indirectly liable for the payment of such Pool Receivable and available to be applied thereon), (b) all amounts deemed to have been received pursuant to Section 1.4(e) of the Agreement and (c) all other proceeds of such Pool Receivable.

"Concentration Percentage" means for any: (a) Group A Obligor, 16.00%, (b) Group B Obligor, 12.00%, (c) Group C Obligor, 8.00% and (d) Group D Obligor, 4.00%.

"Concentration Reserve Percentage" means, at any time, the largest of: (a) the sum of five largest Group D Obligor Percentages, (b) the sum of the three largest Group C Obligor Percentages, (c) the sum of two largest Group B Obligor Percentages and (d) the largest Group A Obligor Percentage.

"Contract" means, with respect to any Receivable, any and all contracts, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Receivable arises or that evidence such Receivable or under which an Obligor becomes or is obligated to make payment in respect of such Receivable.

"Contributed Receivables" has the meaning set forth in Section 2.2 of the Purchase and Sale Agreement.

"CP Rate" for any Settlement Period for any Portion of Capital means a rate calculated by the Administrator equal to: (a) the rate (or if more than one rate, the weighted average of the rates) at which Notes of the Issuer on each day during such period have been outstanding; provided, that if such rate(s) is a discount rate(s), then the CP Rate shall be the rate (or if more than one rate, the weighted average of the rates) resulting from converting such discount rate(s) to an interest-bearing equivalent rate plus (b) the commissions and charges charged by such placement agent or commercial paper dealer with respect to such Notes, expressed as a percentage of the face amount of such Notes and converted to an interest-bearing equivalent rate per annum. Notwithstanding the foregoing, the "CP Rate" for any day while a Termination Event exists shall be an interest rate equal to 3.00% above the Base Rate in effect on such day.

"Credit Agreement" means that certain Credit Agreement, dated on or about August 26, 2010, among UGI, as borrower, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, Wells Fargo Bank, National Association, and certain other parties, as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Credit and Collection Policy" means, as the context may require, those receivables credit and collection policies and practices of the Originator in effect on the date of the Agreement and described in Schedule I to the Agreement, as modified in compliance with the Agreement.

"Cut-off Date" has the meaning set forth in the Purchase and Sale Agreement.

"Days' Sales Outstanding" means, for any calendar month, an amount (expressed as a number of days) computed as of the last day of such calendar month equal to: (a) the average of the Outstanding Balance of all Pool Receivables as of the last day of each of the three most recent calendar months ended on the last day of such calendar month divided by (b) (i) the aggregate credit sales made by the Originator during the three calendar months ended on the last day of such calendar month divided by (ii) 90.

"Debt" means: (a) indebtedness for borrowed money, (b) obligations evidenced by bonds, debentures, notes or other similar instruments, (c) obligations to pay the deferred purchase price of property or services, (d) obligations as lessee under leases that shall have been or should be, in accordance with GAAP, recorded as capital leases, and (e) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (d).

"Default Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each calendar month by dividing: (a) the aggregate Outstanding Balance of all Pool Receivables that became Defaulted Receivables during such month, by (b) the aggregate credit sales made by the Originator during the month that is three calendar months before such month.

"Defaulted Receivable" means a Receivable:

(a) as to which any payment, or part thereof, remains unpaid for more than 60 days from the original due date for such payment, or

(b) without duplication (i) as to which an Insolvency Proceeding shall have occurred with respect to the Obligor thereof or any other Person obligated thereon with respect thereto, or (ii) that has been written off the Seller's books as uncollectible.

The Outstanding Balance of any Defaulted Receivable shall be determined without regard to any credit memos or credit balances.

"Delinquency Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each calendar month by dividing: (a) the aggregate Outstanding Balance of all Pool Receivables that were Delinquent Receivables on such day by, (b) the aggregate Outstanding Balance of all Pool Receivables (excluding Delinquent Receivables that have a stated maturity which is more than 60 days after the original invoice date of such Receivable) on such day.

"Delinquent Receivable" means any portion of a Receivable as to which any payment, or part thereof, remains unpaid for more than 60 days from the original due date for such payment. The Outstanding Balance of any Delinquent Receivable shall be determined without regard to any credit memos or credit balances and shall exclude Delinquent Receivables that have a stated maturity which is more than 60 days after the original invoice date of such Receivable.

"Dilution Horizon" means, for any calendar month, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of such calendar month of: (a) the aggregate credit sales made by the Originator during the most recent calendar month and 50% of the next most recent calendar month's credit sales to (b) the Net Receivables Pool Balance at the last day of the most recent calendar month.

"Dilution Ratio" means the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each calendar month by dividing: (a) the aggregate amount of payments required to be made by the Seller pursuant to Section 1.4(e)(i) of the Agreement during such calendar month, by (b) the aggregate credit sales made by the Originator during the month that is one calendar month before such month.

"Dilution Reserve" means, on any date, an amount equal to: (a) the Capital at the close of business of the Servicer on such date multiplied by (b) (i) the Dilution Reserve Percentage on such date, divided by (ii) 100% minus the Dilution Reserve Percentage on such date.

"Dilution Reserve Percentage" means any date, the product of (i) the Dilution Horizon multiplied by (ii) the sum of (x) 2.25 times the average of the Dilution Ratios for the twelve most recent calendar months and (y) the Spike Factor.

"Discount" means:

(a) for the Portion of Capital for any Settlement Period to the extent the Issuer will be funding such Portion of Capital during such Settlement Period through the issuance of Notes:

$$CPR \times C \times ED/360$$

(b) for the Portion of Capital for any Settlement Period to the extent the Issuer will not be funding such Portion of Capital during such Settlement Period through the issuance of Notes:

$$AR \times C \times ED/Year + TF$$

where:

AR	=	the Alternate Rate for the Portion of Capital for such Settlement Period,
C	=	the Portion of Capital during such Settlement Period,
CPR	=	the CP Rate for the Portion of Capital for such Settlement Period,
ED	=	the actual number of days during such Settlement Period,
TF	=	the Termination Fee, if any, for the Portion of Capital for such Settlement Period, and
Year	=	if such Portion of Capital is funded based upon: (i) the Euro-Rate, 360 days, and (ii) the Base Rate, 365 or 366 days, as applicable;

provided, that no provision of the Agreement shall require the payment or permit the collection of Discount in excess of the maximum permitted by applicable law; and provided further, that Discount for the Portion of Capital shall not be considered paid by any distribution to the extent that at any time all or a portion of such distribution is rescinded or must otherwise be returned for any reason.

"Eligible Receivable" means, at any time, a Pool Receivable:

(a) the Obligor of which is (i) a United States resident, (ii) not a government or a governmental subdivision, affiliate or agency, provided, however, if the Obligor of such Receivable is a government or a governmental subdivision, affiliate or agency, such Receivable shall satisfy the requirements of this clause (a)(ii) if the sum of the Outstanding Balance of such Receivable and the aggregate Outstanding Balance of all other Eligible Receivables of Obligors who are governments or governmental subdivisions, affiliates or agencies does not exceed $200,000, (iii) not subject to any action of the type described in paragraph (f) of Exhibit V to the Agreement, (iv) not an Affiliate of UGI; provided, however, if the Obligor of such Receivable is either UGI Utilities, Inc. or UGI Penn Natural Gas, Inc. (provided that UGI Penn Natural Gas, Inc. is a wholly-owned subsidiary of UGI Utilities, Inc.), such Receivable shall satisfy the requirements of this clause (a)(iv) if the sum of the Outstanding Balance of such Receivable and the aggregate Outstanding Balance of all other Eligible Receivables of the Obligors of which are either UGI Utilities, Inc. or UGI Penn Natural Gas, Inc. does not exceed $10,000,000, and (v) not a Reseller, provided, however, if the Obligor of such Receivable is a Reseller, such Receivable shall satisfy the requirements of this clause (a)(v) if the sum of the Outstanding Balance of such Receivable and the aggregate Outstanding Balance of all other Eligible Receivables of Obligors who are Resellers does not exceed $2,000,000,

(b) that is denominated and payable only in U.S. dollars in the United States,

(c) that does not have a stated maturity which is more than 45 days after the original invoice date of such Receivable; provided, however, that up to 10% of the aggregate Outstanding Balance of all Receivables may have a stated maturity which is more than 45 days but not more than 60 days after the original invoice date of such Receivable,

(d) (i) that arises under a duly authorized Contract for the sale and delivery of goods and services in the ordinary course of the Originator's business or (ii) in the case of a Receivable arising in connection with the sale or assignment by the Originator to a Purchasing Utility of a Billing Program Receivable, such Receivable arises under an Approved Billing Program; provided, however, that Receivables described in clause (ii) above shall not constitute Eligible Receivables to the extent that the aggregate Outstanding Balance of such Receivables exceeds 20% of the aggregate Outstanding Balance of all Eligible Receivables,

(e) that arises under a duly authorized Contract that is in full force and effect and that is a legal, valid and binding obligation of the related Obligor, enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, fraudulent transfer or conveyance, insolvency, reorganization, moratorium and other similar laws limiting the enforceability of creditors' rights generally, as from time to time in effect,

(f) that conforms in all material respects with all applicable laws, rulings and regulations in effect,

(g) that is not the subject of any asserted dispute, offset, hold back defense, Adverse Claim or other claim,

(h) that satisfies in all material respects all applicable requirements of the applicable Credit and Collection Policy,

(i) that has not been modified, waived or restructured since its creation, except as permitted pursuant to Section 4.2 of the Agreement,

(j) in which the Seller owns good and marketable title, free and clear of any Adverse Claims, and that arise under Contracts, the terms of which do not expressly prohibit the Seller from assigning its right to receive payment under the Contract or require any consent of the related Obligor for such assignment,

(k) for which the Issuer shall have a valid and enforceable undivided percentage ownership or security interest, to the extent of the Purchased Interest, and a valid and enforceable first priority perfected security interest therein and in the Related Security and Collections with respect thereto, in each case free and clear of any Adverse Claim,

(l) that constitutes an account as defined in the UCC, and that is not evidenced by instruments or chattel paper,

(m) that is neither a Defaulted Receivable nor a Delinquent Receivable,

(n) for which neither the Originator thereof, the Seller nor the Servicer has established any offset arrangements with the related Obligor,

(o) of an Obligor as to which Defaulted Receivables of such Obligor do not exceed 25% of the Outstanding Balance of all such Obligor's Receivables; provided, however, that amounts owing from Cooperative Industries Inc. that are more than 90 days from the original invoice date as of the Closing Date and that are being paid in accordance with a negotiated payment schedule shall not be considered Defaulted Receivables for purposes of this clause (o), and

(p) that represents amounts earned and payable by the Obligor that are not subject to the performance of additional services by the Originator thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of ERISA also refer to any successor sections.

"ERISA Affiliate" means: (a) any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as the Seller, the Originator or UGI, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with the Seller, the Originator or UGI, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as the Seller, the Originator, any corporation described in clause (a) or any trade or business described in clause (b).

"Euro-Rate" means with respect to any Settlement Period the interest rate per annum determined by the Administrator by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate of interest determined by the Administrator in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the average of the London interbank market offered rates for U.S. dollars quoted by the BBA as set forth on Dow Jones Markets Service (formerly known as Telerate) (or appropriate successor or, if the BBA or its successor ceases to provide display page 3750 (or such other display page on the Dow Jones Markets Service system as may replace display page 3750) at or about 11:00 a.m. (London time) on the Business Day which is two (2) Business Days prior to the first day of such Settlement Period for an amount comparable to the Portion of Capital to be funded at the Alternate Rate and based upon the Euro-Rate during such Settlement Period by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage. The Euro-Rate may also be expressed by the following formula:

$$\text{Euro-Rate} = \frac{\text{Average of London interbank offered rates quoted by BBA as shown on Dow Jones Markets Service display page 3750 or appropriate successor}}{\text{1.00 - Euro-Rate Reserve Percentage}}$$

where “Euro-Rate Reserve Percentage” means, the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including without limitation, supplemental, marginal, and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as “Eurocurrency Liabilities”). The Euro-Rate shall be adjusted with respect to any Portion of Capital funded at the Alternate Rate and based upon the Euro-Rate that is outstanding on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. The Administrator shall give prompt notice to the Seller of the Euro-Rate as determined or adjusted in accordance herewith (which determination shall be conclusive absent manifest error).

“Excess Concentration” means the sum of the amounts by which the Outstanding Balance of Eligible Receivables of each Obligor then in the Receivables Pool exceeds an amount equal to: (a) the applicable Concentration Percentage for such Obligor multiplied by (b) the Outstanding Balance of all Eligible Receivables then in the Receivables Pool.

“Facility Termination Date” means the earliest to occur of: (a) April 21, 2011, (b) the date determined pursuant to Section 2.2 of the Agreement, (c) the date the Purchase Limit reduces to zero pursuant to Section 1.1(b) of the Agreement, (d) the date, after written notice from the Purchasers, that the commitments of the Purchasers terminate under the Liquidity Agreement, but the failure to give or delay in giving such notice shall not prevent or delay such termination, and (e) the Issuer shall fail to cause the amendment or modification of any Transaction Document or related opinion as required by Moody’s or Standard and Poor’s, and such failure shall continue for 30 days after such amendment is initially requested.

“Federal Funds Rate” means, for any day, the per annum rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, “H.15(519)”) for such day opposite the caption “Federal Funds (Effective).” If on any relevant day such rate is not yet published in H.15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the “Composite 3:30 p.m. Quotations”) for such day under the caption “Federal Funds Effective Rate.” If on any relevant day the appropriate rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Administrator of the rates for the last transaction in overnight Federal funds arranged before 9:00 a.m. (New York time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Administrator.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“Fee Letter” has the meaning set forth in Section 1.5 of the Agreement.

“GAAP” means the generally accepted accounting principles and practices in the United States, consistently applied.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Group A Obligor" means any Obligor with a short-term rating of at least: (a) "A-1" by Standard & Poor's, or if such Obligor does not have a short-term rating from Standard & Poor's, a rating of "A+" or better by Standard & Poor's on its long-term senior unsecured and uncredit-enhanced debt securities, and (b) "P-1" by Moody's, or if such Obligor does not have a short-term rating from Moody's, "A1" or better by Moody's on its long-term senior unsecured and uncredit-enhanced debt securities.

"Group A Obligor Percentage" means, at any time, for each Group A Obligor, the percentage equivalent of: (a) the aggregate Outstanding Balance of the Eligible Receivables of such Group A Obligor less any Excess Concentrations of such Obligor, divided by (b) the aggregate Outstanding Balance of all Eligible Receivables at such time.

"Group B Obligor" means an Obligor, not a Group A Obligor, with a short-term rating of at least: (a) "A-2" by Standard & Poor's, or if such Obligor does not have a short-term rating from Standard & Poor's, a rating of "BBB+" to "A" by Standard & Poor's on its long-term senior unsecured and uncredit-enhanced debt securities, and (b) "P-2" by Moody's, or if such Obligor does not have a short-term rating from Moody's, "Baa1" to "A2" by Moody's on its long-term senior unsecured and uncredit-enhanced debt securities.

"Group B Obligor Percentage" means, at any time, for each Group B Obligor, the percentage equivalent of: (a) the aggregate Outstanding Balance of the Eligible Receivables of such Group B Obligor less any Excess Concentrations of such Obligor, divided by (b) the aggregate Outstanding Balance of all Eligible Receivables at such time.

"Group C Obligor" means an Obligor, not a Group A Obligor or a Group B Obligor, with a short-term rating of at least: (a) "A-3" by Standard & Poor's, or if such Obligor does not have a short-term rating from Standard & Poor's, a rating of "BBB-" to "BBB" by Standard & Poor's on its long-term senior unsecured and uncredit-enhanced debt securities, and (b) "P-3" by Moody's, or if such Obligor does not have a short-term rating from Moody's, "Baa3" to "Baa2" by Moody's on its long-term senior unsecured and uncredit-enhanced debt securities.

"Group C Obligor Percentage" means, at any time, for each Group C Obligor, the percentage equivalent of: (a) the aggregate Outstanding Balance of the Eligible Receivables of such Group C Obligor less any Excess Concentrations of such Obligor, divided by (b) the aggregate Outstanding Balance of all Eligible Receivables at such time.

"Group D Obligor" means any Obligor that is not a Group A Obligor, Group B Obligor or Group C Obligor.

"Group D Obligor Percentage" means, at any time, for each Group D Obligor: (a) the aggregate Outstanding Balance of the Eligible Receivables of such Group D Obligor less any Excess Concentrations of such Obligor, divided by (b) the aggregate Outstanding Balance of all Eligible Receivables at such time.

"Indemnified Amounts" has the meaning set forth in Section 3.1 of the Agreement.

"Indemnified Party" has the meaning set forth in Section 3.1 of the Agreement.

"Indemnifying Party" has the meaning set forth in Section 3.3 of the Agreement.

"Independent Director" has the meaning set forth in paragraph 3(c) of Exhibit IV to the Agreement.

"Information Package" means a report, in substantially the form of either Annex A-1 (in the case of an Information Package delivered in connection with a Settlement Date) or Annex A-2 (in the case of an Information Package delivered at any other time) to the Agreement, furnished to the Administrator pursuant to the Agreement.

"Insolvency Proceeding" means: (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors of a Person, or composition, marshaling of assets for creditors of a Person, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each of cases (a) and (b) undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of the Internal Revenue Code also refer to any successor sections.

"Issuer" has the meaning set forth in the preamble to the Agreement.

"Issuer's Share" of any amount means such amount multiplied by the Purchased Interest at the time of determination.

"Liquidity Agent" means PNC in its capacity as the Liquidity Agent pursuant to the Liquidity Agreement.

"Liquidity Agreement" means the Liquidity Asset Purchase Agreement, dated as of even date herewith, between the Purchasers from time to time party thereto, the Issuer and PNC, as Administrator and Liquidity Agent, as the same may be further amended, supplemented or otherwise modified from time to time.

"Lock-Box Account" means an account in the name of the Seller and maintained by the Seller at a bank or other financial institution for the purpose of receiving Collections.

"Lock-Box Agreement" means an agreement, in form and substance satisfactory to the Administrator, among the Seller, the Originator, the Servicer, the Administrator, the Issuer and a Lock-Box Bank.

"Lock-Box Bank" means any of the banks or other financial institutions holding one or more Lock-Box Accounts.

"Loss Reserve" means, on any date, an amount equal to: (a) the Capital at the close of business of the Servicer on such date multiplied by (b)(i) the Loss Reserve Percentage on such date divided by (ii) 100% minus the Loss Reserve Percentage on such date.

"Loss Reserve Percentage" means, on any date, the product of (i) 2.25 times (ii) the highest average of the Default Ratios for any three consecutive calendar months during the twelve most recent calendar months times (iii) (A) the aggregate credit sales made by the Originator during the four most recent calendar months, divided by (B) the Net Receivables Pool Balance as of such date.

"Material Adverse Effect" means, relative to any Person with respect to any event or circumstance, a material adverse effect on:

(a) the assets, operations, business or financial condition of such Person,

(b) the ability of any of such Person to perform its obligations under the Agreement or any other Transaction Document to which it is a party,

(c) the validity or enforceability of any other Transaction Document, or the validity, enforceability or collectibility of a material portion of the Pool Receivables, or

(d) the status, perfection, enforceability or priority of the Issuer's or the Seller's interest in the Pool Assets.

"Moody's" means Moody's Investors Service, Inc.

"Net Receivables Pool Balance" means, at any time: (a) the Outstanding Balance of Eligible Receivables then in the Receivables Pool minus (b) the Excess Concentration.

"Notes" means short-term promissory notes issued, or to be issued, by the Issuer to fund its investments in accounts receivable or other financial assets.

"Obligor" means, with respect to any Receivable, the Person obligated to make payments pursuant to the Contract relating to such Receivable.

"Originator" has the meaning set forth in the Purchase and Sale Agreement.

"Originator Assignment Certificate" means the assignment, in substantially the form of Exhibit C to the Purchase and Sale Agreement, evidencing Seller's ownership of the Receivables generated by the Originator, as the same may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with the Purchase and Sale Agreement.

"Outstanding Balance" of any Receivable at any time means the then outstanding principal balance thereof.

"Payment Date" has the meaning set forth in Section 2.2 of the Purchase and Sale Agreement.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"PNC" has the meaning set forth in the preamble to the Agreement.

"Pool Assets" has the meaning set forth in Section 1.2(d) of the Agreement.

"Pool Receivable" means a Receivable in the Receivables Pool.

"Portion of Capital" means any separate portion of Capital being funded or maintained by the Issuer (or its successors or permitted assigns) by reference to a particular interest rate basis. In addition, at any time when the Capital of the Purchased Interest is not divided into two or more such portions, "Portion of Capital" means 100% of the Capital.

"Program Support Agreement" means and includes the Liquidity Agreement and any other agreement entered into by any Program Support Provider providing for: (a) the issuance of one or more letters of credit for the account of the Issuer in connection with the Issuer's Receivables securitization program, (b) the issuance of one or more surety bonds in connection with the Issuer's Receivables securitization program for which the Issuer is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, (c) the sale by the Issuer to any Program Support Provider of the Purchased Interest (or portions thereof) and/or (d) the making of loans and/or other extensions of credit to the Issuer in connection with the Issuer's Receivables-securitization program contemplated in the Agreement, together with any letter of credit, surety bond or other instrument issued thereunder (but excluding any discretionary advance facility provided by the Administrator).

"Program Support Provider" means and includes any Purchaser and any other Person (other than any customer of the Issuer) now or hereafter extending credit or having a commitment to extend credit to or for the account of, or to make purchases from, the Issuer pursuant to any Program Support Agreement.

"Purchase and Sale Agreement" means the Purchase and Sale Agreement, dated as of even date herewith, between the Seller and UGI, as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Purchase and Sale Indemnified Amounts" has the meaning set forth in Section 9.1 of the Purchase and Sale Agreement.

"Purchase and Sale Indemnified Party" has the meaning set forth in Section 9.1 of the Purchase and Sale Agreement.

"Purchase and Sale Termination Date" has the meaning set forth in Section 1.4 of the Purchase and Sale Agreement.

"Purchase and Sale Termination Event" has the meaning set forth in Section 8.1 of the Purchase and Sale Agreement.

"Purchase Facility" has the meaning set forth in Section 1.1 of the Purchase and Sale Agreement.

"Purchase Limit" means $200,000,000, as such amount may be subsequently reduced pursuant to Section 1.1(b) of the Agreement. References to the unused portion of the Purchase Limit shall mean, at any time, the Purchase Limit minus the then outstanding Capital.

"Purchase Notice" has the meaning set forth in Section 1.2(a) of the Agreement.

"Purchase Price" has the meaning set forth in Section 2.1 of the Purchase and Sale Agreement.

"Purchase Report" has the meaning set forth in Section 2.1 of the Purchase and Sale Agreement.

"Purchased Interest" means, at any time, the undivided percentage ownership interest in: (a) each and every Pool Receivable now existing or hereafter arising, (b) all Related Security with respect to such Pool Receivables and (c) all Collections with respect to, and other proceeds of, such Pool Receivables and Related Security. Such undivided percentage interest shall be computed as:

$$\frac{\text{Capital + Total Reserves}}{\text{Net Receivables Pool Balance}}$$

The Purchased Interest shall be determined from time to time pursuant to Section 1.3 of the Agreement.

"Purchaser" has the meaning set forth in Section 5.3(b) of the Agreement.

"Purchasing Utility" means a jurisdictional natural gas or electricity distribution company.

"Receivable" means any indebtedness and other obligations (whether or not earned by performance) owed to the Seller (as assignee of the Originator) or the Originator by, or any right of the Seller or the Originator to payment from or on behalf of, an Obligor (including a Purchasing Utility), whether constituting an account, chattel paper, instrument or general intangible, arising in connection with (i) property or goods that have been or are to be sold or otherwise disposed of, or services rendered or to be rendered by the Originator (including, in each case and without limitation, the sale of electricity or natural gas) or (ii) the sale or assignment by the Originator to a Purchasing Utility of a Billing Program Receivable, and, in each case, includes the obligation (if any) to pay any finance charges, fees and other charges with respect thereto; provided, however, that "Receivable" shall not include any Billing Program Receivable. Indebtedness and other obligations arising from any one transaction, including indebtedness and other obligations represented by an individual invoice or agreement, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other obligations arising from any other transaction.

"Receivables Pool" means, at any time, all of the then outstanding Receivables purchased or otherwise acquired by the Seller pursuant to the Purchase and Sale Agreement prior to the Facility Termination Date.

"Reference Bank" means PNC.

"Related Rights" has the meaning set forth in Section 1.1 of the Purchase and Sale Agreement.

"Related Security" means, with respect to any Receivable:

(a) all of the Seller's and the Originator thereof's interest in any goods (including returned goods), and documentation of title evidencing the shipment or storage of any goods (including returned goods), relating to any sale giving rise to such Receivable,

(b) all instruments and chattel paper that may evidence such Receivable,

(c) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all UCC financing statements or similar filings relating thereto, and

(d) all of the Seller's and the Originator thereof's rights, interests and claims under the Contracts and all guaranties, indemnities, insurance, letters of credit and other agreements (including the related Contract) or arrangements of whatever character from time to time supporting or securing payment of such Receivable or otherwise relating to such Receivable, whether pursuant to the Contract related to such Receivable or otherwise.

"Repurchase Price" has the meaning set forth in Section 5.14 of the Agreement.

"Reseller" means an Obligor that purchases product from the Originator and for which the Originator acts as billing and collection agent with respect to such Obligor's resale of the product.

"Reserve Floor" means, at any time: (a) the aggregate Capital at such time multiplied by (b) (i) the Reserve Floor Percentage, divided by (ii) 100%, minus the Reserve Floor Percentage.

"Reserve Floor Percentage" means, at any time, the sum (expressed as a percentage) of (a) Concentration Reserve Percentage plus (b) the product of (i) the average Dilution Ratios for the twelve most recent calendar months and (ii) the Dilution Horizon.

"Restricted Payment" has the meaning set forth in paragraph 1(n) of Exhibit IV to the Agreement.

"Seller" has the meaning set forth in the preamble to the Agreement.

"Seller's Share" of any amount means the greater of: (a) $0 and (b) such amount minus the Issuer's Share.

"Servicer" has the meaning set forth in the preamble to the Agreement.

"Servicing Fee" shall mean the fee referred to in Section 4.6 of the Agreement.

"Servicing Fee Rate" shall mean the rate referred to in Section 4.6 of the Agreement.

"Settlement Date" means with respect to any Portion of Capital for any Settlement Period, (i) prior to the Facility Termination Date, the third Wednesday of each calendar month (or the next succeeding Business Day if such day is not a Business Day) beginning with December 19, 2001 and (ii) on and after the Facility Termination Date, each day selected from time to time by the Administrator (it being understood that the Administrator may select such Settlement Date to occur as frequently as daily), or, in the absence of such selection, the date specified in clause (i) above.

"Settlement Period" means: (a) before the Facility Termination Date: (i) initially the period commencing on the date of the initial purchase pursuant to Section 1.2 of the Agreement (or in the case of any fees payable hereunder, commencing on the Closing Date) and ending on (but not including) the next Settlement Date, and (ii) thereafter, each period commencing on such Settlement Date and ending on (but not including) the next Settlement Date, and (b) on and after the Facility Termination Date: such period (including a period of one day) as shall be selected from time to time by the Administrator or, in the absence of any such selection, each period of 30 days from the last day of the preceding Settlement Period.

"Solvent" means, with respect to any Person at any time, a condition under which:

(i) the fair value and present fair saleable value of such Person's total assets is, on the date of determination, greater than such Person's total liabilities (including contingent and unliquidated liabilities) at such time;

(ii) the fair value and present fair saleable value of such Person's assets is greater than the amount that will be required to pay such Person's probable liability on its existing debts as they become absolute and matured ("debts," for this purpose, includes all legal liabilities, whether matured or unmatured, liquidated or unliquidated, absolute, fixed, or contingent);

(iii) such Person is and shall continue to be able to pay all of its liabilities as such liabilities mature; and

(iv) such Person does not have unreasonably small capital with which to engage in its current and in its anticipated business.

For purposes of this definition:

(A) the amount of a Person's contingent or unliquidated liabilities at any time shall be that amount which, in light of all the facts and circumstances then existing, represents the amount which can reasonably be expected to become an actual or matured liability;

(B) the "fair value" of an asset shall be the amount which may be realized within a reasonable time either through collection or sale of such asset at its regular market value;

(C) the "regular market value" of an asset shall be the amount which a capable and diligent business person could obtain for such asset from an interested buyer who is willing to Purchase such asset under ordinary selling conditions; and

(D) the "present fair saleable value" of an asset means the amount which can be obtained if such asset is sold with reasonable promptness in an arm's-length transaction in an existing and not theoretical market.

"Spike Factor" means, for any calendar month, (a) the positive difference, if any, between: (i) the highest Dilution Ratio for any calendar month during the twelve most recent calendar months and (ii) the arithmetic average of the Dilution Ratios for such twelve months times (b) (i) the highest Dilution Ratio for any calendar month during the twelve most recent calendar months divided by (ii) the arithmetic average of the Dilution Ratios for such twelve months.

"Standard & Poor's" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Subsidiary" means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock of each class or other interests having ordinary voting power (other than stock or other interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors or other managers of such entity are at the time owned, or management of which is otherwise controlled: (a) by such Person, (b) by one or more Subsidiaries of such Person or (c) by such Person and one or more Subsidiaries of such Person.

"Tangible Net Worth" means, with respect to any Person, the tangible net worth of such Person as adjusted to eliminate the impact of any charges related to SFAS 133 and as determined in accordance with GAAP.

"Termination Day" means: (a) each day on which the conditions set forth in Section 2 of Exhibit II to the Agreement are not satisfied or (b) each day that occurs on or after the Facility Termination Date.

"Termination Event" has the meaning specified in Exhibit V to the Agreement.

"Termination Fee" means, for any Settlement Period during which a Termination Day occurs, the amount, if any, by which: (a) the additional Discount (calculated without taking into account any Termination Fee or any shortened duration of such Settlement Period pursuant to the definition thereof) that would have accrued during such Settlement Period on the reductions of Capital relating to such Settlement Period had such reductions not been made, exceeds (b) the income, if any, received by the Issuer from investing the proceeds of such reductions of Capital, as determined by the Administrator, which determination shall be binding and conclusive for all purposes, absent manifest error.

"Total Reserves" means, at any time the greater of (a) the sum of (i) the Yield Reserve, (ii) the Loss Reserve, and (iii) the Dilution Reserve and (b) the Reserve Floor.

"Transaction Documents" means the Agreement, the Lock-Box Agreements, the Fee Letter, the Purchase and Sale Agreement and all other certificates, instruments, UCC financing statements, reports, notices, agreements and documents executed or delivered under or in connection with any of the foregoing, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Agreement.

"Turnover Rate" means, for any calendar month, an amount computed as of the last day of such calendar month equal to: (a) the Outstanding Balance of all Pool Receivables as of the last day of such calendar month divided by (b)(i) the aggregate credit sales made by the Originator during the three calendar months ended on or before the last day of such calendar month divided by (ii) 3.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

"UGI" has the meaning set forth in the preamble to the Agreement.

"Unmatured Purchase and Sale Termination Event" means any event which, with the giving of notice or lapse of time, or both, would become a Purchase and Sale Termination Event.

"Unmatured Termination Event" means an event that, with the giving of notice or lapse of time, or both, would constitute a Termination Event.

"Weekly Settlement Date" means each Wednesday of each week (or the next succeeding Business Day if such day is not a Business Day), beginning December 5, 2001.

"Yield Reserve" means, on any date, an amount equal to: (a) the Capital at the close of business of the Servicer on such date multiplied by (b)(i) the Yield Reserve Percentage on such date divided by (ii) 100% minus the Yield Reserve Percentage on such date.

"Yield Reserve Percentage" means at any time:

$$\frac{(PY + SFR)}{12} \times 2.0 \times TR$$

where:

PY = the Base Rate as of the last day of the most recent Settlement Period,

TR = the Turnover Rate, and

SFR = the Servicing Fee Rate

Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9. Unless the context otherwise requires, "or" means "and/or," and "including" (and with correlative meaning "include" and "includes") means including without limiting the generality of any description preceding such term.

EXHIBIT IV
COVENANTS

1. Covenants of the Seller. Until the latest of the Facility Termination Date, the date on which no Capital of or Discount in respect of the Purchased Interest shall be outstanding or the date all other amounts owed by the Seller under the Agreement to the Issuer, the Administrator and any other Indemnified Party or Affected Person shall be paid in full:

(a) Compliance with Laws, Etc. The Seller shall comply in all material respects with all applicable laws, rules, regulations and orders, and preserve and maintain its corporate existence, rights, franchises, qualifications and privileges, except to the extent that the failure so to comply with such laws, rules, regulations or orders or the failure so to preserve and maintain such rights, franchises, qualifications and privileges would not have a Material Adverse Effect.

(b) Offices, Records and Books of Account, Etc. The Seller: (i) shall keep its principal place of business and chief executive office (as such terms or similar terms are used in the UCC) and the office where it keeps its records concerning the Receivables at the address of the Seller set forth under its name on the signature page to the Agreement or, pursuant to clause (l)(v) below, at any other locations in jurisdictions where all actions reasonably requested by the Administrator to protect and perfect the interest of the Issuer in the Receivables and related items (including the Pool Assets) have been taken and completed and (ii) shall provide the Administrator with at least 30 days' written notice before making any change in the Seller's name or making any other change in the Seller's identity or corporate structure (including a Change in Control) that could render any UCC financing statement filed in connection with this Agreement "seriously misleading" as such term (or similar term) is used in the UCC; each notice to the Administrator pursuant to this sentence shall set forth the applicable change and the effective date thereof. The Seller also will maintain and implement (or cause the Servicer to maintain and implement) administrative and operating procedures (including an ability to recreate records evidencing Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain (or cause the Servicer to keep and maintain) all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Receivables (including records adequate to permit the daily identification of each Receivable and all Collections of and adjustments to each existing Receivable).

(c) Performance and Compliance with Contracts and Credit and Collection Policy. The Seller shall (and shall cause the Servicer to), at its expense, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under the Contracts related to the Receivables, and timely and fully comply in all material respects with the applicable Credit and Collection Policies with regard to each Receivable and the related Contract.

(d) Ownership Interest, Etc. The Seller shall (and shall cause the Servicer to), at its expense, take all action necessary or desirable to establish and maintain a valid and enforceable undivided percentage ownership or security interest, to the extent of the Purchased Interest, in the Pool Receivables, the Related Security and Collections with respect thereto, and a first priority perfected security interest in the Pool Assets, in each case free and clear of any Adverse Claim, in favor of the Issuer, including taking such action to perfect, protect or more fully evidence the interest of the Issuer as the Issuer, through the Administrator, may reasonably request.

(e) Sales, Liens, Etc. The Seller shall not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any or all of its right, title or interest in, to or under any Pool Assets (including the Seller's undivided interest in any Receivable, Related Security or Collections, or upon or with respect to any account to which any Collections of any Receivables are sent), or assign any right to receive income in respect of any items contemplated by this paragraph.

(f) Extension or Amendment of Receivables. Except as provided in the Agreement, the Seller shall not, and shall not permit the Servicer to, extend the maturity or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable in any material respect, or amend, modify or waive, in any material respect, any term or condition of any related Contract (which term or condition relates to payments under, or the enforcement of, such Contract).

(g) Change in Business or Credit and Collection Policy. The Seller shall not make (or permit the Originator to make) any material change in the character of its business or in any Credit and Collection Policy (other than a change to the insurance provisions of any such policy) that would have a Material Adverse Effect with respect to the Receivables. The Seller shall not make (or permit the Originator to make) any other material adverse change in any Credit and Collection Policy without receiving the prior written consent of the Administrator.

(h) Audits. The Seller shall (and shall cause the Originator to), from time to time during regular business hours as reasonably requested in advance (unless a Termination Event or an Unmatured Termination Event exists or there shall be a material adverse variance in the performance of the Receivables) by the Administrator, permit the Administrator, or its agents or representatives: (i) to examine and make copies of and abstracts from all books, records and documents (including computer tapes and disks) in the possession or under the control of the Seller (or the Originator) relating to Receivables and the Related Security, including the related Contracts, (ii) to visit the offices and properties of the Seller and the Originator for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to Receivables and the Related Security or the Seller's, UGI's or the Originator's performance under the Transaction Documents or under the Contracts with any of the officers, employees, agents or contractors of the Seller or the Originator having knowledge of such matters and (iii) without limiting the clauses (i) and (ii) above, no more than once annually (unless a Termination Event has occurred and is continuing or there shall be a material variance in the performance of the Receivables) to engage certified public accountants or other auditors acceptable to the Seller and the Administrator to conduct, at the Seller's expense, a review of the Seller's books and records with respect to such Receivables.

(i) Change in Lock-Box Banks, Lock-Box Accounts and Payment Instructions to Obligors. The Seller shall not, and shall not permit the Servicer or the Originator to, add or terminate any bank as a Lock-Box Bank or any account as a Lock-Box Account (or any related lock-box) from those listed in Schedule II to the Agreement, or make any change in its instructions to Obligors regarding payments to be made to the Seller, the Originator, the Servicer or any Lock-Box Account (or the related lock-box), unless the Administrator shall have consented thereto in writing and the Administrator shall have received copies of all agreements and documents (including Lock-Box Agreements) that it may request in connection therewith.

(j) Deposits to Lock-Box Accounts. The Seller shall (or shall cause the Servicer to): (i) within 30 days of the initial purchase hereunder, instruct all Obligors to make payments of all Receivables to one or more Lock-Box Accounts or to lock-boxes to which only Lock-Box Banks have access (and shall instruct the Lock-Box Banks to cause all items and amounts relating to such Receivables received in such lock-boxes to be removed and deposited into a Lock-Box Account on a daily basis), and (ii) deposit, or cause to be deposited, any Collections received by it, the Servicer or the Originator into Lock-Box Accounts not later than two Business Days after receipt thereof. Each Lock-Box Account shall at all times be subject to a Lock-Box Agreement. The Seller will not (and will not permit the Servicer to) deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lock-Box Account cash or cash proceeds other than (i) Collections and (ii) on payments received from end-users payable to a Reseller in respect of product sold by such Reseller to such end-user, provided that such payments do not remain on deposit in such Lock-Box Account for more than two Business Days after deposit therein.

(k) Marking of Records. At its expense, the Seller shall: (i) mark (or cause the Servicer to mark) its master data processing records relating to Pool Receivables and related Contracts with a legend evidencing that the undivided percentage ownership interests with regard to the Purchased Interest related to such Receivables and related Contracts have been sold in accordance with the Agreement, and (ii) cause the Originator so to mark its master data processing records pursuant to the Purchase and Sale Agreement.

(l) Reporting Requirements. The Seller will provide to the Administrator (in multiple copies, if requested by the Administrator) the following:

(i) as soon as available and in any event within 105 days after the end of each fiscal year of the Seller, a copy of the annual report for such year for the Seller containing unaudited financial statements for such year certified as to accuracy by the chief financial officer or treasurer of the Seller;

(ii) as soon as possible and in any event within five Business Days after becoming aware of the occurrence of each Termination Event or Unmatured Termination Event, a statement of the chief financial officer of the Seller setting forth details of such Termination Event or Unmatured Termination Event and the action that the Seller has taken and proposes to take with respect thereto;

(iii) promptly after the filing or receiving thereof, copies of all reports and notices that the Seller or any Affiliate files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor with respect to any Benefit Plan that is subject to Title IV of ERISA or that the Seller or any Affiliate receives with respect to any Benefit Plan that is subject to Title IV of ERISA from any of the foregoing or from any multiemployer plan (within the meaning of Section 4001(a)(3) of ERISA) to which the Seller or any of its Affiliates is or was, within the preceding five years, a contributing employer, in each case in respect of the assessment of withdrawal liability or an event or condition that could, in the aggregate, reasonably result in the imposition of material liability on the Seller and/or any such Affiliate;

(iv) at least thirty days before any change in the Seller's name or any other change requiring the amendment of UCC financing statements, a notice setting forth such changes and the effective date thereof;

(v) promptly after the Seller obtains knowledge thereof, notice of any: (A) material litigation, investigation or proceeding that may exist at any time between the Seller and any Person or (B) material litigation or proceeding relating to any Transaction Document;

(vi) promptly after becoming aware of the occurrence thereof, notice of a material adverse change in the business, operations, property or financial or other condition of the Seller, the Servicer or the Originator; and

(vii) such other information respecting the Receivables or the condition or operations, financial or otherwise, of the Seller or any of its Affiliates as the Administrator may from time to time reasonably request.

(m) Certain Agreements. Without the prior written consent of the Administrator, the Seller will not (and will not permit the Originator to) amend, modify, waive, revoke or terminate any Transaction Document to which it is a party or any provision of Seller's certificate of incorporation or by-laws;

(n) Restricted Payments. (i) Except pursuant to clause (ii) below, the Seller will not: (A) purchase or redeem any shares of its capital stock, (B) declare or pay any dividend or set aside any funds for any such purpose, (C) prepay, purchase or redeem any Debt, (D) lend or advance any funds or (E) repay any loans or advances to, for or from any of its Affiliates (the amounts described in clauses (A) through (E) being referred to as "Restricted Payments").

(ii) Subject to the limitations set forth in clause (iii) below, the Seller may make Restricted Payments only by declaring and paying dividends or making returns of capital.

(iii) The Seller may make Restricted Payments only out of the funds it receives pursuant to Sections 1.4(b)(ii) and (iv) of the Agreement. Furthermore, the Seller shall not pay, make or declare: (A) any dividend if, after giving effect thereto, the Seller's Tangible Net Worth would be less than $4,000,000, or (B) any Restricted Payment (including any dividend) if, after giving effect thereto, any Termination Event or Unmatured Termination Event shall have occurred and be continuing.

(o) Other Business. The Seller will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents; (ii) create, incur or permit to exist any Debt of any kind (or cause or permit to be issued for its account any letters of credit or bankers' acceptances) other than pursuant to this Agreement; or (iii) form any Subsidiary or make any investments in any other Person; provided, however, that the Seller shall be permitted to incur minimal obligations to the extent necessary for the day-to-day operations of the Seller (such as expenses for stationery, audits, maintenance of legal status, etc.).

(p) Use of Seller's Share of Collections. The Seller shall apply the Seller's Share of Collections to make payments in the following order of priority: (i) the payment of its expenses (including all obligations payable to the Issuer and the Administrator under the Agreement and under the Fee Letter); and (ii) other legal and valid corporate purposes.

(q) Tangible Net Worth. The Seller will not permit its Tangible Net Worth, at any time, to be less than $6,000,000.

2. Covenants of the Servicer and UGI. Until the latest of the Facility Termination Date, the date on which no Capital of or Discount in respect of the Purchased Interest shall be outstanding or the date all other amounts owed by the Seller under the Agreement to the Issuer, the Administrator and any other Indemnified Party or Affected Person shall be paid in full:

(a) Compliance with Laws, Etc. The Servicer and, to the extent that it ceases to be the Servicer, UGI shall comply (and shall cause the Originator to comply) in all material respects with all applicable laws, rules, regulations and orders, and preserve and maintain its corporate existence, rights, franchises, qualifications and privileges, except to the extent that the failure so to comply with such laws, rules, regulations or orders or the failure so to preserve and maintain such existence, rights, franchises, qualifications and privileges would not have a Material Adverse Effect.

(b) Offices, Records and Books of Account, Etc. The Servicer and, to the extent that it ceases to be the Servicer, UGI, shall keep (and shall cause the Originator to keep) its principal place of business and chief executive office (as such terms or similar terms are used in the applicable UCC) and the office where it keeps its records concerning the Receivables at the address of the Servicer set forth under its name on the signature page to the Agreement or, upon at least 30 days' prior written notice of a proposed change to the Administrator, at any other locations in jurisdictions where all actions reasonably requested by the Administrator to protect and perfect the interest of the Issuer in the Receivables and related items (including the Pool Assets) have been taken and completed. The Servicer and, to the extent that it ceases to be the Servicer, UGI, also will (and will cause the Originator to) maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Receivables (including records adequate to permit the daily identification of each Receivable and all Collections of and adjustments to each existing Receivable).

(c) Performance and Compliance with Contracts and Credit and Collection Policy. The Servicer and, to the extent that it ceases to be the Servicer, UGI, shall (and shall cause the Originator to), at its expense, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under the Contracts related to the Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy with regard to each Receivable and the related Contract.

(d) Extension or Amendment of Receivables. Except as provided in the Agreement, the Servicer and, to the extent that it ceases to be the Servicer, UGI, shall not extend (and shall not permit the Originator to extend), the maturity or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable in any material respect, or amend, modify or waive, in any material respect, any term or condition of any related Contract (which term or condition relates to payments under, or the enforcement of, such Contract).

(e) Change in Business or Credit and Collection Policy. The Servicer and, to the extent that it ceases to be the Servicer, UGI, shall not make (and shall not permit the Originator to make) any material change in the character of its business or in any Credit and Collection Policy (other than a change to the insurance provisions of any such policy) without the consent of the Administrator that would be reasonably likely to have a Material Adverse Effect. The Servicer and, to the extent that it ceases to be the Servicer, UGI, shall not make (and shall not permit the Originator to make) any other material adverse change in any Credit and Collection Policy without receiving the prior written consent of the Administrator.

(f) Audits. The Servicer and, to the extent that it ceases to be the Servicer, UGI, shall (and shall cause the Originator to), from time to time during regular business hours as reasonably requested in advance (unless a Termination Event or an Unmatured Termination Event exists or there shall be a material adverse variance in the performance of the Receivables) by the Administrator, permit the Administrator, or its agents or representatives: (i) to examine and make copies of and abstracts from all books, records and documents (including computer tapes and disks) in its possession or under its control relating to Receivables and the Related Security, including the related Contracts; (ii) to visit its offices and properties for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to Receivables and the Related Security or its performance hereunder or under the Contracts with any of its officers, employees, agents or contractors having knowledge of such matters and (iii), without limiting the clauses (i) and (ii) above, no more than once annually (unless a Termination Event has occurred and is continuing or there shall be a material variance in the performance of the Receivables) to engage certified public accountants or other auditors acceptable to the Servicer and the Administrator to conduct, at the Servicer's expense, a review of the Servicer's books and records with respect to such Receivables.

(g) Change in Lock-Box Banks, Lock-Box Accounts and Payment Instructions to Obligors. The Servicer and, to the extent that it ceases to be the Servicer, UGI, shall not (and shall not permit the Originator to) add or terminate any bank as a Lock-Box Bank or any account as a Lock-Box Account (or any related lock-box) from those listed in Schedule II to the Agreement, or make any change in its instructions to Obligors regarding payments to be made to the Servicer or any Lock-Box Account (or the related lock-box), unless the Administrator shall have consented thereto in writing and the Administrator shall have received copies of all agreements and documents (including Lock-Box Agreements) that it may request in connection therewith.

(h) Deposits to Lock-Box Accounts. The Servicer shall: (i) within 30 days of the initial purchase hereunder, instruct all Obligors to make payments of all Receivables to one or more Lock-Box Accounts or to the lock-boxes to which only Lock-Box Banks have access (and shall instruct the Lock-Box Banks to cause all items and amounts relating to such Receivables received in such lock-boxes to be removed and deposited into a Lock-Box Account on a daily basis), and (ii) deposit, or cause to be deposited, any Collections received by it into Lock-Box Accounts not later than one Business Day after receipt thereof. Each Lock-Box Account shall at all times be subject to a Lock-Box Agreement. The Servicer will not (and will not permit the Originator to) deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lock-Box Account cash or cash proceeds other than (i) Collections and (ii) on payments received from end-users payable to a Reseller in respect of product sold by such Reseller to such end-user, provided that such payments do not remain on deposit in such Lock-Box Account for more than two Business Days after deposit therein.

(i) Marking of Records. At its expense, the Servicer shall mark its master data processing records relating to Pool Receivables and related Contracts with a legend evidencing that the undivided percentage ownership interests with regard to the Purchased Interest related to such Receivables and related Contracts have been sold in accordance with the Agreement.

(j) Reporting Requirements. UGI shall provide to the Administrator (in multiple copies, if requested by the Administrator) the following:

(i) as soon as available and in any event within 50 days after the end of the first three quarters of each fiscal year of UGI, balance sheets of UGI and its consolidated Subsidiaries as of the end of such quarter and statements of income, retained earnings and cash flow of UGI and its consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of such Person;

(ii) as soon as available and in any event within 105 days after the end of each fiscal year of such Person, a copy of the annual report for such year for such Person and its consolidated Subsidiaries, containing financial statements for such year audited by independent certified public accountants of nationally recognized standing;

(iii) as to the Servicer only, as soon as available and in any event not later than two Business Days prior to (A) the Settlement Date, an Information Package as of the most recently completed calendar month, (B) any purchase made pursuant to Section 1.2, an Information Package as of the most recent purchase, or within six Business Days of a request by the Administrator, an Information Package for such periods as is specified by the Administrator (including on a semi-monthly, weekly or daily basis);

(iv) as soon as possible and in any event within five Business Days after becoming aware of the occurrence of each Termination Event or Unmatured Termination Event, a statement of the chief financial officer of UGI setting forth details of such Termination Event or Unmatured Termination Event and the action that such Person has taken and proposes to take with respect thereto;

(v) promptly after the sending or filing thereof, copies of (or notice thereof if available on EDGAR) all reports that UGI sends to any of its security holders, and copies of all reports and registration statements that UGI or any Subsidiary files with the Securities and Exchange Commission; provided, that any filings with the Securities and Exchange Commission that have been granted “confidential” treatment shall be provided promptly after such filings have become publicly available;

(vi) promptly after the filing or receiving thereof, copies of all reports and notices that UGI or any of its Affiliate files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor with respect to any Benefit Plan that is subject to Title IV of ERISA or that UGI or any of its Affiliates receives with respect to any Benefit Plan that is subject to Title IV of ERISA from any of the foregoing or from any multiemployer plan (within the meaning of Section 4001(a)(3) of ERISA) to which UGI or any of its Affiliate is or was, within the preceding five years, a contributing employer, in each case in respect of the assessment of withdrawal liability or an event or condition that could, in the aggregate, reasonably result in the imposition of material liability on UGI and/or any such Affiliate;

(vii) at least thirty days before any change in UGI's or the Originator's name or any other change requiring the amendment of UCC financing statements, a notice setting forth such changes and the effective date thereof;

(viii) promptly after UGI obtains knowledge thereof, notice of any: (A) litigation, investigation or proceeding that may exist at any time between UGI or any of its Subsidiaries and any Governmental Authority that, if not cured or if adversely determined, as the case may be, would have a Material Adverse Effect; (B) litigation or proceeding adversely affecting UGI or any of its Subsidiaries in which the amount involved is $1,000,000 or more and not covered by insurance or in which injunctive or similar relief is sought; or (C) litigation or proceeding relating to any Transaction Document;

(ix) promptly after becoming aware thereof, notice of a material adverse change in the business, operations, property or financial or other condition of UGI or any of its Subsidiaries; and

(x) such other information respecting the Receivables or the condition or operations, financial or otherwise, of UGI or any of its Affiliates as the Administrator may from time to time reasonably request.

(k) Net Worth. At any time of determination, the net worth (as adjusted to eliminate the impact of any charges related to SFAS 133) OF THE Servicer shall not be less than the lesser of (a) $93,000,000 or (b) $93,0000,000 less an amount equal to the sum of all dividends paid by the Servicer from June 30, 2004 through such time; provided, however, that at no time shall the net worth (as adjusted above) of the Servicer (as reduced by all such dividends paid during the period referred to above) be less than $40,000,000.

3. Separate Existence. Each of the Seller and UGI hereby acknowledges that the Purchasers, the Issuer and the Administrator are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon the Seller's identity as a legal entity separate from UGI and its Affiliates. Therefore, from and after the date hereof, each of the Seller and UGI shall take all steps specifically required by the Agreement or reasonably required by the Administrator to continue the Seller's identity as a separate legal entity and to make it apparent to third Persons that the Seller is an entity with assets and liabilities distinct from those of UGI and any other Person, and is not a division of UGI, its Affiliates or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, each of the Seller and UGI shall take such actions as shall be required in order that:

(a) The Seller will be a limited purpose corporation whose primary activities are restricted in its certificate of incorporation to: (i) purchasing or otherwise acquiring from the Originator (or its Affiliates), owning, holding, granting security interests or selling interests in Pool Assets (or other receivables originated by the Originator or its Affiliates, and certain related assets), (ii) entering into agreements for the selling and servicing of the Receivables Pool (or other receivables pools originated by the Originator or its Affiliates), and (iii) conducting such other activities as it deems necessary or appropriate to carry out its primary activities;

(b) The Seller shall not engage in any business or activity, or incur any indebtedness or liability, other than as expressly permitted by the Transaction Documents;

(c) Not less than one member of the Seller's Board of Directors (the "Independent Director") shall be an individual who is not a direct, indirect or beneficial stockholder, officer, director, employee, affiliate, associate or supplier of UGI or any of its Affiliates. The certificate of incorporation of the Seller shall provide that: (i) the Seller's Board of Directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Seller unless the Independent Director shall approve the taking of such action in writing before the taking of such action, and (ii) such provision cannot be amended without the prior written consent of the Independent Director;

(d) The Independent Director shall not at any time serve as a trustee in bankruptcy for the Seller, UGI or any Affiliate thereof;

(e) Any employee, consultant or agent of the Seller will be compensated from the Seller's funds for services provided to the Seller. The Seller will not engage any agents other than its attorneys, auditors and other professionals, and a servicer and any other agent contemplated by the Transaction Documents for the Receivables Pool, which servicer will be fully compensated for its services by payment of the Servicing Fee;

(f) The Seller will contract with the Servicer to perform for the Seller all operations required on a daily basis to service the Receivables Pool. The Seller will pay the Servicer the Servicing Fee pursuant hereto. The Seller will not incur any material indirect or overhead expenses for items shared with UGI (or any other Affiliate thereof) that are not reflected in the Servicing Fee. To the extent, if any, that the Seller (or any Affiliate thereof) shares items of expenses not reflected in the Servicing Fee or the manager's fee, such as legal, auditing and other professional services, such expenses will be allocated to the extent practical on the basis of actual use or the value of services rendered, and otherwise on a basis reasonably related to the actual use or the value of services rendered; it being understood that UGI shall pay all expenses relating to the preparation, negotiation, execution and delivery of the Transaction Documents, including legal, agency and other fees;

(g) The Seller's operating expenses will not be paid by UGI or any other Affiliate thereof;

(h) All of the Seller's business correspondence and other communications shall be conducted in the Seller's own name and on its own separate stationery;

(i) The Seller's books and records will be maintained separately from those of UGI and any other Affiliate thereof;

(j) All financial statements of UGI or any Affiliate thereof that are consolidated to include Seller will contain detailed notes clearly stating that: (i) a special purpose corporation exists as a Subsidiary of UGI, (ii) the Originator has sold receivables and other related assets to such special purpose Subsidiary that, in turn, has sold undivided interests therein to certain financial institutions and other entities and (iii) that the special purpose Subsidiary's assets are not available to satisfy the obligations of UGI, the Performance Guarantor or any Affiliate;

(k) The Seller's assets will be maintained in a manner that facilitates their identification and segregation from those of UGI or any Affiliate thereof;

(l) The Seller will strictly observe corporate formalities in its dealings with UGI or any Affiliate thereof, and funds or other assets of the Seller will not be commingled with those of UGI or any Affiliate thereof except as permitted by the Agreement in connection with servicing the Pool Receivables. The Seller shall not maintain joint bank accounts or other depository accounts to which UGI or any Affiliate thereof (other than UGI in its capacity of Servicer) has independent access. The Seller is not named, and has not entered into any agreement to be named, directly or indirectly, as a direct or contingent beneficiary or loss payee on any insurance policy (other than directors and officers liability and credit insurance policies) with respect to any loss relating to the property of UGI or any Subsidiary or other Affiliate of UGI. The Seller will pay to the appropriate Affiliate the marginal increase or, in the absence of such increase, the market amount of its portion of the premium payable with respect to any insurance policy that covers the Seller and such Affiliate;

(m) The Seller will maintain arm's-length relationships with UGI (and any Affiliate thereof). Any Person that renders or otherwise furnishes services to the Seller will be compensated by the Seller at market rates for such services it renders or otherwise furnishes to the Seller. Neither the Seller nor UGI will be or will hold itself out to be responsible for the debts of the other or the decisions or actions respecting the daily business and affairs of the other. The Seller and UGI will immediately correct any known misrepresentation with respect to the foregoing, and they will not operate or purport to operate as an integrated single economic unit with respect to each other or in their dealing with any other entity; and

(n) Neither UGI nor the Performance Guarantor shall pay the salaries of Seller's employees, if any.

EXHIBIT V
TERMINATION EVENTS

Each of the following shall be a "Termination Event":

(a) (i) the Seller, UGI, the Originator or the Servicer (if UGI or any of its Affiliates) shall fail to perform or observe in any material respect any term, covenant or agreement under the Agreement or any other Transaction Document and, except as otherwise provided herein, such failure shall continue for thirty days after knowledge or notice thereof, (ii) the Seller or the Servicer shall fail to make when due any payment or deposit to be made by it under the Agreement and such failure shall continue unremedied for two (2) Business Days or (iii) UGI shall resign as Servicer, and no successor Servicer reasonably satisfactory to the Administrator shall have been appointed;

(b) UGI (or any Affiliate thereof) shall fail to transfer to any successor Servicer when required any rights pursuant to the Agreement that UGI (or such Affiliate) then has as Servicer;

(c) any representation or warranty made or deemed made by the Seller, UGI or the Originator (or any of their respective officers) under or in connection with the Agreement or any other Transaction Document, or any written information or report delivered by the Seller, UGI or the Originator or the Servicer pursuant to the Agreement or any other Transaction Document, shall prove to have been incorrect or untrue in any respect when made or deemed made (pursuant to paragraph 2(b) of Exhibit II hereof or with respect to any Information Package) or delivered; provided, however, if the violation of this paragraph (c) by the Seller or the Servicer may be cured without any potential or actual detriment to the Purchaser, the Administrator, or any Program Support Provider, the Seller or the Servicer as applicable shall have 30 days from the earlier of (i) such Person's knowledge of such failure and (ii) notice to such Person of such failure to cure any such violation, before a Termination Event shall occur so long as such Person is diligently attempting to effect such cure;

(d) the Seller or the Servicer shall fail to deliver the Information Package pursuant to the Agreement, and such failure shall remain unremedied for two Business Days;

(e) the Agreement or any purchase or reinvestment pursuant to the Agreement shall for any reason: (i) cease to create, or the Purchased Interest shall for any reason cease to be, a valid and enforceable perfected undivided percentage ownership or security interest to the extent of the Purchased Interest in each Pool Receivable, the Related Security and Collections with respect thereto, free and clear of any Adverse Claim, or (ii) cease to create with respect to the Pool Assets, or the interest of the Issuer with respect to such Pool Assets shall cease to be, a valid and enforceable first priority perfected security interest, free and clear of any Adverse Claim;

(f) the Seller, UGI or the Originator shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Seller, UGI, the Performance Guarantor or the Originator seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Seller, UGI, the Performance Guarantor or the Originator shall take any corporate action to authorize any of the actions set forth above in this paragraph;

(g) (i) the (A) Default Ratio shall exceed 2.25% or (B) Delinquency Ratio shall exceed 10.0% or (ii) the average for three consecutive calendar months of (A) the Default Ratio shall exceed 1.50%, (B) the Delinquency Ratio shall exceed 9.0%, (C) the Dilution Ratio shall exceed 1.75% or (iii) Days' Sales Outstanding exceeds 45 days;

(h) a Change in Control shall occur with respect to the Seller, the Originator or UGI,

(i) at any time (i) the sum of (A) the Capital plus (B) the Total Reserves, exceeds (ii) the sum of (A) the Net Receivables Pool Balance at such time plus (B) the Issuer's Share of the amount of Collections then on deposit in the Lock-Box Accounts (other than amounts set aside therein representing Discount and fees), and such circumstance shall not have been cured within five (5) Business Days of becoming aware thereof;

(j) (i) UGI or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any of its Debt that is outstanding in a principal amount of at least $5,000,000 in the aggregate when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement, mortgage, indenture or instrument relating to such Debt (and shall have not been waived); or (ii) any other event shall occur or condition shall exist under any agreement, mortgage, indenture or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement, mortgage, indenture or instrument (and shall have not been waived), if, in either case: (a) the effect of such non-payment, event or condition is to give the applicable debt holders the right (whether acted upon or not) to accelerate the maturity of such Debt, or (b) any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such Debt shall be required to be made, in each case before the stated maturity thereof;

(k) either: (i) a contribution failure shall occur with respect to any Benefit Plan sufficient to give rise to a lien under Section 302(f) of ERISA, (ii) the Internal Revenue Service shall file a notice of lien asserting a claim or claims pursuant to the Internal Revenue Code with regard to any of the assets of Seller, the Originator or any ERISA Affiliate and such lien shall have been filed and not released within 10 days, or (iii) the Pension Benefit Guaranty Corporation shall, or shall indicate its intention in writing to the Seller, the Originator or any ERISA Affiliate to, either file a notice of lien asserting a claim pursuant to ERISA with regard to any assets of the Seller, the Originator or any ERISA Affiliate or terminate any Benefit Plan subject to Title IV of ERISA that has unfunded benefit liabilities, or any steps shall have been taken to terminate any Benefit Plan subject to Title IV of ERISA that has unfunded benefit liabilities so as to result in any material liability to the Seller or the Originator and such lien shall have been filed and not released within 10 days;

(l) (i) one or more final and unappealable judgments for the payment of money shall be entered against the Seller or (ii) one or more final and unappealable judgments for the payment of money in an amount in excess of $20,000,000, individually or in the aggregate, shall be entered against the Servicer or the Originator on claims not covered by insurance or as to which the insurance carrier has denied its responsibility, and such judgment shall continue unsatisfied and in effect for sixty (60) consecutive days without a stay of execution;

(m) [RESERVED] or

the “Purchase and Sale Termination Date” under and as defined in the Purchase and Sale Agreement shall occur under the Purchase and Sale Agreement or the Originator shall for any reason cease to transfer, or cease to have the legal capacity to transfer, or otherwise be incapable of transferring Receivables to the Seller under the Purchase and Sale Agreem

Exhibit 10.48

Execution Version

CREDIT AGREEMENT

dated as of

August 26, 2010

among

UGI ENERGY SERVICES, INC.

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

PNC BANK, NATIONAL ASSOCIATION
as Syndication Agent

and

WELLS FARGO BANK, NATIONAL ASSOCIATION and CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH
as Co-Documentation Agents

J.P. MORGAN SECURITIES INC., WELLS FARGO SECURITIES, LLC and PNC CAPITAL MARKETS LLC
as Joint Bookrunners and Joint Lead Arrangers

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CREDIT AGREEMENT (this "Agreement") dated as of August 26, 2010 among UGI ENERGY SERVICES, INC., the LENDERS from time to time party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, PNC BANK, NATIONAL ASSOCIATION, as Syndication Agent and WELLS FARGO BANK, NATIONAL ASSOCIATION and CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"A/R Purchase Programs" has the meaning assigned to such term in the definition of the term "Permitted Encumbrances".

"ABR", when used in reference to any Loan or Borrowing, refers to a Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitment" means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is $170,000,000.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on Reuters Screen LIBOR01 Page (or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in Dollars in the London interbank market) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

"Applicable Percentage" means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender's Commitment; provided that, in the case of Section 2.21 when a Defaulting Lender shall exist, "Applicable Percentage" shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of such determination.

"Applicable Rate" means, for any day, (x) with respect to any Eurodollar Revolving Loan, 3.00% per annum and (y) with respect to any ABR Revolving Loan, 2.00% per annum.

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of each party whose consent is required by Section 9.04), and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form approved by the Administrative Agent.

"Attributable Receivables Indebtedness" at any time shall mean the principal amount of Indebtedness which (i) if a Permitted Receivables Facility is structured as a secured lending agreement, constitutes the principal amount of such Indebtedness or (ii) if a Permitted Receivables Facility is structured as a purchase agreement, would be outstanding at such time under the Permitted Receivables Facility if the same were structured as a secured lending agreement rather than a purchase agreement.

"Augmenting Lender" has the meaning assigned to such term in Section 2.20.

"Available Commitment" means, at any time with respect to any Lender, the Commitment of such Lender then in effect minus the Revolving Credit Exposure of such Lender at such time; it being understood and agreed that any Lender's Swingline Exposure shall not be deemed to be a component of the Revolving Credit Exposure for purposes of calculating the commitment fee under Section 2.12(a).

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Banking Services" means each and any of the following bank services provided to the Borrower or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Agreement" means any agreement entered into by the Borrower or any Subsidiary in connection with Banking Services.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means UGI Energy Services, Inc., a Pennsylvania corporation.

"Borrowing" means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect or (b) a Swingline Loan.

"Borrowing Request" means a request by the Borrower for a Revolving Borrowing in accordance with Section 2.03.

"Burdensome Restrictions" means any consensual encumbrance or restriction of the type described in clause (a) or (b) of Section 6.08.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollars in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided, however, that no power purchase agreement with an independent power producer or a power producer which is not an Affiliate of the Borrower shall constitute a Capital Lease Obligation.

"Change in Control" means (a) any Person or two or more Persons acting in concert (other than UGI Corporation or its direct or indirect wholly-owned Subsidiaries) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Securities Exchange Act of 1934), directly or indirectly, of Equity Interests of the Borrower (or other securities convertible into such Equity Interests) representing 30% or more of the combined voting power of all Equity Interests of the Borrower; or (b) during any period of up to 12 consecutive months, commencing after the date of this Agreement, a majority of the members of the board of directors of the Borrower cease to be composed of individuals (x) who were members of that board on the first day of such period, (y) whose election or nomination to that board was approved by individuals referred to in clause (x) above constituting at the time of such election or nomination at least a majority of that board or (z) whose election or nomination to that board was approved by individuals referred to in clauses (x) and (y) above constituting at the time of such election or nomination at least a majority of that board (excluding, in the case of both clause (y) and clause (z), any individual whose initial nomination for, or assumption of office as, a member of that board occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors); or (c) the Borrower shall cease for any reason to be directly or indirectly wholly-owned by UGI Corporation.

"Change in Law" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any binding change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided however, for purposes of this Agreement, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith are deemed to have gone into effect and adopted the day after the date of this Agreement.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

"Co-Documentation Agent" means each of Wells Fargo Bank, National Association and Credit Suisse AG, Cayman Islands Branch, in its capacity as documentation agent for the credit facility evidenced by this Agreement.

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

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Consolidated Capital Expenditures" means, without duplication, any expenditures for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with GAAP (as modified by Section 1.04).

"Consolidated EBITDA" means Consolidated Net Income plus, to the extent deducted from revenues in determining Consolidated Net Income, (i) Consolidated Interest Expense, (ii) expense for taxes paid or accrued, (iii) depreciation, (iv) amortization, (v) extraordinary or non-recurring non-cash expenses or losses incurred other than in the ordinary course of business, (vi) non-cash expenses related to stock based compensation minus, to the extent included in Consolidated Net Income, (vii) interest income, (viii) income tax credits and refunds (to the extent not netted from tax expense), (ix) any cash payments made during such period in respect of items described in clauses (v) or (vi) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were incurred and (x) extraordinary, unusual or non-recurring income or gains realized other than in the ordinary course of business, all calculated for the Borrower and its Subsidiaries in accordance with GAAP on a consolidated basis (as modified by Section 1.04). For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period"), (i) if at any time during such Reference Period the Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period, and (ii) if during such Reference Period the Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving effect thereto on a Pro Forma Basis as if such Material Acquisition occurred on the first day of such Reference Period. As used in this definition, "Material Acquisition" means any acquisition of property or series of related acquisitions of property that (a) constitutes (i) assets comprising all or substantially all or any significant portion of a business or operating unit of a business, or (ii) all or substantially all of the common stock or other Equity Interests of a Person, and (b) involves the payment of consideration by the Borrower and its Subsidiaries in excess of $15,000,000; and "Material Disposition" means any sale, transfer or disposition of property or series of related sales, transfers, or dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of $15,000,000.

"Consolidated Interest Expense" means, with reference to any period, the interest expense (including without limitation interest expense under Capital Lease Obligations that is treated as interest in accordance with GAAP (as modified by Section 1.04)) of the Borrower and its Subsidiaries calculated on a consolidated basis (as modified by Section 1.04) for such period with respect to (a) all outstanding Indebtedness of the Borrower and its Subsidiaries allocable to such period in accordance with GAAP (as modified by Section 1.04) (including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing and net costs under interest rate Swap Agreements to the extent such net costs are allocable to such period in accordance with GAAP) and (b) the interest component of all Attributable Receivable Indebtedness of the Borrower and its Subsidiaries other than such Indebtedness of the Excluded Subsidiary for such period. In the event that the Borrower or any Subsidiary shall have completed a Material Acquisition or a Material Disposition since the beginning of the relevant period, Consolidated Interest Expense shall be determined for such period on a Pro Forma Basis as if such acquisition or disposition, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such period.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) attributable to the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis (as modified by Section 1.04) (without duplication) for such period; provided that there shall be excluded any income (or loss) of any Person other than the Borrower or a Subsidiary, but any such income so excluded may be included in such period or any later period to the extent of any cash dividends or distributions actually paid in the relevant period to the Borrower or any wholly-owned Subsidiary of the Borrower.

"Consolidated Net Worth" means, at any time, the total consolidated equity of the Borrower and its Subsidiaries (including, if applicable, non-controlling interests) calculated in accordance with GAAP on a consolidated basis (as modified by Section 1.04) as of such time.

"Consolidated Total Assets" means, as of the date of any determination thereof, total assets of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis (as modified by Section 1.04) as of such date.

"Consolidated Total Capitalization" means the sum of (a) Consolidated Total Indebtedness, (b) total consolidated equity of the Borrower and its Subsidiaries (including, if applicable, non-controlling interests) calculated in accordance with GAAP on a consolidated basis (as modified by Section 1.04), and (c) the aggregate liquidation preference of preferred stocks (other than preferred stocks subject to mandatory redemption or repurchase) of the Borrower and its Subsidiaries upon involuntary liquidation.

"Consolidated Total Indebtedness" means at any time the sum, without duplication, of (a) the aggregate Indebtedness of the Borrower and its Subsidiaries calculated on a consolidated basis as of such time in accordance with GAAP (as modified by Section 1.04), (b) the aggregate amount of Indebtedness of the Borrower and its Subsidiaries relating to the maximum drawing amount of all letters of credit outstanding and bankers acceptances and (c) Indebtedness of the type referred to in clauses (a) or (b) hereof of another Person guaranteed by the Borrower or any of its Subsidiaries. For the avoidance of doubt, Consolidated Total Indebtedness includes all Attributable Receivables Indebtedness other than such Indebtedness of the Excluded Subsidiary.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Event" means a Borrowing, the issuance, amendment, renewal or extension of a Letter of Credit, an LC Disbursement or any of the foregoing.

"Credit Party" means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

"Default" means any event or condition which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

"Dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

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

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the existence with respect to any Plan of a failure to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Subsidiary" means Energy Services Funding Corporation, a Delaware corporation.

"Excluded Taxes" means, with respect to any payment made by any Loan Party under any Loan Document, any of the following Taxes imposed on or with respect to a Recipient:

(a) Other Connection Taxes;

(b) Taxes attributable to such Recipient's failure to comply with Section 2.17(f); and

(c) U.S. Federal withholding Taxes resulting from any law in effect (including FATCA) on the date on which (i) such Recipient acquires its applicable ownership interest in the Loan or Commitment (other than a Recipient acquiring its applicable ownership interest pursuant to Section 2.19(b)) or (ii) such Recipient changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Recipient's assignor immediately before such Recipient became a Recipient with respect to its applicable ownership interest in the Loan or Commitment or to such Recipient immediately before it changed its lending office).

"Existing Permitted Receivables Facility Documents" has the meaning assigned to such term in the definition of the term "Permitted Receivables Facility Documents".

"FATCA" means Sections 1471 through 1474 of the Code and any current or future regulations or official interpretations thereof.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"FERC" means the Federal Energy Regulatory Commission.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes all as regulated pursuant to any Environmental Law.

"Hostile Acquisition" means (a) the acquisition of the Equity Interests of a Person through a tender offer or similar solicitation of the owners of such Equity Interests which has not been approved (prior to such acquisition) by the board of directors (or any other applicable governing body) of such Person or by similar action if such Person is not a corporation and (b) any such acquisition as to which such approval has been withdrawn.

"Increasing Lender" has the meaning assigned to such term in Section 2.20.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to advances of any kind (other than advances in the form of customary deposits in the ordinary course of business), (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) all Attributable Receivables Indebtedness of such Person and (l) all obligations of such Person under Sale and Leaseback Transactions. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indebtedness to Capitalization Ratio" has the meaning assigned to such term in Section 6.11(c).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by any Loan Party under any Loan Document and (b) Other Taxes.

"Information Memorandum" means the Confidential Information Memorandum dated July 2010 relating to the Borrower and the Transactions.

"Interest Coverage Ratio" has the meaning assigned to such term in Section 6.11(b).

"Interest Election Request" means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December and the Maturity Date, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

"Interest Period" means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is two weeks or one, two, three or six months thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period (other than an Interest Period having a duration of two weeks) pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"IRS" means the United States Internal Revenue Service.

"Issuing Bank" means JPMorgan Chase Bank, N.A., in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Leverage Ratio" has the meaning assigned to such term in Section 6.11(a).

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in Dollars in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for deposits in Dollars with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which deposits in Dollars in an amount equal to $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, any promissory notes issued pursuant to Section 2.10(e) of this Agreement, any Letter of Credit applications, the Subsidiary Guaranty, any fee letter agreements executed by or on behalf of any Loan Party in connection with this Agreement, each notice of Borrowing delivered pursuant to Section 2.03, each notice of continuation or conversion delivered pursuant to Section 2.08 and each certificate delivered pursuant to Section 5.01(c), and all amendments, supplements and modifications of each of the foregoing. Any reference in the Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Parties" means, collectively, the Borrower and the Subsidiary Guarantors.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations or condition (financial or otherwise) of the Borrower and the Subsidiaries taken as a whole, (b) the validity or enforceability of this Agreement or any and all other Loan Documents, (c) the ability of the Borrower or any Subsidiary Guarantor to perform its obligations hereunder or under any other Loan Documents or (d) the rights or remedies of the Administrative Agent and the Lenders hereunder or under any other Loan Document.

"Material Domestic Subsidiary" means each Receivables Seller and each Domestic Subsidiary (i) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01, contributed greater than ten percent (10.0%) of the Borrower's Consolidated EBITDA for such period or (ii) which contributed greater than ten percent (10.0%) of the Borrower's Consolidated Total Assets as of such date; provided that, if at any time the aggregate amount of the EBITDA or consolidated total assets of all Domestic Subsidiaries that are not Material Domestic Subsidiaries exceeds fifteen percent (15.0%) of the Borrower's Consolidated EBITDA for any such period or fifteen percent (15.0%) of the Borrower's Consolidated Total Assets as of the end of any such fiscal quarter, the Borrower (or, in the event the Borrower has failed to do so within ten (10) days, the Administrative Agent) shall designate sufficient Domestic Subsidiaries as "Material Domestic Subsidiaries" to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Domestic Subsidiaries.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of a Swap Agreement, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding $7,500,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Maturity Date" means August 26, 2013.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-U.S. Lender" means a Lender that is not a U.S. Person.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and its Subsidiaries to any of the Lenders, the Administrative Agent, the Issuing Bank or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or to the Lenders or any of their Affiliates under any Swap Agreement or any Banking Services Agreement or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, any Loan Document).

"Other Taxes" means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment or participation.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Acquisition" means any acquisition (whether by purchase, merger, consolidation or otherwise but excluding in any event a Hostile Acquisition) or series of related acquisitions by the Borrower or any Subsidiary of (i) all or substantially all the assets of or (ii) all or substantially all the Equity Interests in, a Person or division or line of business of a Person, if, at the time of and immediately after giving effect thereto, (a) no Default or Event of Default has occurred and is continuing or would arise after giving effect thereto, (b) such Person or division or line of business is engaged in the same or a similar line of business as the Borrower and the Subsidiaries or a business reasonably related thereto, (c) all actions required to be taken with respect to such acquired or newly formed Subsidiary under Section 5.09 shall have been taken, (d) the Borrower and the Subsidiaries are in compliance, on a pro forma basis after giving effect to such acquisition, with the covenants contained in Section 6.11 recomputed as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements are available, as if such acquisition (and any related incurrence or repayment of Indebtedness, with any new Indebtedness being deemed to be amortized over the applicable testing period in accordance with its terms) had occurred on the first day of each relevant period for testing such compliance and, if the aggregate consideration paid in respect of such acquisition exceeds $50,000,000, the Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer of the Borrower to such effect, together with all relevant financial information, statements and projections requested by the Administrative Agent and (e) in the case of an acquisition or merger involving the Borrower or a Subsidiary, the Borrower or such Subsidiary is the surviving entity of such merger and/or consolidation in accordance with Section 6.03(a).

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, lessor's, landlord's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than sixty (60) days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) other deposits made to secure liability to insurance carriers under insurance or self-insurance arrangements, in each case entered into in the ordinary course of business;

(h) Liens securing reimbursement obligations under commercial letters of credit, in each case entered into in the ordinary course of business, provided in each case that such Liens cover only the title documents and related goods (and any proceeds thereof) covered by the related commercial letter of credit;

(i) Liens arising by virtue of any statutory or common law or customary contractual provision relating to banker's liens, rights of setoff or similar rights as to deposit accounts or other funds maintained with a depository institution, in each case entered into in the ordinary course of business;

(j) customary protective Liens granted in the ordinary course of business by the Borrower or any Subsidiary to the extent required pursuant to applicable law or contract for the management or storage of inventory associated with storage capacity in relation to utilities or any entity subject to FERC regulations; and

(k) customary Liens granted in the ordinary course of business to utilities or any entity subject to FERC regulations in relation to receivables purchase programs ("A/R Purchase Programs");

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940 and (ii) are rated AAA by S&P and Aaa by Moody's.

"Permitted Receivables Facility" shall mean the receivables facility or facilities created under the Permitted Receivables Facility Documents, providing for the sale or pledge by the Borrower and/or one or more other Receivables Sellers of Permitted Receivables Facility Assets (thereby providing financing to the Borrower and the Receivables Sellers) to the Receivables Entity (either directly or through another Receivables Seller), which in turn shall sell or pledge interests in the respective Permitted Receivables Facility Assets to third-party investors pursuant to the Permitted Receivables Facility Documents (with the Receivables Entity permitted to issue investor certificates, purchased interest certificates or other similar documentation evidencing interests in the Permitted Receivables Facility Assets) in return for the cash used by the Receivables Entity to purchase the Permitted Receivables Facility Assets from the Borrower and/or the respective Receivables Sellers, in each case as more fully set forth in the Permitted Receivables Facility Documents.

"Permitted Receivables Facility Assets" shall mean (i) Receivables (whether now existing or arising in the future) of the Borrower and its Subsidiaries which are transferred or pledged to the Receivables Entity pursuant to the Permitted Receivables Facility and any related Permitted Receivables Related Assets which are also so transferred or pledged to the Receivables Entity and all proceeds thereof and (ii) loans to the Borrower and its Subsidiaries secured by Receivables (whether now existing or arising in the future) and any Permitted Receivables Related Assets of the Borrower and its Subsidiaries which are made pursuant to the Permitted Receivables Facility.

"Permitted Receivables Facility Documents" shall mean (a) each of the documents and agreements relating to the receivables facility for the Excluded Subsidiary, and all amendments thereto, in effect as of the date hereof (the "Existing Permitted Receivables Facility Documents"), as any of the Existing Permitted Receivables Facility Documents may be further amended, restated, supplemented or otherwise modified from time to time so long as any such further amendments, restatements, supplements or modifications (i) do not impose any conditions or requirements the result of which would cause the Excluded Subsidiary to fail to satisfy the requirements of clause (y) of the definition of "Receivables Entity" (it being understood that the Excluded Subsidiary satisfies clause (y) of the definition of "Receivables Entity" as of the date hereof) and (ii) do not eliminate or materially modify any right of the Excluded Subsidiary to voluntarily terminate the Permitted Receivables Facility evidenced thereby; and (b) each of the documents and agreements entered into in connection with any other Permitted Receivables Facility, including all documents and agreements relating to the issuance, funding and/or purchase of certificates and purchased interests, all of which documents and agreements under this clause (b) shall be in form and substance reasonably satisfactory to the Administrative Agent, in each case as such documents and agreements described in this clause (b) may be amended, modified, supplemented, refinanced or replaced from time to time so long as any such amendments, modifications, supplements, refinancings or replacements (i) do not impose any conditions or requirements the result of which would cause the Excluded Subsidiary or other Receivables Entity to fail to satisfy the requirements of clause (y) of the definition of "Receivables Entity", (ii) do not impose any conditions or requirements on the Borrower or any of its Subsidiaries (other than the applicable Receivables Entity) that, taken as a whole, are more restrictive in any material respect than those in existence immediately prior to any such amendment, modification, supplement, refinancing or replacement, (iii) could not reasonably be expected to impair the Borrower's ability to repay the Obligations as and when due (for the avoidance of doubt, the sale of Receivables and Permitted Receivables Related Assets shall not in and of itself be deemed in violation of this subclause (iii)), (iv) do not eliminate or materially modify any right of the Borrower or the applicable Receivables Entity to voluntarily terminate the Permitted Receivables Facility evidenced thereby; and (v) are not material and adverse in any way to the interests of the Lenders; provided, that with respect to any such documents and agreements described in this clause (b), (x) any extension of maturity, (y) any change in commitments (subject to the limitations set forth in Section 6.01(c)) or (z) any modification of the advance rates thereunder shall be deemed not to be in violation of subclauses (i) through (v) above.

"Permitted Receivables Related Assets" means any other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving receivables similar to Receivables and any collections or proceeds of any of the foregoing; provided, that the other assets included within the defined term "Pool Assets" as defined in the Existing Permitted Receivables Facility Documents as of the date hereof are deemed to be "Permitted Receivables Related Assets".

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Pro Forma Basis" means, with respect to any event, that the Borrower is in compliance on a pro forma basis with the applicable covenant, calculation or requirement herein recomputed as if the event with respect to which compliance on a Pro Forma Basis is being tested had occurred on the first day of the four fiscal quarter period most recently ended on or prior to such date for which financial statements have been delivered pursuant to Section 5.01.

"Receivables" shall mean all accounts receivable (including, without limitation, all rights to payment created by or arising from time to time from sales of goods, leases of goods or the rendition of services rendered no matter how evidenced whether or not earned by performance).

"Receivables Entity" shall mean (x) the Excluded Subsidiary and (y) each other wholly-owned Subsidiary of the Borrower which engages in no activities other than in connection with the financing of accounts receivable of the Receivables Sellers and which is designated (as provided below) as the "Receivables Entity" (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Borrower or any other Subsidiary of the Borrower (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Borrower or any other Subsidiary of the Borrower in any way (other than pursuant to Standard Securitization Undertakings) or (iii) subjects any property or asset of the Borrower or any other Subsidiary of the Borrower, directly or indirectly, contingently or otherwise, to the satisfaction thereof (other than pursuant to Standard Securitization Undertakings), (b) with which neither the Borrower nor any of its Subsidiaries has any contract, agreement, arrangement or understanding (other than pursuant to the Permitted Receivables Facility Documents (including with respect to fees payable in the ordinary course of business in connection with the servicing of accounts receivable and related assets)) on terms less favorable to the Borrower or such Subsidiary than those that might be obtained at the time from persons that are not Affiliates of the Borrower, and (c) to which neither the Borrower nor any other Subsidiary of the Borrower has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation shall be evidenced to the Administrative Agent by filing with the Administrative Agent an officer's certificate of the Borrower certifying that, to the best of such officer's knowledge and belief after consultation with counsel, such designation complied with the foregoing conditions.

"Receivables Sellers" shall mean the Borrower and those Subsidiaries that are from time to time party to the Permitted Receivables Facility Documents.

"Recipient" means, as applicable, (a) the Administrative Agent, (b) any Lender (and, in the case of a Lender that is classified as a partnership for U.S. Federal tax purposes, a Person treated as the beneficial owner thereof for U.S. Federal tax purposes) and (c) the Issuing Bank.

"Register" has the meaning assigned to such term in Section 9.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than fifty percent (50%) of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any Subsidiary.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans and its LC Exposure and Swingline Exposure at such time.

"Revolving Loan" means a Loan made pursuant to Section 2.01.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Sale and Leaseback Transaction" means any sale or other transfer of any property or asset by any Person with the intent to lease such property or asset as lessee.

"SEC" means the United States Securities and Exchange Commission.

"Solvent" means, with respect to the Borrower and its Subsidiaries, (i) the fair value of the assets of the Borrower and its Subsidiaries taken as a whole as a going concern, at a fair valuation, exceed and will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Borrower and its Subsidiaries taken as a whole as a going concern will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the Borrower and its Subsidiaries will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Borrower and its Subsidiaries do not and will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is presently conducted and is proposed to be conducted in the future.

"Standard Securitization Undertakings" shall mean representations, warranties, covenants and indemnities entered into by the Borrower or any Subsidiary thereof in connection with the Permitted Receivables Facility which are reasonably customary in an accounts receivable financing transaction; provided, that the representations, warranties, covenants and indemnities set forth in the Existing Permitted Receivables Facility Documents are deemed to be "Standard Securitization Undertakings".

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D of the Board. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D of the Board or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Indebtedness" means any Indebtedness of the Borrower or any Subsidiary the payment of which is subordinated to payment of the obligations under the Loan Documents.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantor" means each of the Subsidiaries of the Borrower party to the Subsidiary Guaranty as of the date hereof and each Material Domestic Subsidiary other than a Receivables Entity. The Subsidiary Guarantors on the Effective Date are identified as such in Schedule 3.01 hereto.

"Subsidiary Guaranty" means that certain Guaranty dated as of the Effective Date in the form of Exhibit F (including any and all supplements thereto) and executed by each Subsidiary Guarantor, as amended, restated, supplemented or otherwise modified from time to time.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

"Swingline Lender" means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.05.

"Syndication Agent" means PNC Bank, National Association, in its capacity as syndication agent for the credit facility evidenced by this Agreement.

"Taxes" means any present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(D)(2).

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Withholding Agent" means the Borrower and the Administrative Agent.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurodollar Borrowing") or by Class and Type (e.g., a "Eurodollar Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed

as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall (1) be made, without giving effect to (x) any accumulated other comprehensive income or loss or (y) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (2) include the Excluded Subsidiary on the equity method of accounting.

SECTION 1.05. Status of Obligations. In the event that the Borrower or any other Loan Party shall at any time issue or have outstanding Subordinated Indebtedness, the Borrower shall take or cause such other Loan Party to take all such actions as shall be reasonably necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such other Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower in Dollars from time to time during the Availability Period in an aggregate principal amount that will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) the sum of the total Revolving Credit Exposures exceeding the Aggregate Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05.

(b) Subject to Section 2.14, each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to, with no greater benefit to, such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $500,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of $100,000 and not less than $300,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of seven (7) Eurodollar Revolving Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 1:00 p.m., New York City time, three (3) Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, one (1) Business Day before the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 1:00 p.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or electronic communication to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed.

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the Borrower shall be deemed to have selected an Interest Period of two weeks' duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Revolving Loan to be made as part of the requested Borrowing.

SECTION 2.04. Intentionally Omitted.

SECTION 2.05. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans in Dollars to the Borrower from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding $20,000,000 or (ii) the sum of the total Revolving Credit Exposures exceeding the Aggregate Commitment; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone or electronic communication, not later than 12:00 noon, New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower designated by the Borrower (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the Issuing Bank) by 4:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., New York City time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or Event of Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

SECTION 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit denominated in Dollars for its own account, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the amount of the LC Exposure shall not exceed $50,000,000 and (ii) the sum of the total Revolving Credit Exposures shall not exceed the Aggregate Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or Event of Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the amount equal to such LC Disbursement, calculated as of the date the Issuing Bank made such LC Disbursement not later than 2:00 p.m., New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 2:00 p.m., New York City time, on the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, if such LC Disbursement is not less than $1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent amount of such LC Disbursement and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by facsimile) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, within one (1) Business Day after receipt by the Borrower of notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders and the Issuing Bank (the "LC Collateral Account"), an amount in cash equal to 105% of the amount of the LC Exposure as of such date plus any accrued and unpaid interest with respect to LC Disbursements and the Borrower hereby grants to the Administrative Agent, for itself and on behalf of the Lenders and the Issuing Bank, a first-priority lien and security interest in such account and the balances from time to time therein; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within one (1) Business Day after all Events of Default have been cured or waived and the lien and security interest of the Administrative Agent therein shall be deemed released upon such return.

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage; provided that Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to the account of the Borrower; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or electronic communication to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower. Notwithstanding any contrary provision herein, this Section shall not be construed to permit the Borrower to elect an Interest Period for Eurodollar Loans that does not comply with Section 2.02(d).

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of two weeks' duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Revolving Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Revolving Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the sum of the Revolving Credit Exposures would exceed the Aggregate Commitment.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of five (5) days following the date such Swingline Loan was funded and the Maturity Date; provided that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans then outstanding.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein absent manifest error; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with the provisions of this Section 2.11. The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by electronic communication) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing, not later than 1:00 p.m., New York City time, three (3) Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 1:00 p.m., New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 1:00 p.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16. If at any time the sum of the aggregate principal amount of all of the Revolving Credit Exposures exceeds the Aggregate Commitment, the Borrower shall immediately repay Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause the aggregate principal amount of all Revolving Credit Exposures to be less than or equal to the Aggregate Commitment.

SECTION 2.12. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at a rate per annum equal to 0.55% on the average daily amount of the Available Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.175% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to Letters of Credit issued by the Issuing Bank during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Unless otherwise specified above, participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third (3rd) Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing clauses (a) and (b), if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% per annum plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section. Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default, the Administrative Agent or the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 9.02 requiring the consent of "each Lender directly affected thereby" for reductions in interest rates), declare that (i) all Loans shall bear interest at 2% per annum plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount outstanding hereunder, such amount shall accrue at 2% per annum plus the rate applicable to such fee or other obligation as provided hereunder.

(d) Accrued interest on each Revolving Loan shall be payable in arrears on each Interest Payment Date for such Revolving Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or electronic communication as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective and any such Eurodollar Borrowing shall be repaid on the last day of the then current Interest Period applicable thereto and (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank;

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Other Connection Taxes on gross or net income, profits or receipts (including value-added or similar Taxes)) on its loans, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making or maintaining any Eurodollar Loan or ABR Loan or of maintaining its obligation to make any such Loan or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or such other Recipient hereunder, whether of principal, interest or otherwise, then the Borrower will pay to such Lender, the Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11 and is revoked in accordance therewith) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in Dollars of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

SECTION 2.17. Taxes.

(a) Withholding of Taxes; Gross-Up. Each payment by any Loan Party under any Loan Document shall be made without withholding for any Taxes, unless such withholding is required by any law. If any Withholding Agent determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Withholding Agent may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Governmental Authority in accordance with applicable law. If such Taxes are Indemnified Taxes, then the amount payable by such Loan Party shall be increased as necessary so that, net of such withholding (including such withholding applicable to additional amounts payable under this Section), the applicable Recipient receives the amount it would have received had no such withholding had been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient for any Indemnified Taxes that are paid or payable by such Recipient in connection with any Loan Document (including amounts payable under this Section 2.17(d)) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(d) shall be paid within 10 days after the Recipient delivers to any Loan Party a certificate stating the amount of any Indemnified Taxes so payable by such Recipient. Such certificate shall be conclusive of the amount so payable absent manifest error. Such Recipient shall deliver a copy of such certificate to the Administrative Agent. In the case of any Lender making a claim under this Section 2.17(d) on behalf of any of its beneficial owners, an indemnity payment under this Section 2.17(d) shall be due only to the extent that such Lender is able to establish that, with respect to the applicable Indemnified Taxes, such beneficial owners supplied to the applicable Persons such properly completed and executed documentation necessary to claim any applicable exemption from, or reduction of, such Indemnified Taxes.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so) and the Loan Parties for any Excluded Taxes, in each case attributable to such Lender that are paid or payable by the Administrative Agent or the applicable Loan Party (as applicable) in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes or Excluded Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(e) shall be paid within 10 days after the Administrative Agent or the applicable Loan Party (as applicable) delivers to the applicable Lender a certificate stating the amount of Taxes or Excluded Taxes so paid or payable by the Administrative Agent or the applicable Loan Party (as applicable). Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii) and (iii) below) shall not be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of such Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.17(f). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify such Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(ii) Without limiting the generality of the foregoing, if the Borrower is a U.S. Person, any Lender with respect to such Borrower shall, if it is legally eligible to do so, deliver to such Borrower and the Administrative Agent (in such number of copies reasonably requested by such Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under any Loan Document constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a certificate substantially in the form of Exhibit C (a "U.S. Tax Certificate") to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, (c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code or (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under any Loan Document (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including additional amounts paid pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made by the Borrower under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid to such indemnified party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.17(g), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.17(g) if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.17(g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 2:00 p.m., New York City time on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on the date on which such payment is due may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) During the continuance of an Event of Default, at the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be deducted from any deposit account of the Borrower maintained with the Administrative Agent; provided, that in the case of reimbursement for fees and expenses, the Administrative Agent shall have previously provided the Borrower with an invoice setting forth any such amounts as provided for under Section 9.03. The Borrower hereby irrevocably authorizes, during the continuance of an Event of Default, the Administrative Agent to charge any deposit account of the Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Bank to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15 or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.20. Expansion Option. The Borrower may from time to time elect to increase the Commitments in minimum increments of $10,000,000 so long as, after giving effect thereto, the aggregate amount of such increases does not exceed $30,000,000. The Borrower may arrange for any such increase to be provided by one or more Lenders (each Lender so agreeing to an increase in its Commitment, an "Increasing Lender"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "Augmenting Lender"), to increase their existing Commitments or extend Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Borrower and the Administrative Agent and (ii) (x) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit D hereto, and (y) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit E hereto. No consent of any Lender (other than the Lenders participating in the increase) shall be required for any increase in Commitments to this Section 2.20. Increases and new Commitments created pursuant to this Section 2.20 shall become effective on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) shall become effective under this Section 2.20 unless, (i) on the proposed date of the effectiveness of such increase, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower and (B) the Borrower shall be in compliance (on a Pro Forma Basis reasonably acceptable to the Administrative Agent) with the covenants contained in Section 6.11 and (ii) the Administrative Agent

shall have received opinion letters consistent with those delivered on the Effective Date as to the corporate power and authority of the Borrower to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Commitments, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) the Borrower shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurodollar Loan, shall be subject to indemnification by the Borrower pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods.

SECTION 2.21. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 9.02); provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender;

(c) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of such Swingline Exposure and LC Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within three (3) Business Days following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the Issuing Bank only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; or

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all commitment fees that would otherwise have been payable to such Defaulting Lender (solely with respect to that portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until such LC Exposure is cash collateralized and/or reallocated;

(d) so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.21(c), and participating interests in any such newly made Swing Line Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.21(c)(i) (and Defaulting Lenders shall not participate therein);

(e) upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, in its sole discretion and in lieu of distributing such amounts to such Defaulting Lender, apply amounts which would otherwise be payable to a Defaulting Lender to satisfy in full or in part the Obligations owing to the Administrative Agent, the Issuing Bank and the non-Defaulting Lenders in accordance with the other provisions of this Agreement with the balance, if any, being applied to satisfy in full or in part to the Obligations owing to such Defaulting Lender;

(f) neither the provisions of this Section 2.21, nor the provisions of any other Section of this Agreement relating to a Defaulting Lender, are intended by the parties hereto to constitute liquidated damages and, subject to the limitations contained in Section 9.03 regarding special, indirect, consequential and punitive damages, each of the Administrative Agent, the Issuing Bank, each non-Defaulting Lender and each Loan Party hereby reserves its respective rights to proceed against any Defaulting Lender for any damages incurred as a result of it becoming a Defaulting Lender hereunder; and

(g) for the avoidance of doubt, the Borrower shall not be liable to any Defaulting Lender as a result of any action taken by the Administrative Agent in accordance with the terms of this Section 2.21.

If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or the Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower, the Issuing Bank and the Swingline Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage and any amounts required to be on deposit pursuant to Section 2.21(c) shall be immediately remitted to the Borrower or as otherwise required pursuant to applicable law, rule or order.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers; Subsidiaries. Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. Schedule 3.01 hereto (as supplemented from time to time) identifies each Subsidiary, noting whether such Subsidiary is a Material Domestic Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Borrower and the other Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class issued and outstanding. All of the outstanding shares of capital stock and other equity interests of each Subsidiary are validly issued and outstanding and fully paid and nonassessable and all such shares and other equity interests indicated on Schedule 3.01 as owned by the Borrower or another Subsidiary are owned, beneficially and of record, by the Borrower or any Subsidiary free and clear of all Liens. There are no outstanding commitments or other obligations of the Borrower or any Subsidiary to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of the Borrower or any Subsidiary.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, material agreement or other material instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended September 30, 2009 reported on by PricewaterhouseCoopers LLP, independent public accountants, and (ii) as of and for the portion of the fiscal year ended June 30, 2010 and, with respect to the statement of income only, for the fiscal quarter ended June 30, 2010, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since September 30, 2009, there has been no material adverse change in the business, assets, operations or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere in any material respect with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and to the knowledge of the Borrower, the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation, Environmental and Labor Matters. (a) There are no actions, suits, proceedings or investigations by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability or (iii) has received notice of any claim with respect to any Environmental Liability.

(c) There are no strikes, lockouts or slowdowns against the Borrower or any of its Subsidiaries pending or, to their knowledge, threatened that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. The hours worked by and payments made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law relating to such matters that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. All material payments due from the Borrower or any of its Subsidiaries, or for which any claim may be made against the Borrower or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as liabilities on the books of the Borrower or such Subsidiary. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement under which the Borrower or any of its Subsidiaries is bound.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Investment Company Status. Neither the Borrower nor any Subsidiary Guarantor is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves to the extent required by GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other written information furnished by or on behalf of the Borrower or any Subsidiary to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, the foregoing is hereby qualified to the extent of any projections or other "forward looking statements", which include statements that are predictive in nature, depend upon or refer to future events or conditions, and usually include words such as "expects", "anticipates", "intends", "plans", "believes", "projects", "estimates", or similar expressions; and provided, further, that any statements concerning future financial performance, ongoing business strategies or prospects or possible future actions are also future looking statements; it being expressly understood and agreed that (i) forward looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties and the accuracy of assumptions concerning the Borrower and its Subsidiaries, the performance of the industries in which they do business and economic and market factors, among other things, and (ii) such forward looking statements are not guarantees of future performance.

SECTION 3.12. Federal Reserve Regulations.No part of the proceeds of any Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.13. Liens.There are no Liens on any of the real or personal properties of the Borrower or any Subsidiary except for Liens permitted by Section 6.02.

SECTION 3.14. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.15. No Burdensome Restrictions. The Borrower is not subject to any Burdensome Restrictions except Burdensome Restrictions permitted under Section 6.08.

SECTION 3.16. Solvency.

(a) Immediately after giving effect to any Borrowings to occur on such date, the Borrower and its Subsidiaries, taken as a whole, are and will be Solvent.

(b) The Borrower does not intend to, nor does it intend to permit any of its Subsidiaries to, and the Borrower does not believe that it or any of its Subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from (i) each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) each initial Subsidiary Guarantor either (A) a counterpart of the Subsidiary Guaranty signed on behalf of such Subsidiary Guarantor or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of the Subsidiary Guaranty) that such Subsidiary Guarantor has signed a counterpart of the Subsidiary Guaranty.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Morgan, Lewis & Bockius LLP, counsel for the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent and covering such other matters relating to the Loan Parties, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Lenders shall have received (i) satisfactory audited consolidated financial statements of the Borrower for the two most recent fiscal years ended prior to the Effective Date as to which such financial statements are available, (ii) satisfactory unaudited interim consolidated financial statements of the Borrower for June 30, 2010 and each other quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph and (iii) satisfactory financial statement projections through and including the Borrower’s 2013 fiscal year, together with such information as the Administrative Agent and the Lenders shall reasonably request (including, without limitation, a detailed description of the assumptions used in preparing such projections).

(d) The Administrative Agent shall have received (i) such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit G and (ii) to the extent requested by any of the Lenders, all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(e) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(f) The Administrative Agent shall have received evidence satisfactory to it that any credit facility currently in effect for the Borrower shall have been terminated and cancelled and all indebtedness thereunder shall have been fully repaid (except to the extent being so repaid with the initial Revolving Loans) and any and all liens thereunder shall have been terminated.

(g) The Administrative Agent shall have received evidence reasonably satisfactory to it that all governmental and third party approvals necessary or, in the discretion of the Administrative Agent, advisable in connection with the Transactions and the continuing operations of the Borrower and its Subsidiaries have been obtained and are in full force and effect.

(h) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects (except that any representation or warranty which is already qualified as to materiality or by reference to Material Adverse Effect shall be true and correct in all respects) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent (and the Administrative Agent shall promptly provide the same to the Lenders):

(a) within one hundred five (105) days after the end of each fiscal year of the Borrower, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied except for inconsistencies resulting from changes in accounting principles and methods agreed to by the Borrower's independent public accountants;

(b) within fifty (50) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for the then elapsed portion of the fiscal year and, with respect to the statement of operations only, for such fiscal quarter, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes except for inconsistencies resulting from changes in accounting principles and methods agreed to by the Borrower's independent public accountants;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default or Event of Default has occurred and, if a Default or Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.11 and (iii) stating whether any material change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default or Event of Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) as soon as available, but in any event not more than fifteen (15) days after being approved by the board of directors of the Borrower, and in no event later than November 15th of each fiscal year of the Borrower, a copy of the plan and forecast (including a projected consolidated balance sheet, income statement and funds flow statement) of the Borrower for the upcoming fiscal year in form previously delivered to the Administrative Agent;

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of said Commission, if any, or with any national securities exchange, or distributed by the Borrower to its shareholders generally, if any, as the case may be; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to this Section 5.01 may be delivered electronically.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender as soon as reasonably practicable, and in any event no later than five (5) Business Days, after a Financial Officer obtains knowledge thereof written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Subsidiary that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; and

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect its legal existence, (ii) preserve, renew and keep in full force and effect the rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of its business, and (iii) maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except where the failure to do so under clause (ii) or (iii) could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with and as required by GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted; provided, however, that nothing shall prevent the Borrower or any Subsidiary from discontinuing the operation or maintenance of any property if such discontinuance is, in the reasonable business judgment of the Borrower or such Subsidiary, desirable in the conduct of the business of the Borrower or such Subsidiary and such discontinuance could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses.

SECTION 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its financial officers and, during the continuance of an Event of Default, its independent accountants, all at such reasonable times and as often as reasonably requested. The Borrower acknowledges that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Borrower and its Subsidiaries' assets for internal use by the Administrative Agent and the Lenders.

SECTION 5.07. Compliance with Laws and Material Contractual Obligations. The Borrower will, and will cause each of its Subsidiaries to, (i) comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including without limitation Environmental Laws) and (ii) perform in all material respects its obligations under agreements to which it is a party, in each case except where the failure to do so under clause (i) and (ii), individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used only (x) to finance the working capital needs, and for general corporate purposes, of the Borrower and its Subsidiaries in the ordinary course of business and (y) to fund dividends by the Borrower to the extent permitted hereunder. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 5.09. Subsidiary Guaranty. As promptly as possible but in any event within thirty (30) days (or such later date as may be agreed upon by the Administrative Agent) after any Person becomes a Subsidiary or any Subsidiary qualifies independently as, or is designated by the Borrower or the Administrative Agent as, a Subsidiary Guarantor pursuant to the definition of "Material Domestic Subsidiary", the Borrower shall provide the Administrative Agent with written notice thereof setting forth information in reasonable detail describing the material assets of such Person and shall cause each such Subsidiary which also qualifies as a Material Domestic Subsidiary to deliver to the Administrative Agent a joinder to the Subsidiary Guaranty (in the form contemplated thereby) pursuant to which such Subsidiary agrees to be bound by the terms and provisions thereof, such Subsidiary Guaranty to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within ninety (90) days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (b) shall not exceed $15,000,000 at any time outstanding;

(c) Indebtedness of the Borrower or any Subsidiary incurred pursuant to Permitted Receivables Facilities; provided that the Attributable Receivables Indebtedness thereunder shall not exceed an aggregate amount of $400,000,000 at any time outstanding;

(d) unsecured Indebtedness so long as upon the creation, incurrence or assumption thereof (i) no Default or Event of Default shall be continuing and (ii) the Borrower shall be in compliance on a Pro Forma Basis with each of the financial covenants set forth in Section 6.11; and

(e) unsecured Indebtedness of the Borrower or any Subsidiary owing to any Affiliate which is subordinated to the payment of the Obligations in accordance with the terms set forth on Exhibit B hereto or on terms and conditions otherwise acceptable to the Administrative Agent.

SECTION 6.02. Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (b) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within ninety (90) days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary;

(e) Liens arising under Permitted Receivables Facilities;

(f) Liens on assets of the Borrower and its Subsidiaries not otherwise permitted above which secure obligations not constituting Indebtedness so long as the aggregate amount of the obligations secured thereby does not at any time exceed $10,000,000; and

(g) any Lien on deposits made on account of Swap Agreements from time to time in the ordinary course of the business of the Borrower and its Subsidiaries consistent with past practice.

SECTION 6.03. Fundamental Changes and Asset Sales. (a) The Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) any of its assets (including pursuant to a Sale and Leaseback Transaction), or any of the Equity Interests of any of its Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, (x) the Borrower or any Subsidiary may sell Receivables under (i) Permitted Receivables Facilities (subject to the limitation that the Attributable Receivables Indebtedness thereunder shall not exceed an aggregate amount of $400,000,000) and (ii) A/R Purchase Programs; and (y) if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing:

(i) any Person may merge into the Borrower in a transaction in which the Borrower is the surviving corporation;

(ii) any Subsidiary may merge into a Loan Party in a transaction in which the surviving entity is such Loan Party (provided that any such merger involving the Borrower must result in the Borrower as the surviving entity);

(iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets to a Loan Party;

(iv) the Borrower and its Subsidiaries may (A) sell inventory in the ordinary course of business, (B) sell or lease storage or pipeline capacity in the ordinary course of business, (C) effect sales, trade-ins or dispositions of used equipment for value in the ordinary course of business consistent with past practice, (D) enter into licenses of technology in the ordinary course of business, and (E) in addition to clauses (A) through (D) above, make any other sales, transfers, leases or dispositions that, together with all other property of the Borrower and its Subsidiaries previously leased, sold or disposed of as permitted by this clause (E) at any time after the Effective Date, does not exceed $100,000,000;

(v) any Subsidiary that is not a Loan Party may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders;

(vi) any Subsidiary that is not a Loan Party may merge into any Subsidiary that is not a Loan Party; and

(vii) the Borrower and the Subsidiaries may engage in any transactions constituting Restricted Payments to the extent permitted under Section 6.07.

Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent, at the request of the Required Lenders, shall by notice to the Borrower direct the Borrower to cause any Receivables Entity to exercise any voluntary option available to such Receivables Entity under the applicable Permitted Receivables Facility to terminate such Permitted Receivables Facility and the Borrower shall, upon receipt of such direction, cause such Receivables Entity to exercise such option and cause the Receivables Entity to, to the extent required thereunder in connection with the exercise of such option, repurchase all purchase interests in any Receivables or take such other actions, in each case, in accordance with the terms of the Permitted Receivables Facility Document. The Administrative Agent shall provide concurrent notice to the administrative agent under the applicable Permitted Receivables Facility of any direction delivered to the Borrower pursuant to the foregoing sentence (provided that the Administrative Agent shall not be liable to such administrative agent or any securitization lender or purchaser for failure to provide such notice).

(b) The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

(c) The Borrower will not, nor will it permit any of its Subsidiaries to, change its fiscal year from the basis in effect on the Effective Date.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any Person or any assets of any other Person constituting a business unit, except:

(a) Permitted Investments;

(b) Permitted Acquisitions;

(c) investments by the Borrower and its Subsidiaries existing on the date hereof in the capital stock of its Subsidiaries;

(d) investments, loans or advances made by the Borrower in or to any Subsidiary and made by any Subsidiary in or to the Borrower or any other Subsidiary (provided that not more than an aggregate amount of $10,000,000 in investments, loans or advances or capital contributions may be made and remain outstanding, at any time, by Loan Parties to Subsidiaries which are not Loan Parties);

(e) Guarantees constituting Indebtedness permitted by Section 6.01;

(f) any other investment, loan or advance (other than acquisitions) so long as the aggregate amount of all such investments, loans and advances does not exceed $10,000,000 during the term of this Agreement;

(g) investments acquired by reason of the exercise of customary creditor's rights upon default or pursuant to the bankruptcy, insolvency or reorganization of an account debtor of the Borrower or any Subsidiary; and

(h) investments by the Borrower or any Subsidiary pursuant to any Swap Agreements to the extent permitted under Section 6.05.

SECTION 6.05. Swap Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary.

SECTION 6.06. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its wholly owned Subsidiaries not involving any other Affiliate, (c) in the ordinary course of business consistent with past practices for the provision of general and customary corporate services and (d) any Restricted Payment permitted by Section 6.07.

SECTION 6.07. Restricted Payments.The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) (i) wholly-owned Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests and (ii) Subsidiaries which are not wholly-owned may declare and pay dividends ratably with respect to their Equity Interests so long as no Default or Event of Default has occurred and is continuing prior to making such Restricted Payment or would arise after giving effect (including giving effect on a Pro Forma Basis) thereto, (c) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries, (d) the Borrower may declare and pay dividends with respect to taxes ratably allocated by UGI Corporation to the business of the Borrower and its Subsidiaries and (e) the Borrower and its Subsidiaries may make any other Restricted Payment so long as no Default or Event of Default has occurred and is continuing prior to making such Restricted Payment or would arise after giving effect (including giving effect on a Pro Forma Basis) thereto and (x) the Leverage Ratio as of the last day of the most recently ended fiscal quarter of the Borrower was no greater than 2.00 to 1.0 and (y) the Leverage Ratio is no greater than 2.00 to 1.0 calculated on a Pro Forma Basis giving effect to such Restricted Payment.

SECTION 6.08. Restrictive Agreements.The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to holders of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law, regulation or any regulatory body or by any Loan Document, (ii) the foregoing shall not apply to restrictions or conditions contained in the Permitted Receivables Facility Documents or in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold in a sale permitted hereunder, (iii) clause (a) of the foregoing shall not apply to (A) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (B) customary provisions in leases and other contracts restricting the assignment thereof, (C) customary security requirements imposed by any agreement related to Indebtedness permitted by this Agreement or (D) contained in any agreements previously disclosed to the Lenders as of, and existing on, the Effective Date.

SECTION 6.09. [Intentionally Omitted.]

SECTION 6.10. Sale and Leaseback Transactions. The Borrower shall not, nor shall it permit any Subsidiary to, enter into any Sale and Leaseback Transaction.

SECTION 6.11. Financial Covenants.

(a) Maximum Leverage Ratio. The Borrower will not permit the ratio (the "Leverage Ratio"), determined as of the end of each of its fiscal quarters ending on and after September 30, 2010, of (i) Consolidated Total Indebtedness to (ii) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter, all calculated for the Borrower and its Subsidiaries on a consolidated basis, to be greater than 2.50 to 1.00.

(b) Minimum Interest Coverage Ratio. The Borrower will not permit the ratio (the "Interest Coverage Ratio"), determined as of the end of each of its fiscal quarters ending on and after September 30, 2010, of (i) Consolidated EBITDA to (ii) Consolidated Interest Expense, in each case for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter, all calculated for the Borrower and its Subsidiaries on a consolidated basis, to be less than 4.50 to 1.00.

(c) Maximum Indebtedness to Capitalization Ratio. The Borrower will not permit the ratio (the "Indebtedness to Capitalization Ratio") of (i) Consolidated Total Indebtedness to (ii) Consolidated Total Capitalization to be greater than 0.45 to 1.00, at any time when the Consolidated Total Indebtedness is greater than or equal to $250,000,000.

(d) Minimum Net Worth. The Borrower will not permit its Consolidated Net Worth, determined as of the end of each of its fiscal quarters ending on and after September 30, 2010, to be less than $150,000,000.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) any Loan Party shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Loan Party shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect (or any representation or warranty which is already qualified as to materiality or by reference to Material Adverse Effect shall prove to have been incorrect in any respect) when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence), 5.08 or 5.09 or in Article VI;

(e) the Borrower or any Subsidiary Guarantor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable and such failure to pay shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Indebtedness;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (x) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness or (y) Indebtedness constituting obligations in respect of a Swap Agreement;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $10,000,000 (net of any amount covered by insurance by an insurance company that has not disclaimed coverage therefor) shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of sixty (60) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) any material provision of any Loan Document for any reason (other than as a result of an act or failure to act by any Credit Party) ceases to be valid, binding and enforceable in accordance with its terms (or the Borrower or any Subsidiary shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times, and any other remedies available to the Administrative Agent under this Agreement: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

The Administrative Agent

Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, including acting as collateral agent in respect of cash collateral deposited with the Administrative Agent in accordance with the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

None of the Lenders, if any, identified in this Agreement as a Syndication Agent or Co-Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Syndication Agent or Co-Documentation Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic communication (return receipt requested), as follows:

(i) if to the Borrower, to it at One Meridian Boulevard, Suite 2C01, Wyomissing, Pennsylvania, 19610, Attention: Chief Financial Officer (Facsimile No. (610) 374-4288; Telephone No. (610) 373-7999; Email Address: arodriguez@gasmark.com); with a copy to: Borrower at 460 North Gulph Road, King of Prussia, Pennsylvania 19406, Attention: Treasurer (Facsimile No. (610) 992-3259; Telephone No. (610) 337-1000; Email Address: UGI-TREASURY@ugicorp.com);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 10 South Dearborn, 9th Floor, Mail Code IL1-0090, Chicago, IL 60603, Attention of Helen D. Davis (Facsimile No. (312) 732-1762; Email Address: helen.d.davis@jpmorgan.com), with a copy to JPMorgan Chase Bank, N.A., 10 S. Dearborn St., 9th Floor, Chicago, IL 60603, Attention of Lisa Tverdek (Facsimile No. (312) 325-3238; Email Address: lisa.tverdek@jpmorgan.com);

(iii) if to the Issuing Bank, to it at JPMorgan Chase Bank, N.A., 300 S. Riverside Plaza, Mail Code: IL 1-0236, Chicago, IL 60606-0236, Attention of Global Trade Services (Email Address: GTS.Client.Services@jpmchase.com), with a copy to JPMorgan Chase Bank, N.A., 10 South Dearborn, 9th Floor, Mail Code IL1-0090, Chicago, IL 60603, Attention of Helen D. Davis (Facsimile No. (312) 732-1762; Email Address: helen.d.davis@jpmorgan.com);

(iv) if to the Swingline Lender, to it at JPMorgan Chase Bank, N.A., 10 S. Dearborn St., 7th Floor, Chicago, IL 60603, Attention of April Yebd (Facsimile No. (312) 385-7096; Email Address: april.yebd@jpmchase.com); and

(v) if to any other Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Administrative Agent, the Lenders or the Borrower hereunder may be delivered or furnished by electronic communications; provided that the foregoing shall not apply to notices pursuant to Section 2.06 or otherwise related to Letters of Credit unless otherwise agreed by the Administrative Agent and the Issuing Bank.

(c) Any party hereto may change its address or facsimile number or email address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default or Event of Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or (vi) release all or substantially all of the Subsidiary Guarantors from their obligations under the Subsidiary Guaranty, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be.

(c) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(d) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency of a technical nature.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all documented out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender, including the documented fees, charges and disbursements of any counsel for the Administrative Agent, the Issuing Bank or any Lender, in connection with the enforcement of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section.

(b) The Borrower shall indemnify the Administrative Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Borrower's failure to pay any such amount shall not relieve the Borrower of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than fifteen (15) days after written demand therefor, including in all cases reasonably detailed invoices relating thereto.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower, provided that no consent of the Borrower shall be required (1) for an assignment to a Lender or an Affiliate of a Lender (other than an Approved Fund) or (2) if an Event of Default has occurred and is continuing;

(B) the Administrative Agent; and

(C) the Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its affiliates and their Related Parties or their respective securities, subject to Section 9.12) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws; and

(E) without the prior written consent of the Administrative Agent, no assignment shall be made to a prospective assignee that bears a relationship to the Borrower described in Section 108(e)(4) of the Code.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; (C) the Borrower, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; and (D) without the prior written consent of the Administrative Agent, no participation shall be sold to a prospective participant that bears a relationship to the Borrower described in Section 108(e)(4) of the Code. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) shall be subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender); (B) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (C) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower or any Subsidiary Guarantor against any of and all of the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors who are directly involved with the Transactions (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS AFFILIATES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies each Loan Party that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Act.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

UGI ENERGY SERVICES, INC.,
as the Borrower
By _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., individually as
a Lender, as the Swingline Lender, as the Issuing
Bank and as Administrative Agent

By _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
individually as a Lender and as Syndication Agent

By _____
Name:
Title:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, individually as a Lender and as
Co-Documentation Agent

By _____
Name:
Title:

CREDIT SUISSE AG, CAYMAN ISLANDS
BRANCH, individually as a Lender and
as Co-Documentation Agent

By _____
Name:
Title:

SCHEDULE 2.01

COMMITMENTS

LENDER	COMMITMENT
JPMORGAN CHASE BANK, N.A.	$ 50,000,000
PNC BANK, NATIONAL ASSOCIATION	$ 50,000,000
WELLS FARGO BANK, NATIONAL ASSOCIATION	$ 50,000,000
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH	$ 20,000,000
AGGREGATE COMMITMENT	**$ 170,000,000**

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor:	_____
2. Assignee:	_____ [and is an Affiliate of [identify Lender][1]]
3. Borrower(s):	UGI Energy Services, Inc.
4. Administrative Agent:	JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement
5. Credit Agreement:	The Credit Agreement dated as of August 26, 2010 among UGI Energy Services, Inc., the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto
6. Assigned Interest:	

1 Select as applicable.

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/Loans[2]
$	$	%
$	$	%
$	$	%

Effective Date:_____ _____, 20_____ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and Issuing Bank

By: _____
Title:

[Consented to:][3]

[UGI ENERGY SERVICES, INC.]

By: _____
Title:

2 Set forth, so at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

3 To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX I

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, (v) if it is a Non-U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee, and (vi) it does not bear a relationship to the Borrower described in Section 108(e)(4) of the Code; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

SUBORDINATION TERMS

EXHIBIT C-1

[FORM OF]

U.S. TAX CERTIFICATE

(For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 26, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among UGI Energy Services, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (v) the interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____ __, 20[____]

EXHIBIT C-2

[FORM OF]

U.S. TAX CERTIFICATE

(For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 26, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among UGI Energy Services, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____ __, 20[___]

EXHIBIT C-3

[FORM OF]

U.S. TAX CERTIFICATE

(For Non-U.S. Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 26, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among UGI Energy Services, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (v) the interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with a certificate of its non- U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____ __, 20[___]

EXHIBIT C-4

[FORM OF]

U.S. TAX CERTIFICATE

(For Non-U.S. Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 26, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among UGI Energy Services, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____ __, 20[___]

EXHIBIT D

FORM OF INCREASING LENDER SUPPLEMENT

INCREASING LENDER SUPPLEMENT, dated _____, 20_____ (this "Supplement"), by and among each of the signatories hereto, to the Credit Agreement, dated as of August 26, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among UGI Energy Services, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the Borrower has the right, subject to the terms and conditions thereof, to effectuate from time to time an increase in the Aggregate Commitment under the Credit Agreement by requesting one or more Lenders to increase the amount of its Commitment;

WHEREAS, the Borrower has given notice to the Administrative Agent of its intention to increase the Aggregate Commitment pursuant to such Section 2.20; and

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the undersigned Increasing Lender now desires to increase the amount of its Commitment under the Credit Agreement by executing and delivering to the Borrower and the Administrative Agent this Supplement;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Increasing Lender agrees, subject to the terms and conditions of the Credit Agreement, that on the date of this Supplement it shall have its Commitment increased by $[_____], thereby making the aggregate amount of its total Commitments equal to $[_____].

2. The Borrower hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

3. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

4. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

5. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF INCREASING LENDER]

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

UGI ENERGY SERVICES, INC.

By: _____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT E

FORM OF AUGMENTING LENDER SUPPLEMENT

AUGMENTING LENDER SUPPLEMENT, dated _____, 20_____ (this "Supplement"), to the Credit Agreement, dated as of August 26, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among UGI Energy Services, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H

WHEREAS, the Credit Agreement provides in Section 2.20 thereof that any bank, financial institution or other entity may extend Commitments under the Credit Agreement subject to the approval of the Borrower and the Administrative Agent, by executing and delivering to the Borrower and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lender was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a Commitment with respect to Revolving Loans of $[_____].

2. The undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

[_____]

4. The Borrower hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

5. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF AUGMENTING LENDER]

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

UGI ENERGY SERVICES, INC.

By: _____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT F

FORM OF SUBSIDIARY GUARANTY

GUARANTY

THIS GUARANTY (this "Guaranty") is made as of August 26, 2010, by and among each of the undersigned (the "Initial Guarantors" and along with any additional Subsidiaries of the Borrower which become parties to this Guaranty by executing a supplement hereto in the form attached as Annex I, the "Guarantors") in favor of the Administrative Agent, for the ratable benefit of the Holders of Guaranteed Obligations (as defined below), under the Credit Agreement referred to below.

WITNESSETH

WHEREAS, UGI Energy Services, Inc., a Pennsylvania corporation (the "Borrower"), the institutions from time to time parties thereto as lenders (the "Lenders"), and JPMorgan Chase Bank, N.A., in its capacity as administrative agent (the "Administrative Agent"), have entered into a certain Credit Agreement dated as of August 26, 2010 (as the same may be amended, modified, supplemented and/or restated, and as in effect from time to time, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for extensions of credit and other financial accommodations to be made by the Lenders to the Borrower;

WHEREAS, it is a condition precedent to the extensions of credit by the Lenders under the Credit Agreement that each of the Guarantors (constituting all of the Subsidiaries of the Borrower required to execute this Guaranty pursuant to Section 5.09 of the Credit Agreement) execute and deliver this Guaranty, whereby each of the Guarantors shall guarantee the payment when due of all Obligations; and

WHEREAS, in consideration of the direct and indirect financial and other support that the Borrower has provided, and such direct and indirect financial and other support as the Borrower may in the future provide, to the Guarantors, and in order to induce the Lenders and the Administrative Agent to enter into the Credit Agreement, each of the Guarantors is willing to guarantee the Obligations of the Borrower;

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

SECTION 1. Definitions. Terms defined in the Credit Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein.

SECTION 2. Representations, Warranties and Covenants. Each of the Guarantors represents and warrants (which representations and warranties shall be deemed to have been renewed at the time of the making, conversion or continuation of any Loan or issuance of any Letter of Credit) that:

(A) It is a corporation, partnership or limited liability company duly organized, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation, organization or formation, and has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing, in every jurisdiction where such qualification is required.

(B) It (to the extent applicable) has the requisite power and authority and legal right to execute and deliver this Guaranty and to perform its obligations hereunder. The execution and delivery by each Guarantor of this Guaranty and the performance by each of its obligations hereunder have been duly authorized by proper proceedings, and this Guaranty constitutes a legal, valid and binding obligation of such Guarantor, respectively, enforceable against such Guarantor, respectively, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(C) Neither the execution and delivery by it of this Guaranty, nor the consummation by it of the transactions herein contemplated, nor compliance by it with the provisions hereof will (i) violate any applicable law, rule or regulation, the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries, or the provisions of any indenture, material agreement or other material instrument binding upon the Borrower or any of its Subsidiaries or the assets thereof or (ii) result in the creation or imposition of any Lien in on any asset of the Borrower or any of its Subsidiaries (other than any Loan Document). No consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, is required to be obtained or made by it in connection with the execution, delivery and performance by it of, or the legality, validity, binding effect or enforceability against it of, this Guaranty.

In addition to the foregoing, each of the Guarantors covenants that, so long as any Lender has any Commitment outstanding under the Credit Agreement or any amount payable under the Credit Agreement or any other Guaranteed Obligations shall remain unpaid, it will, and, if necessary, will enable the Borrower to, fully comply with those covenants and agreements of the Borrower applicable to such Guarantor set forth in the Credit Agreement.

SECTION 3. The Guaranty. Each of the Guarantors hereby unconditionally guarantees, jointly with the other Guarantors and severally, the full and punctual payment and performance when due (whether at stated maturity, upon acceleration or otherwise) of the Obligations, including, without limitation, (i) the principal of and interest on each Loan made to the Borrower pursuant to the Credit Agreement, (ii) any obligations of the Borrower to reimburse LC Disbursements ("Reimbursement Obligations"), (iii) all obligations of the Borrower owing to any Lender or any affiliate of any Lender under any Swap Agreement or Banking Services Agreement, (iv) all other amounts payable by the Borrower or any of its Subsidiaries under the Credit Agreement, any Swap Agreement, any Banking Services Agreement and the other Loan Documents and (v) the punctual and faithful performance, keeping, observance, and fulfillment by the Borrower of all of the agreements, conditions, covenants, and obligations of the Borrower contained in the Loan Documents (all of the foregoing being referred to collectively as the "Guaranteed Obligations" and the holders from time to time of the Guaranteed Obligations being referred to collectively as the "Holders of Guaranteed Obligations"). Upon (x) the failure by the Borrower or any of its Subsidiaries, as applicable, to pay punctually any such amount or perform such obligation, and (y) such failure continuing beyond any applicable grace or notice and cure period, each of the Guarantors agrees that it shall forthwith on demand pay such amount or perform such obligation at the place and in the manner specified in the Credit Agreement, any Swap Agreement, any Banking Services Agreement or the relevant Loan Document, as the case may be. Each of the Guarantors hereby agrees that this Guaranty is an absolute, irrevocable and unconditional guaranty of payment and is not a guaranty of collection.

SECTION 4. Guaranty Unconditional. The obligations of each of the Guarantors hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(A) any extension, renewal, settlement, indulgence, compromise, waiver or release of or with respect to the Guaranteed Obligations or any part thereof or any agreement relating thereto, or with respect to any obligation of any other guarantor of any of the Guaranteed Obligations, whether (in any such case) by operation of law or otherwise, or any failure or omission to enforce any right, power or remedy with respect to the Guaranteed Obligations or any part thereof or any agreement relating thereto, or with respect to any obligation of any other guarantor of any of the Guaranteed Obligations;

(B) any modification or amendment of or supplement to the Credit Agreement, any Swap Agreement, any Banking Services Agreement or any other Loan Document, including, without limitation, any such amendment which may increase the amount of, or the interest rates applicable to, any of the Obligations guaranteed hereby;

(C) any release, surrender, compromise, settlement, waiver, subordination or modification, with or without consideration, of any collateral securing the Guaranteed Obligations or any part thereof, any other guaranties with respect to the Guaranteed Obligations or any part thereof, or any other obligation of any person or entity with respect to the Guaranteed Obligations or any part thereof, or any nonperfection or invalidity of any direct or indirect security for the Guaranteed Obligations;

(D) any change in the corporate, partnership or other existence, structure or ownership of the Borrower or any other guarantor of any of the Guaranteed Obligations, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or any other guarantor of the Guaranteed Obligations, or any of their respective assets or any resulting release or discharge of any obligation of the Borrower or any other guarantor of any of the Guaranteed Obligations;

(E) the existence of any claim, setoff or other rights which the Guarantors may have at any time against the Borrower, any other guarantor of any of the Guaranteed Obligations, the Administrative Agent, any Holder of Guaranteed Obligations or any other Person, whether in connection herewith or in connection with any unrelated transactions; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(F) the enforceability or validity of the Guaranteed Obligations or any part thereof or the genuineness, enforceability or validity of any agreement relating thereto or with respect to any collateral securing the Guaranteed Obligations or any part thereof, or any other invalidity or unenforceability relating to or against the Borrower or any other guarantor of any of the Guaranteed Obligations, for any reason related to the Credit Agreement, any Swap Agreement, any Banking Services Agreement, any other Loan Document, or any provision of applicable law, decree, order or regulation of any jurisdiction purporting to prohibit the payment by the Borrower or any other guarantor of the Guaranteed Obligations, of any of the Guaranteed Obligations or otherwise affecting any term of any of the Guaranteed Obligations;

(G) the failure of the Administrative Agent to take any steps to perfect and maintain any security interest in, or to preserve any rights to, any security or collateral for the Guaranteed Obligations, if any;

(H) the election by, or on behalf of, any one or more of the Holders of Guaranteed Obligations, in any proceeding instituted under Chapter 11 of Title 11 of the United States Code (11 U.S.C. 101 et seq.) (the "Bankruptcy Code"), of the application of Section 1111(b)(2) of the Bankruptcy Code;

(I) any borrowing or grant of a security interest by the Borrower, as debtor-in-possession, under Section 364 of the Bankruptcy Code;

(J) the disallowance, under Section 502 of the Bankruptcy Code, of all or any portion of the claims of the Holders of Guaranteed Obligations or the Administrative Agent for repayment of all or any part of the Guaranteed Obligations;

(K) the failure of any other guarantor to sign or become party to this Guaranty or any amendment, change, or reaffirmation hereof; or

(L) any other act or omission to act or delay of any kind by the Borrower, any other guarantor of the Guaranteed Obligations, the Administrative Agent, any Holder of Guaranteed Obligations or any other Person or any other circumstance whatsoever which might, but for the provisions of this Section 4, constitute a legal or equitable discharge of any Guarantor's obligations hereunder except as provided in Section 5.

SECTION 5. Discharge Only Upon Payment In Full: Reinstatement In Certain Circumstances. Each of the Guarantors' obligations hereunder shall remain in full force and effect until all Guaranteed Obligations shall have been paid in full in cash and the Commitments and all Letters of Credit issued under the Credit Agreement shall have terminated or expired. If at any time any payment of the principal of or interest on any Loan, any Reimbursement Obligation or any other amount payable by the Borrower or any other party under the Credit Agreement, any Swap Agreement, any Banking Services Agreement or any other Loan Document is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, each of the Guarantors' obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time. The parties hereto acknowledge and agree that each of the Guaranteed Obligations shall be due and payable in Dollars.

SECTION 6. General Waivers; Additional Waivers.

(A) General Waivers. Each of the Guarantors irrevocably waives acceptance hereof, presentment, demand or action on delinquency, protest, the benefit of any statutes of limitations and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Borrower, any other guarantor of the Guaranteed Obligations, or any other Person.

(B) Additional Waivers. Notwithstanding anything herein to the contrary, each of the Guarantors hereby absolutely, unconditionally, knowingly, and expressly waives:

(i) any right it may have to revoke this Guaranty as to future indebtedness or notice of acceptance hereof;

(ii) (a) notice of acceptance hereof; (b) notice of any loans or other financial accommodations made or extended under the Loan Documents or the creation or existence of any Guaranteed Obligations; (c) notice of the amount of the Guaranteed Obligations, subject, however, to each Guarantor's right to make inquiry of Administrative Agent and Holders of Guaranteed Obligations to ascertain the amount of the Guaranteed Obligations at any reasonable time; (d) notice of any adverse change in the financial condition of the Borrower or of any other fact that might increase such Guarantor's risk hereunder; (e) notice of presentment for payment, demand, protest, and notice thereof as to any instruments among the Loan Documents; (f) notice of any Default or Event of Default; and (g) all other notices (except if such notice is specifically required to be given to such Guarantor hereunder or under the Loan Documents) and demands to which each Guarantor might otherwise be entitled;

(iii) its right, if any, to require the Administrative Agent and the other Holders of Guaranteed Obligations to institute suit against, or to exhaust any rights and remedies which the Administrative Agent and the other Holders of Guaranteed Obligations has or may have against, the other Guarantors or any third party, or against any collateral provided by the other Guarantors, or any third party; and each Guarantor further waives any defense arising by reason of any disability or other defense (other than the defense that the Guaranteed Obligations shall have been fully and finally performed and indefeasibly paid) of the other Guarantors or by reason of the cessation from any cause whatsoever of the liability of the other Guarantors in respect thereof;

(iv) (a) any rights to assert against the Administrative Agent and the other Holders of Guaranteed Obligations any defense (legal or equitable), set-off, counterclaim, or claim which such Guarantor may now or at any time hereafter have against the other Guarantors or any other party liable to the Administrative Agent and the other Holders of Guaranteed Obligations; (b) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the Guaranteed Obligations or any security therefor; (c) any defense such Guarantor has to performance hereunder, and any right such Guarantor has to be exonerated, arising by reason of: the impairment or suspension of the Administrative Agent's and the other Holders of Guaranteed Obligations' rights or remedies against the other Guarantors; the alteration by the Administrative Agent and the other Holders of Guaranteed Obligations of the Guaranteed Obligations; any discharge of the other Guarantors' obligations to the Administrative Agent and the other Holders of Guaranteed Obligations by operation of law as a result of the Administrative Agent's and the other Holders of Guaranteed Obligations' intervention or omission; or the acceptance by the Administrative Agent and the other Holders of Guaranteed Obligations of anything in partial satisfaction of the Guaranteed Obligations; and (d) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement thereof, and any act which shall defer or delay the operation of any statute of limitations applicable to the Guaranteed Obligations shall similarly operate to defer or delay the operation of such statute of limitations applicable to such Guarantor's liability hereunder; and

(v) any defense arising by reason of or deriving from (a) any claim or defense based upon an election of remedies by the Administrative Agent and the other Holders of Guaranteed Obligations; or (b) any election by the Administrative Agent and the other Holders of Guaranteed Obligations under Section 1111(b) of Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect (or any successor statute), to limit the amount of, or any collateral securing, its claim against the Guarantors.

SECTION 7. Subordination of Subrogation; Subordination of Intercompany Indebtedness.

(A) Subordination of Subrogation. Until the Guaranteed Obligations have been fully and finally performed and indefeasibly paid in full in cash, the Guarantors (i) shall have no right of subrogation with respect to such Guaranteed Obligations and (ii) waive any right to enforce any remedy which the Holders of Guaranteed Obligations, the Issuing Bank or the Administrative Agent now have or may hereafter have against the Borrower, any endorser or any guarantor of all or any part of the Guaranteed Obligations or any other Person, and the Guarantors waive any benefit of, and any right to participate in, any security or collateral given to the Holders of Guaranteed Obligations, the Issuing Bank and the Administrative Agent to secure the payment or performance of all or any part of the Guaranteed Obligations or any other liability of the Borrower to the Holders of Guaranteed Obligations or the Issuing Bank. Should any Guarantor have the right, notwithstanding the foregoing, to exercise its subrogation rights, each Guarantor hereby expressly and irrevocably (A) subordinates any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification or set off that such Guarantor may have to the indefeasible payment in full in cash of the Guaranteed Obligations and (B) waives any and all defenses available to a surety, guarantor or accommodation co-obligor until the Guaranteed Obligations are indefeasibly paid in full in cash. Each Guarantor acknowledges and agrees that this subordination is intended to benefit the Administrative Agent and the other Holders of Guaranteed Obligations and shall not limit or otherwise affect such Guarantor's liability hereunder or the enforceability of this Guaranty, and that the Administrative Agent, the other Holders of Guaranteed Obligations and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this Section 7(A).

(B) Subordination of Intercompany Indebtedness. Each Guarantor agrees that any and all claims of such Guarantor against the Borrower or any other Guarantor hereunder (each an "Obligor") with respect to any "Intercompany Indebtedness" (as hereinafter defined), any endorser, obligor or any other guarantor of all or any part of the Guaranteed Obligations, or against any of its properties shall be subordinate and subject in right of payment to the prior payment, in full and in cash, of all Guaranteed Obligations; provided that, as long as no Event of Default has occurred and is continuing, such Guarantor may receive payments of principal and interest from any Obligor with respect to Intercompany Indebtedness. Notwithstanding any right of any Guarantor to ask, demand, sue for, take or receive any payment from any Obligor, all rights, liens and security interests of such Guarantor, whether now or hereafter arising and howsoever existing, in any assets of any other Obligor shall be and are subordinated to the rights of the Holders of Guaranteed Obligations and the Administrative Agent in those assets. No Guarantor shall have any right to possession of any such asset or to foreclose upon any such asset, whether by judicial action or otherwise, unless and until all of the Guaranteed Obligations shall have been fully paid and satisfied (in cash) and all financing arrangements pursuant to any Loan Document, any Swap Agreement or any Banking Services Agreement have been terminated. If all or any part of the assets of any Obligor, or the proceeds thereof, are subject to any distribution, division or application to the creditors of such Obligor, whether partial or complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding, or if the business of any such Obligor is dissolved or if substantially all of the assets of any such Obligor are sold, then, and in any such event (such events being herein referred to as an "Insolvency Event"), any payment or distribution of any kind or character, either in cash, securities or other property, which shall be payable or deliverable upon or with respect to any indebtedness of any Obligor to any Guarantor ("Intercompany Indebtedness") shall be paid or delivered directly to the Administrative Agent for application on any of the Guaranteed Obligations, due or to become due, until such Guaranteed Obligations shall have first been fully paid and satisfied (in cash). Should any payment, distribution, security or instrument or proceeds thereof be received by the

applicable Guarantor upon or with respect to the Intercompany Indebtedness after any Insolvency Event and prior to the satisfaction of all of the Guaranteed Obligations and the termination of all financing arrangements pursuant to any Loan Document among the Borrower and the Holders of Guaranteed Obligations, such Guarantor shall receive and hold the same in trust, as trustee, for the benefit of the Holders of Guaranteed Obligations and shall forthwith deliver the same to the Administrative Agent, for the benefit of the Holders of Guaranteed Obligations, in precisely the form received (except for the endorsement or assignment of the Guarantor where necessary), for application to any of the Guaranteed Obligations, due or not due, and, until so delivered, the same shall be held in trust by the Guarantor as the property of the Holders of Guaranteed Obligations. If any such Guarantor fails to make any such endorsement or assignment to the Administrative Agent, the Administrative Agent or any of its officers or employees is irrevocably authorized to make the same. Each Guarantor agrees that until the Guaranteed Obligations (other than the contingent indemnity obligations) have been paid in full (in cash) and satisfied and all financing arrangements pursuant to any Loan Document among the Borrower and the Holders of Guaranteed Obligations have been terminated, no Guarantor will assign or transfer to any Person (other than the Administrative Agent) any claim any such Guarantor has or may have against any Obligor.

SECTION 8. Contribution with Respect to Guaranteed Obligations.

(A) To the extent that any Guarantor shall make a payment under this Guaranty (a "Guarantor Payment") which, taking into account all other Guarantor Payments then previously or concurrently made by any other Guarantor, exceeds the amount which otherwise would have been paid by or attributable to such Guarantor if each Guarantor had paid the aggregate Guaranteed Obligations satisfied by such Guarantor Payment in the same proportion as such Guarantor's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Guarantors as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Guaranteed Obligations and termination of the Credit Agreement, the Swap Agreements and the Banking Services Agreements, such Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(B) As of any date of determination, the "Allocable Amount" of any Guarantor shall be equal to the maximum amount of the claim which could then be recovered from such Guarantor under this Guaranty without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(C) This Section 8 is intended only to define the relative rights of the Guarantors, and nothing set forth in this Section 8 is intended to or shall impair the obligations of the Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Guaranty.

(D) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Guarantor or Guarantors to which such contribution and indemnification is owing.

(E) The rights of the indemnifying Guarantors against other Guarantors under this Section 8 shall be exercisable upon the full and indefeasible payment of the Guaranteed Obligations in cash and the termination of the Credit Agreement, the Swap Agreements and the Banking Services Agreements.

SECTION 9. Stay of Acceleration. If acceleration of the time for payment of any amount payable by the Borrower under the Credit Agreement, any Swap Agreement, any Banking Services Agreement or any other Loan Document is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of the Credit Agreement, any Swap Agreement, any Banking Services Agreement or any other Loan Document shall nonetheless be payable by each of the Guarantors hereunder forthwith on demand by the Administrative Agent.

SECTION 10. Notices. All notices, requests and other communications to any party hereunder shall be given in the manner prescribed in Article IX of the Credit Agreement (including by facsimile or other electronic communications) with respect to the Administrative Agent at its notice address therein and with respect to any Guarantor, in care of the Borrower at the address of the Borrower set forth in the Credit Agreement or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the Administrative Agent in accordance with the provisions of such Article IX.

SECTION 11. No Waivers. No failure or delay by the Administrative Agent or any other Holder of Guaranteed Obligations in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Guaranty, the Credit Agreement, any Swap Agreement, any Banking Services Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 12. Successors and Assigns. This Guaranty is for the benefit of the Administrative Agent and the other Holders of Guaranteed Obligations and their respective successors and permitted assigns; provided, that no Guarantor shall have any right to assign its rights or obligations hereunder without the consent of all of the Lenders, and any such assignment in violation of this Section 12 shall be null and void; and in the event of an assignment of any amounts payable under the Credit Agreement, any Swap Agreement, any Banking Services Agreement or the other Loan Documents in accordance with the respective terms thereof, the rights hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. This Guaranty shall be binding upon each of the Guarantors and their respective successors and assigns.

SECTION 13. Changes in Writing. Other than in connection with the addition of additional Subsidiaries, which become parties hereto by executing a supplement hereto in the form attached as Annex I, neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated orally, but only in writing signed by each of the Guarantors and the Administrative Agent with the consent of the Required Lenders under the Credit Agreement.

SECTION 14. GOVERNING LAW. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 15. CONSENT TO JURISDICTION; SERVICE OF PROCESS; JURY TRIAL; IMMUNITY.

(A) CONSENT TO JURISDICTION. EACH GUARANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT.

(B) Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Guaranty or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Guaranty or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(C) Each Guarantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guaranty or any other Loan Document in any court referred to in paragraph (A) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(D) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10. Nothing in this Guaranty or any other Loan Document will affect the right of any party to this Guaranty to serve process in any other manner permitted by law.

(E) WAIVER OF JURY TRIAL. EACH GUARANTOR AND THE ADMINISTRATIVE AGENT HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(F) TO THE EXTENT THAT ANY GUARANTOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER FROM SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OF A JUDGMENT, EXECUTION OR OTHERWISE), EACH GUARANTOR HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS GUARANTY.

SECTION 16. No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Guaranty. In the event an ambiguity or question of intent or interpretation arises, this Guaranty shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Guaranty.

SECTION 17. Taxes, Expenses of Enforcement, etc.

(A) Taxes. (i) The provisions of Section 2.17 of the Credit Agreement shall apply to the same extent to all payments made under this Guaranty.

(ii) By accepting the benefits hereof, each Foreign Lender agrees that it will comply with Section 2.17(e) of the Credit Agreement.

(B) Expenses of Enforcement, Etc. The provisions of Section 9.03 of the Credit Agreement shall apply to the same extent to this Guaranty.

SECTION 18. Setoff. At any time after all or any part of the Guaranteed Obligations have become due and payable (by acceleration or otherwise), each Holder of Guaranteed Obligations (including the Administrative Agent) may, without notice to any Guarantor and regardless of the acceptance of any security or collateral for the payment hereof, appropriate and apply in accordance with the terms of the Credit Agreement toward the payment of all or any part of the Guaranteed Obligations (i) any indebtedness due or to become due from such Holder of Guaranteed Obligations or the Administrative Agent to any Guarantor, and (ii) any moneys, credits or other property belonging to any Guarantor, at any time held by or coming into the possession of such Holder of Guaranteed Obligations (including the Administrative Agent) or any of their respective affiliates.

SECTION 19. Financial Information. Each Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of the Borrower and any and all endorsers and/or other Guarantors of all or any part of the Guaranteed Obligations, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations, or any part thereof, that diligent inquiry would reveal, and each Guarantor hereby agrees that none of the Holders of Guaranteed Obligations (including the Administrative Agent) shall have any duty to advise such Guarantor of information known to any of them regarding such condition or any such circumstances. In the event any Holder of Guaranteed Obligations (including the Administrative Agent), in its sole discretion, undertakes at any time or from time to time to provide any such information to a Guarantor, such Holder of Guaranteed Obligations (including the Administrative Agent) shall be under no obligation (i) to undertake any investigation not a part of its regular business routine, (ii) to disclose any information which such Holder of Guaranteed Obligations (including the Administrative Agent), pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (iii) to make any other or future disclosures of such information or any other information to such Guarantor.

SECTION 20. Severability. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

SECTION 21. Merger. This Guaranty represents the final agreement of each of the Guarantors with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Guarantor and any Holder of Guaranteed Obligations (including the Administrative Agent).

SECTION 22. Headings. Section headings in this Guaranty are for convenience of reference only and shall not govern the interpretation of any provision of this Guaranty.

Remainder of Page Intentionally Blank.

IN WITNESS WHEREOF, each of the Initial Guarantors has caused this Guaranty to be duly executed by its authorized officer as of the day and year first above written.

UGI ASSET MANAGEMENT, INC.

By: _____
Name: Robert W. Krick
Title: Treasurer and Assistant Secretary

HELLERTOWN PIPELINE COMPANY

By: _____
Name: Robert W. Krick
Title: Treasurer and Assistant Secretary

HOMESTEAD HOLDING COMPANY

By: _____
Name: Robert W. Krick
Title: Treasurer and Assistant Secretary

UGI LNG, INC.

By: _____
Name: Robert W. Krick
Title: Treasurer and Assistant Secretary

UGI STORAGE COMPANY

By: _____
Name: Robert W. Krick
Title: Treasurer and Assistant Secretary

UGI DEVELOPMENT COMPANY

By: _____
Name: Robert W. Krick
Title: Treasurer and Assistant Secretary

UGID HOLDING COMPANY

By: _____
Name: Robert W. Krick
Title: Treasurer and Assistant Secretary

UGI HUNLOCK DEVELOPMENT COMPANY

By: _____
Name: Robert W. Krick
Title: Treasurer and Assistant Secretary

Acknowledged and Agreed
as of the date first written above:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

ANNEX I TO GUARANTY

Reference is hereby made to the Guaranty (the "Guaranty") made as of August 26, 2010 by and among UGI ASSET MANAGEMENT, INC., HELLERTOWN PIPELINE COMPANY, HOMESTEAD HOLDING COMPANY, UGI LNG, INC., UGI STORAGE COMPANY, UGI DEVELOPMENT COMPANY, UGID HOLDING COMPANY and UGI HUNLOCK DEVELOPMENT COMPANY (the "Initial Guarantors" and along with any additional Subsidiaries of the Borrower, which become parties thereto and together with the undersigned, the "Guarantors") in favor of the Administrative Agent, for the ratable benefit of the Holders of Guaranteed Obligations, under the Credit Agreement. Capitalized terms used herein and not defined herein shall have the meanings given to them in the Guaranty. By its execution below, the undersigned [NAME OF NEW GUARANTOR], a [corporation] [partnership] [limited liability company] (the "New Guarantor"), agrees to become, and does hereby become, a Guarantor under the Guaranty and agrees to be bound by such Guaranty as if originally a party thereto. By its execution below, the undersigned represents and warrants as to itself that all of the representations and warranties contained in Section 2 of the Guaranty are true and correct in all respects as of the date hereof.

IN WITNESS WHEREOF, New Guarantor has executed and delivered this Annex I counterpart to the Guaranty as of this _____ day of _____, 20_____.

[NAME OF NEW GUARANTOR]

By: _____

Its:

EXHIBIT G

LIST OF CLOSING DOCUMENTS

UGI ENERGY SERVICES, INC.

CREDIT FACILITIES

August 26, 2010

LIST OF CLOSING DOCUMENTS[1]

A. **LOAN DOCUMENTS**

1. Credit Agreement (the "Credit Agreement") by and among UGI Energy Services, Inc., a Pennsylvania corporation (the "Borrower"), the institutions from time to time parties thereto as Lenders (the "Lenders") and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent for itself and the other Lenders (the "Administrative Agent"), evidencing a revolving credit facility to the Borrower from the Lenders in an initial aggregate principal amount of $170,000,000.

SCHEDULES

Schedule 2.01	—	Commitments
Schedule 3.01	**—**	***Subsidiaries***
Schedule 6.02	**—**	***Existing Liens***

EXHIBITS

Exhibit A	—	Form of Assignment and Assumption
Exhibit B	—	Subordination Terms
Exhibit C	—	Forms of Tax Certificates
Exhibit D	—	Form of Increasing Lender Supplement
Exhibit E	—	Form of Augmenting Lender Supplement
Exhibit F	—	Form of Subsidiary Guaranty
Exhibit G	—	List of Closing Documents

2. Notes executed by the Borrower in favor of each of the Lenders, if any, which has requested a note pursuant to Section 2.10(e) of the Credit Agreement.

3. Guaranty executed by the initial Subsidiary Guarantors (collectively with the Borrower, the "Loan Parties") in favor of the Administrative Agent

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[1] Each capitalized term used herein and not defined herein shall have the meaning assigned to such term in the above-defined Credit Agreement. Items appearing in **bold** and *italics* shall be prepared and/or provided by the Borrower and/or Borrower's counsel.

B. **CORPORATE DOCUMENTS**

4. ***Certificate of the Secretary or an Assistant Secretary of each Loan Party certifying (i) that there have been no changes in the Certificate of Incorporation or other charter document of such Loan Party, as attached thereto and as certified as of a recent date by the Secretary of State of the jurisdiction of its organization, since the date of the certification thereof by such secretary of state, (ii) the By-Laws or other applicable organizational document, as attached thereto, of such Loan Party as in effect on the date of such certification, (iii) resolutions of the Board of Directors or other governing body of such Loan Party authorizing the execution, delivery and performance of each Loan Document to which it is a party, and (iv) the names and true signatures of the incumbent officers of each Loan Party authorized to sign the Loan Documents to which it is a party, and (in the case of the Borrower) authorized to request a Borrowing or the issuance of a Letter of Credit under the Credit Agreement.***

5. ***Good Standing Certificate for each Loan Party from the Secretary of State of the jurisdiction of its organization.***

C. **OPINIONS**

6. ***Opinion of Morgan, Lewis & Bockius LLP, counsel for the Loan Parties.***

D. **CLOSING CERTIFICATES AND MISCELLANEOUS**

7. ***A Certificate signed by the President, a Vice President or a Financial Officer of the Borrower certifying the following: (i) all of the representations and warranties of the Borrower set forth in the Credit Agreement are true and correct and (ii) no Default or Event of Default has occurred and is then continuing.***

Exhibit 10.51

Dated 7 December 2005

AGZ HOLDING
as Pledgor

CALYON
as Security Agent

and

THE LENDERS

PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNT
relating to Financial Instruments
held by AGZ Holding in Antargaz

SHEARMAN & STERLING LLP

[ILLEGIBLE]

CONTENTS

THIS PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNT (the "Pledge") IS MADE ON 7 DECEMBER 2005

BETWEEN:

(1) **AGZ HOLDING**, a French *société anonyme*, with number 413 765 108 RCS Nanterre, having its registered office at Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France;

(hereinafter referred to as the **"Pledgor"**);

(2) **CALYON**, a company (*société anonyme*) incorporated under the laws of France, having its registered office 9 quai du président Paul Doumer, 92920 Paris la Défense Cedex (France), registered under number 304 187 701 RCS Nanterre, represented by Jacques Pochon and Jérôme Del Ben duly empowered for the purposes hereof,

(hereinafter referred to as the **"Security Agent"**);

(3) The banks and financial institutions named in schedule 1 (the **"Original Lenders"**) and any bank or financial institution which may from time to time become a Lender under the Senior Facilities Agreement;

(hereinafter, together, referred to as the **"Lenders"**).

WHEREAS:

(A) Pursuant to a senior facilities agreement dated 7 December 2005 (hereinafter, as amended and restated from time to time, the **"Senior Facilities Agreement"**), and entered into between, among others, (i) the Pledgor as the Parent, Borrower and Guarantor (ii) the Original Lenders and (iii) Calyon as Mandated Lead Arranger, Facility Agent and Security Agent, the Original Lenders have agreed to make available (a) to the Pledgor a term loan facility in a maximum aggregate principal amount of €380,000,000 (the **"Term Loan Facility"**) and (b) to the Pledgor, Antargaz and certain of its subsidiaries a revolving credit facility in a maximum aggregate principal amount of €50,000,000 (the **"Revolving Facility"** and together with the Term Loan Facility, the **"Facilities"**).

(B) The Pledgor is a Borrower and a Guarantor under the Senior Facilities Agreement.

(C) It is a condition precedent to the availability of the Facilities that the Pledgor grant in favour of the Beneficiaries a pledge over the Account.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Pledge

"Account" means, the (i) special financial instruments account ("*compte special*") the details of which are specified in the *Déclaration de Gage*, opened in the name of the Pledgor in the books of the Company as account holder (*teneur de compte*), in which the Financial Instruments are registered and (ii) the Special Cash Account;

"Article L. 431-4" means article L. 431-4 of the French Monetary and Financial Code (*Code Monétaire et Financier*);

"Beneficiaries" means the entities identified in paragraph IV of the *Déclaration de Gage;*

"Borrower" means a Borrower under, and as defined in, the Senior Facilities Agreement;

"Company" means Antargaz, a French *société anonyme* with a share capital of € 3,935,349, registered with number 572 126 043 RCS Nanterre and having its registered office at Immeuble Les Renardières — 3 place de Saverne, 92400 Courbevoie, France;

"Confirmation of Pledge" means, the confirmation of pledge (*attestation de nantissement de compte d'instruments financiers*) in the form attached as Schedule 4;

"Déclaration de Gage" has the meaning which is given to it in clause 2.4 of this Pledge;

"Discharge Date" means the date on which all of the Secured Liabilities have been irrevocably and unconditionally discharged in full and none of the Beneficiaries has any continuing obligation to any company in the Group under or in connection with any of the Finance Documents;

"Event of Default" means an event defined as an Event of Default in the Senior Facilities Agreement;

"Financial Instruments" means, (i) the 516,440 ordinary shares of the Company held by the Pledgor, and (ii) all other financial instruments which would be registered in the Pledged Account in accordance with this Pledge;

"Guarantor" has the meaning given to it in the Senior Facilities Agreement;

"Secured Liabilities" means all money and liabilities now or hereafter due, owing or incurred to the Beneficiaries (or any of them) by the Pledgor under the Senior Finance Documents (or any of them), and under this Pledge in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith;

"Security Period" means the period beginning on the date hereof and ending on the Discharge Date;

"Senior Finance Documents" has the meaning given to it in the Senior Facilities Agreement;

"Special Account Holder" means Calyon; and

"Special Cash Account" means, the special bank account opened in the name of the Pledgor in the books of the Special Account Holder, which pursuant to Article L. 431-4, forms part of the Account, and the reference of which are specified in the *Déclaration de Gage.*

1.2 Capitalised terms used in this Pledge (including the Recitals**)** and not otherwise defined herein shall have the meaning ascribed thereto in the Senior Facilities Agreement.

2. PURPOSE

2.1 As security for the repayment, discharge and performance of all the Secured Liabilities, the Pledgor hereby pledges the Account in favour of the Beneficiaries.

2.2 (a) In accordance with Article L. 431-4, all Financial Instruments initially registered in the Pledged Account, those which may be substituted therefor or added thereto in any manner whatsoever, as well as any income and proceeds (*fruits et produits*) therefrom in any currency whatsoever are automatically incorporated in the scope of the Pledge without any such operation constituting in any manner a novation of the rights or the security granted to the Beneficiaries under the Pledge.

(b) In addition, if the Pledgor subsequently subscribes or purchases in any manner whatsoever other financial instruments *(instruments financiers)* issued by the Company that are not automatically included in the scope of the Pledge pursuant to paragraph (a) of this Clause 2, the Pledgor shall transfer the said financial instruments to the Pledged Account and the said financial instruments shall therefore be included in the scope of the Pledge in accordance with (I) of Article L. 431-4. The Pledgor shall execute all such documents and take all such other actions as may be necessary or appropriate to effect such transfer.

2.3 In accordance with Article L. 431-4, the Financial Instruments and the sums in any currency whatsoever subsequently registered in the Pledged Account, as a security for the performance by the Pledgor of the Secured Obligations, are subject to the same terms as those initially registered and are considered as if they were so registered at the date of the initial *Déclaration de Gage*.

2.4 All income and proceeds (*fruits et produits*) in cash payable in respect to the Financial Instruments, including without limitation all dividends and other distributions in cash to which the Financial Instruments give right as well as all cash amounts payable in respect of or in substitution for any of the Financial Instruments shall be paid to the Special Cash Account. By executing the Confirmation of Pledge, the Company shall accept to make such payments to the Special Cash Account. So long as no Event of Default has occurred and has been notified to the Pledgor, the Pledgor is hereby authorised by the Beneficiaires to withdraw from the Special Cash Account all income and proceeds (*fruits et produits*) which have been credited therein. This authorisation may be revoked by the Security Agent on behalf of the Beneficiaries, by simple notice (substantially in the form of Schedule 6) of the Security Agent to the Special Account Holder (with a copy to the Pledgor) upon the occurrence of an Event of Default, for so long it is not remedied, waived or ended in any way whatsoever. Upon rereipt of such notice by the Special Account Holder, all amounts standing to the credit of the Special Cash Account, shall become unavailable for the Pledgor until a notification to the contrary is received from the Security Agent (which shall occur at the Pledgor's expense as soon as reasonably practicable when such Event of Default is no longer continuing). In accordance with Article L. 431-4, the Special Cash Account is considered to be part of the Pledged Account at the date of the signature of the Déclaration de Gage.

2.5 The Pledgor shall take all necessary steps requested by the Security Agent (including, without limitation, signature of the "*Déclaration de Gage de compte d'instruments financiers*" in the form set out in schedule 6) (the "***Déclaration de Gage***"), as soon as possible, so that following execution of this Pledge:

(a) the Financial Instruments are transferred to the Account indicating the pledge in favour of the Beneficiaries;

(b) the pledge granted over the Account under this Pledge is registered in the share transfer register of the Company; and

(c) an "*Attestation de constitution de gage de compte d'instruments financiers"* in the form set out in schedule 4 is delivered by the Company to the Security Agent.

3. REPRESENTATIONS AND WARRANTIES

The Pledgor represents and warrants to the Security Agent and to each of the Beneficiaries as at the date hereof and for the duration of the Security Period, that:

(a) the Financial Instruments are registered, have been fully paid up, represent (as of the date of this Pledge) 99.99% of the Company's share capital and will continue to represent at all times (provided such reduction is authorised pursuant to the Senior Finance Documents) at least 95.00% of the Company's share capital;

(b) it is the owner of the Account and the registered owner of the Financial Instruments and it has not created, incurred or permitted to subsist any Security Interest or other encumbrance whatsoever over the Account or the other than the Security Interest granted pursuant to this Pledge;

(c) there is no purchase option outstanding or in existence in relation to all or part of the Financial Instruments, no scheme exists for the purchase or subscription of Financial Instruments in the Company, and more generally there exists no agreement by which the Company has undertaken to issue new Financial Instruments or securities giving access to the share capital of the Company, all except as permitted under the Finance Documents;

(d) the Pledge has been approved by the Company pursuant to a board resolution dated 2 December 2005;

(e) there is no shareholders' agreement, pre-emption clause nor any other agreement or clause which would prevent the performance of this Pledge in accordance with its terms;

(f) the payment of, or the provision of security for, the Secured Liabilities by the Pledgor does not require any authorisation of any authority whatsoever, including, without limitation, from the administrative bodies of the Pledgor other than those previously obtained and no authorisation from the administrative bodies of the Pledgor or of the Company or of any authority whatsoever is required for the enforcement of this Pledge; and

(g) this Pledge is valid and enforceable in accordance with its terms and creates a pledge ranking above the rights that any other person may have over the Account or the Financial Instruments or over the proceeds of any sale of the Financial Instruments.

4. UNDERTAKINGS

4.1 For the duration of the Security Period, the Pledgor undertakes:

(a) not to transfer nor to sell the Financial Instruments, or any of them, without the prior written consent of the Security Agent acting on behalf of the Beneficiaries;

(b) not to create, incur or permit to subsist any Security Interest or encumbrance of any sort whatsoever over the Account or the Financial Instruments other than in favour of the Beneficiaries;

(c) save as otherwise permitted by the Senior Finance Documents, to procure that the Company shall not issue new Financial Instruments and more generally to procure that the Company shall not change its share capital;

(d) to the extent permitted under French law, not to exercise the voting rights or to pass any resolutions attached to the Financial Instruments which may adversely change the terms of the Financial Instruments (or any class of them) or prejudice the Security Interest created hereunder; and

(e) to take any action, carry out any formalities and more generally do anything the Security Agent may reasonably consider necessary in order to permit the Security Agent or the other Beneficiaries to exercise, at any time, the rights and claims which it or the other Beneficiaries hold by virtue of this Pledge.

(f) instruct the Special Account Holder to deliver to the Security Agent, with respect to the Special Cash Account, an *attestation de constitution de gage de compte espèces spécial* substantially in the form set out in Schedule 8 duly executed by the Special Account Holder.

4.2 Notwithstanding anything contained herein, the Pledgor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Financial Instruments and the Account and none of the Beneficiaries shall be required in any manner to perform or fulfil any obligation of the Pledgor in respect of the Financial Instruments of the Account or to make any payment received by them, or to receive any enquiry as to the nature or sufficiency of any payment received by them, or to present or to file any claim or take any other action to collect or enforce the payment of any amount to which they may have been or to which they may be entitled hereunder at any time or times.

5. ENFORCEMENT

Following the occurrence of a payment default under the Secured Liabilities and without prejudice to any other right or action whatsoever which may be exercised or taken independently or concurrently, the Security Agent, acting on behalf of the Beneficiaries, may enforce its rights under the Pledge up to the limit of the Secured Liabilities in accordance with article L. 521-3 of the Code de Commerce and article 2078 of the French Civil Code.

6. DURATION

6.1 This Pledge shall remain in full force and effect throughout the Security Period.

6.2 The Security Agent acting upon instructions of the Beneficiaries undertakes to procure the release of the Pledge on or as soon as practicable after the Discharge Date.

7. NOTICE

Except as specifically provided otherwise in this Pledge, any notice, demand or other communication to be served under or in connection with this Pledge shall be made in accordance with clause 24 (*Notices*) of the Senior Facilities Agreement.

8. MISCELLANEOUS

8.1 This Pledge does not exclude or limit in any way the other rights of the Security Agent or the other Beneficiaries and does not affect the nature or the extent of the liabilities which have been or which may exist between the Pledgor and the Security Agent or the other Beneficiaries.

8.2 Where any clause of this Pledge shall be or become illegal, invalid or unenforceable it is agreed that the other provisions of this Pledge shall remain legal, valid and enforceable against the parties to this Pledge independently of the said illegal, invalid or unenforceable clauses.

8.3 No payment to the Security Agent and/or the other Beneficiaries whether under any judgment or court order or otherwise shall discharge the obligation or liability of the Pledgor unless and until the Security Agent and/or the other Beneficiaries shall have received payment in full in the currency in which the obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency the Security Agent and/or the other Beneficiaries shall have a further cause of action against the Pledgor to recover the amount of the shortfall.

8.4 In the event of a transfer by way of a novation of all or part of the rights and obligations by the Beneficiaries under any Senior Finance Document, the Beneficiaries expressly reserve (and all the parties to this Pledge expressly agree to that), the rights, powers, privileges and actions that they enjoy under this Pledge in favour of their successors, in accordance with the provisions of articles 1278 and following of the French Civil Code.

9. EXPENSES

The Pledgor will promptly following demand pay to each of the Security Agent and/or the other Beneficiaries any expense (including legal fees and other out of pocket expenses and any Taxes thereon) or loss which the Security Agent and/or the other Beneficiaries may have properly incurred in connection with the preservation, enforcement or attempted preservation or enforcement of, the Security Agent's or the other Beneficiaries rights under, this Pledge including any present or future stamp or other taxes or duties and any penalties or interest with respect thereto which may be imposed by any competent jurisdiction in connection with the execution or enforcement of this Pledge all upon presentation of duly documented evidence.

10. FURTHER ASSURANCES

The Pledgor agrees that from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that the Security Agent may reasonably request, in order to perfect and protect any Security Interest granted or purported to be granted hereby or to enable the Security Agent to exercise and enforce its rights and remedies hereunder with respect to the relevant Account.

11. APPLICABLE LAW AND JURISDICTION

11.1 This Pledge shall be governed by and construed in all respects in accordance with French law.

11.2 Any dispute arising out of or in connection with this Pledge shall be submitted to the Commercial Court of Paris (*Tribunal de Commerce de Paris*) for the purpose of hearing and determining at first instance any dispute arising out of this Pledge.

Made in three (3) originals on 7 December 2005.

The Pledgor:
AGZ HOLDING

Acting by: /s/ François Varagne
Name: François Varagne or any duly empowered person under a power of attorney
Title: Directeur Général Délégué
Address: Immeuble Les Renardières
3, Place de Saverne
92400 Courbevoie, France

Fax: +33 1 41 88 73 15
For the attention of François Varagne

The Security Agent:
CALYON

Acting by: /s/ Jacques Pochon and Jérôme Del Ben
Name: Jacques Pochon and Jérôme Del Ben
Title: Head of Acquisition Finance France and Associate Director
Address: CALYON
Leverage and Financial Sponsors Group
9 quai du Président Paul Doumer
92920 Courbevoie Cedex
France

Fax: +33 1 41 89 39 53/ 14 33
For the attention of Jérôme Del Ben / Victoria Becq-Giraudon

The Original Lenders:
CALYON

Acting by: /s/ Jacques Pochon and Jérôme Del Ben
Name: Jacques Pochon and Jérôme Del Ben
Title: Head of Acquisition Finance France and Associate Director
Address: CALYON
Leverage and Financial Sponsors Group
9 quai du Président Paul Doumer
92920 Courbevoie Cedex
France

Fax: 33 1 41 89 39 53/ 14 33
For the attention of Jérôme Del Ben / Victoria Becq-Giraudon

SCHEDULE 1
THE ORIGINAL LENDERS

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

SCHEDULE 2
DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément à, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l' "**Acte de Nantissement"),** dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	AGZ Holding, société anonyme de droit français dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 413 765 108 RCS Nanterre.
Désignation du teneur de compte	Antargaz, société anonyme au capital de €3.935.349, dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° 11 Ter ouvert dans les livres d'Antargaz (le **"Teneur de Compte")** au nom du Constituant du Gage,

(ci-après le **"Compte d'Instruments Financiers")**;

(b) Compte spécial n°31489/00010/00224848231/47 ouvert dans les livres de Calyon (le **"Teneur de Compte Espèces Spécial")** au nom du Constituant du Gage,

(ci-après le **"Compte Espèces Spécial")**;

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes,

(le Compte d'Instruments et le Compte Espèces Spécial, ensemble le **"Compte Gagé")**

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de €7,62 chacune.
Emetteur:	Antargaz, Société anonyme au capital de €3.935.349, dont le siège social est situé Immeuble Les Renardières — 3, Place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre.
Nombre d'actions créditées au Compte:	516.440 actions, représentant 99,99% du capital d'Antargaz.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définís à l'Acte de Nantissement sous le vocable *Lenders* et dont la liste à la date des présentes figure en annexe A à la présente déclaratíon, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Lender* au titre du *Senior Facilities Agreement;*

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement*; et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous l'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations de paiement et de remboursement du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre des documents définis sous l'expression *Senior Finance Documents* dans l'Acte de Nantissement, tels que pouvant être ultérieurement modifiés ou amendés, à concurrence d'un montant maximum de €430,000,000 en principal au titre du *Senior Facilities Agreement*, majoré dans tous les cas des intérêts, intérêts de retard, commissions, frais et accessoires quelconques ainsi que de toutes autres sommes pouvant être dues aux Bénéficiaires susvisés au titre desdits *Senior Finance Documents.*

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage

AGZ HOLDING

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Directeur Général Délégué

Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées *en* qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

ANTARGAZ

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

Annexe A
Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

SCHEDULE 3
DECLARATION OF PLEDGE OF A FINANCIAL INSTRUMENTS ACCOUNT IN ACCORDANCE WITH ARTICLE L. 431-4 OF THE FRENCH MONETARY AND FINANCIAL CODE

TRANSLATION FOR INFORMATION PURPOSES ONLY

This declaration of pledge of a financial instruments account is issued in accordance with and pursuant to the terms and conditions of a pledge of financial instruments account of today's date drafted in English and entitled "Pledge of Financial Instruments Account" (the **"Pledge"),** a copy of which is attached as schedule B to this declaration and which constitutes an integral part of this declaration.

Terms and expressions defined in the Pledge shall, save to the extent that the context otherwise requires, have the same meanings when used in this declaration.

I. Identity of Pledgor

Name	AGZ Holding, a *société anonyme* incorporated under the laws of France and having its registered office at Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France, and whose registered number is 413 765 108 RCS Nanterre.
Name of the account holder	Antargaz a French *société anonyme* with a share capital of €3,935,349 having its registered office at Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France, and whose registered number is 572 126 043 RCS Nanterre.

II. Description of the Pledged Account

(a) Financial Instruments Account n° 11 Ter opened in the books of Antargaz (the **"Account Holder")** in the name of the Pledgor,

(hereafter referred to as the **"Financial Instruments Account");**

(b) Special Cash Account n° 31489/00010/00224848231/47 opened in the books of Calyon (the **"Special Cash Account Holder")** in the name of the Pledgor,

(hereafter referred to as the **"Special Cash Account");**

the Special Cash Account is considered to be part of the Pledged Account at the present date,

(the Financial Instruments Account and the Special Account are hereafter referred to as the **"Pledged Account").**

III. Financial Instruments initially registered in the Pledged Account

Type of Financial Instruments:	registered shares of a nominal par value of €7.62 each.
Issuer of the Financial Instruments:	Antargaz a French société anonyme with a share capital of € 3,935,349 having its registered office at Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France, and whose registered number is 572 126 043 RCS Nanterre.
Number of Financial Instruments in Account:	516,440 shares representing 99.99 per cent, of the share capital of Antargaz

IV. Beneficiaries

(1) The banks and financial institutions defined as Senior Lenders in the Pledge namely, all those banks and financial institutions which are Senior Lenders at the time of this declaration, as set out in the list attached as schedule A to this declaration and any other person that becomes a Lender under the Senior Facilities Agreement;

(2) Calyon, a company (*société anonyme*) incorporated under the laws of France, having its registered office 9 quai du président Paul Doumer, 92920 Paris la Défense Cedex (France), registered under number 304 187 701 RCS Nanterre, acting for itself and in the name of and on behalf of the persons named in (1) above as Security Agent under the Senior Facilities Agreement; and

(3) Calyon, a company (*société anonyme*) incorporated under the laws of France, having its registered office 9 quai du président Paul Doumer, 92920 Paris la Defense Cedex (France), registered under number 304 187 701 RCS Nanterre, acting for itself and in the name of and on behalf of the persons named in (1) above as Facility Agent under the Senior Facilities Agreement.

V. Secured Obligations

The secured obligations are the obligations of the Pledgor, as defined under the term “Secured Liabilities” in the Pledge undertaken in its capacity as Borrower and Guarantor under the Senior Finance Documents (as defined in the Pledge), which documents are subject to subsequent amendment, up to a maximum principal amount of € 430,000,000 pursuant to the Senior Facilities Agreement as well as any interest, commission, or additional costs or any other sums due to the Beneficiaries under the Senior Finance Documents.

7 December 2005 in three (3) originals in order to constitute the Pledge

AGZ HOLDING

By: _____
Name: François Varagne or any duly empowered person under a power of attorney
Title: Directeur Général Délégué

We acknowledge receipt of this declaration of pledge of financial instruments account of today's date and undertake to carry out our responsibilities as account holder *(teneur de compte)* in accordance with the terms of this declaration of pledge of financial instruments account and the Pledge.

ANTARGAZ

By: _____
Name: François Varagne or any duly empowered person under a power of attorney
Title: Président-Directeur Général

SCHEDULE 4
ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 516.440 actions émises par Antargaz détenues par AGZ Holding et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par AGZ Holding, ont été virées sur un compte spécial numéro 11 Ter ouvert au nom de AGZ Holding et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Antargaz

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

SCHEDULE 5
CERTIFICATE OF REGISTRATION OF A PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNT

TRANSLATION FOR INFORMATION PURPOSES ONLY

The undersigned hereby certifies that (i) 516,440 shares issued by Antargaz and held by AGZ Holding as identified in the declaration of pledge of financial instruments account date 7 December 2005 signed by AGZ Holding, have been transferred into a special account number 11 Ter opened in the name of AGZ Holding and (ii) the said account is pledged in favour of the Beneficiaries (as defined in the declaration of pledge of financial instrument accounts) and that such pledge has been duly registered. A copy of the pledge of financial instruments account is attached as a schedule to this certificate of registration of a pledge of financial instruments.

Paris,

7 December 2005

For and on behalf of Antargaz

By: _____
Name: François Varagne or any duly empowered person under a power of attorney
Title: Président-Directeur Général

SCHEDULE 6
MODÈLE DE NOTIFICATION DE LA SURVENANCE D'UN CAS DE DÉFAUT AU TENEUR DU COMPTE ESPÈCES SPÉCIAL

A Calyon, agissant en qualité de teneur du Compte Espèces Spécial

Messieurs,

- Déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 (la **"Déclaration de Gage").**
- Compte bancaire spécial nº 31489/00010/00224848231/47 ouvert dans vos livres (le **"Compte Espèces Spécial").**

1. Nous nous référons à la convention de nantissement conclue le 7 décembre 2005 entre AGZ Holding en tant que Constituant et nous-mêmes en tant que Créancier-Gagiste (la **"Convention de Nantissement"),** ainsi qu'à la Déclaration de Gage.

2. Nous vous notifions la survenance d'un Cas de Défaut au titre des obligations garanties en vertu de la Convention de Nantissement.

3. A compter du [_____], le Constituant n'est donc plus autorisé à effectuer de débit sur le Compte Espèces Spécial mentionné ci-dessus et toute somme figurant au crédit de ce Compte Espèces Spécial doit être bloquée jusqu'à notification contraire de notre part.

Par CALYON,

En qualité d'Agent des Sûretés

Signature _____

SCHEDULE 7
FORM OF NOTIFICATION OF THE OCCURRENCE AN EVENT OF DEFAULT TO THE SPECIAL CASH ACCOUNT HOLDER

TRANSLATION FOR INFORMATION PURPOSES ONLY

To Calyon, acting as Special Account Holder

Dear Sirs,

- Confirmation of Pledge (*Déclaration de Gage*) dated 7 December 2005 (hereinafter the **"Confirmation of Pledge"**).
- Special Cash Account n° 31489/00010/00224848231/47 opened in our books (hereinafter the **"Special Cash Account").**

1. We refer to the pledge agreement entered into on 7 December 2005 between AGZ Holding acting as Pledgor and ourselves as Security Agent (the **"Pledge")**
2. We hereby notify to you the occurrence of an Event of Default with respect to the secured obligations under the Pledge.
3. As of [_____], the Pledgor is not allowed to withdraw any amount from the Special Cash Account aforementioned and any sums appearing on the credit of the Special Cash Account shall be blocked unless contrary written instructions received from us.

By: CALYON,

Acting as Security Agent

Signature _____

SCHEDULE 8
FORM OF CONFIRMATION OF PLEDGE — SPECIAL CASH ACCOUNT

[PAPIER EN-TÊTE CALYON]

ATTESTATION DE CONSTITUTION
DE COMPTES ESPECES SPECIAL

Par les présentes, la soussignée:

1. accuse réception de la Déclaration de Gage en date du 7 décembre 2005 signée par AGZ Holding en qualité de Constituant et dont une copie est annexée aux présents (la **"Déclaration de Cage"**);

2. confirme que le compte n° 31489/00010/00224848231/47 désigné dans la Déclaration de Gage en qualité de Compte Espèces Spécial est ouvert dans ses livres au nom de AGZ Holding et constitue le compte spécial visé à l'article L. 431-4, III du Code monétaire et financier; et

3. accepte les termes des missions qui lui sont confiées en qualité de Teneur de Compte Espèces Spécial aux termes de la Déclaration de Gage et de la Convention de Nantissement et en particulier prend acte des stipulations de l'article 2.4 de la Convention de Nantissement au titre desquelles AGZ Holding peut retirer toutes sommes à tout moment du Compte Espèces Spécial *(Special Cash Account)* sauf instruction écrite contraire de l'Agent des Sûretés (*Security Agent*).

Les termes commençant par une majuscule dans la présente attestation ont le sens qui leur est donné dans la Déclaration de Gage.

Fait le 7 décembre 2005
En trois (3) exemplaires originaux

Le Teneur de Compte Espèces Spécial:

Par CALYON,

En qualité d'Agent des Sûretés

Signature _____

SCHEDULE 9
CERTIFICATE CONFIRMING THE OPENING OF THE SPECIAL CASH ACCOUNT

TRANSLATION FOR INFORMATION PURPOSES ONLY

[Letterhead of CALYON]

The undersigned hereby:

1. acknowledges receipt of the Confirmation of Pledge (*Déclaration de Gage*) dated 7 December 2005, signed by AGZ Holding as the Pledgor (*Constituant*), a copy of which is hereto attached (the **"Confirmation of Pledge");**

2. confirms that the account n° 31489/00010/00224848231/47 referred to in the Confirmation of Pledge as the Special Cash Account is opened in its books under the name of AGZ Holding, and is the special account provided for in article L. 431-4, III of the French Monetary and Financial Code (*Code Monétaire et Financier*); and

3. agrees to the terms of the missions assigned, as Holder of the Special Account Holder, pursuant to the Confirmation of Pledge and the Security Agreement, and in particular acknowledges that the conditions of article 2.4 of the Pledge under which AGZ Holding can withdraw any amount at any time from the Special Cash Account, unless contrary written instructions received from the Security Agent.

Capital terms used in this certificate have the meaning ascribed to them in the Confirmation of Pledge.

Dated 7 December 2005
In three (3) original copies

The Special Account Holder;

By: CALYON,

Acting as Security Agent

Signature _____

DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément à, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l'**"Acte de Nantissement"**), dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	AGZ Holding, société anonyme de droit français dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 413 765 108 RCS Nanterre.
Désignation du teneur de compte	Antargaz, société anonyme au capital de € 3,935,349, dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° 11 Ter ouvert dans les livres d'Antargaz (le **"Teneur de Compte"**) au nom du Constituant du Gage,

(ci-après le **"Compte d'Instruments Financiers"**);

(b) Compte spécial n° 31489/00010/00224848231/47 ouvert dans les livres de Calyon (le **"Teneur de Compte Espèces Spécial"**) au nom du Constituant du Gage,

(ci-après le **"Compte Espèces Spécial"**);

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes,

(le Compte d'Instruments et le Compte Espèces Spécial, ensemble le **"Compte Gagé"**)

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de € 7,62 chacune.
Emetteur:	Antargaz, Société anonyme au capital de € 3,935,349, dont le siège social est situé Immeuble Les Renardières — 3, Place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre.
Nombre d'actions créditées au Compte:	516.440 actions, représentant 99,99% du capital d'Antargaz.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définis à l'Acte de Nantissement sous le vocable *Lenders* et dont la liste à la date des présentes figure en annexe A à la présente déclaration, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Lender au* titre du *Senior Facilities Agreement*;

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement*; et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous l'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations de paiement et de remboursement du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre des documents définis sous l'expression *Senior Finance Documents* dans l'Acte de Nantissement, tels que pouvant être ultérieurement modifiés ou amendés, à concurrence d'un montant maximum de €430,000,000 en principal au titre du *Senior Facilities Agreement*, majoré dans tous les cas des intérêts, intérêts de retard, commissions, frais et accessoires quelconques ainsi que de toutes autres sommes pouvant être dues aux Bénéficiaires susvisés au titre desdits *Senior Finance Documents.*

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage

AGZ HOLDING

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Directeur Général Délégué

Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

ANTARGAZ

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

Annexe A
Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 516.440 actions émises par Antargaz détenues par AGZ Holding et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par AGZ Holding, ont été virées sur un compte spécial numéro 11 Ter ouvert au nom de AGZ Holding et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Antargaz

Par: _____
Nom: François Varagne ou toute personne
qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément à, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l' "**Acte de Nantissement**"), dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	AGZ Holding, société anonyme de droit français dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 413 765 108 RCS Nanterre.
Désignation du teneur de compte	Antargaz, société anonyme au capital de € 3.935.349, dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° 11 Ter ouvert dans les livres d'Antargaz (le "**Teneur de Compte**") au nom du Constituant du Gage,

(ci-après le "**Compte d'Instruments Financiers**");

(b) Compte spécial n° 31489/00010/00224848231/47 ouvert dans les livres de Calyon (le "**Teneur de Compte Espèces Spécial**") au nom du Constituant du Gage,

(ci-après le "**Compte Espèces Spécial**");

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes.

(le Compte d'Instruments et le Compte Espèces Spécial, ensemble le "**Compte Gagé**")

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de €7,62 chacune.
Emetteur:	Antargaz, Société anonyme au capital de €3.935.349, dont le siège social est situé Immeuble Les Renardières — 3, Place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre.
Nombre d'actions créditées au Compte:	516.440 actions, représentant 99,99% du capital d'Antargaz.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimìlés définis à l'Acte de Nantissement sous le vocable *Lenders* et dont la liste à la date des présentes figure en annexe A à la présente déclaration, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Lender* au titre du *Senior Facilities Agreement;*

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement;* et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous l'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations de paiement et de remboursement du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre des documents définis sous l'expression *Senior Finance Documents* dans l'Acte de Nantissement, tels que pouvant être ultérieurement modifiés ou amendés, à concurrence d'un montant maximum de €430,000,000 en principal au titre du *Senior Facilities Agreement*, majoré dans tous les cas des intérêts, intérêts de retard, commissions, frais et accessoires quelconques ainsi que de toutes autres sommes pouvant être dues aux Bénéficiaires susvisés au titre desdits *Senior Finance Documents.*

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage

AGZ HOLDING

Par: /s/ François Varagne
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Directeur Général Délégué

Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

ANTARGAZ

Par: /s/ François Varagne
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

Annexe A
Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 516.440 actions émises par Antargaz détenues par AGZ Holding et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par AGZ Holding, ont été virées sur un compte spécial numéro 11 Ter ouvert au nom de AGZ Holding et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Antargaz

Par: /s/ François Varagne
Nom: François Varagne ou toute personne
qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

CALYON
CORPORATE AND INVESTMENT BANK

ATTESTATION DE CONSTITUTION
DE COMPTES ESPECES SPECIAL

Par les présentes, la soussignée:

1. accuse réception de la Déclaration de Gage en date du 7 décembre 2005 signée par AGZ Holding en qualité de Constituant et dont une copie est annexée aux présents (la "**Déclaration de Gage**");

2. confirme que le compte n° 31489/00010/00224848231/47 désigné dans la Déclaration de Gage en qualité de Compte Espèces Spécial est ouvert dans ses livres au nom de AGZ Holding et constitue le compte spécial visé à l'article L. 431-4, III du Code monétaire et financier; et

3. accepte les termes des missions qui lui sont confiées en qualité de Teneur de Compte Espèces Spécial aux termes de la Déclaration de Gage et de la Convention de Nantissement et en particulier prend acte des stipulations de l'article 2.4 de la Convention de Nantissement au titre desquelles AGZ Holding peut retirer toutes sommes à tout moment du Compte Espèces Spécial *(Special Cash Account)* sauf instruction écrite contraire de l'Agent des Sûretés *(Security Agent).*

Les termes commençant par une majuscule dans la présente attestation ont le sens qui leur est donné dans la Déclaration de Gage.

Fait le 7 décembre 2005
En trois (3) exemplaires originaux

Le Teneur de Compte Espèces Spécial:

Par CALYON,

En qualité d'Agent des Sûretés

Signature /s/ [ILLEGIBLE]

Exhibit 10.52

Dated 7 December 2005

ANTARGAZ
as Pledgor

CALYON
as Security Agent

and

THE REVOLVING LENDERS

PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNTS
relating to Financial Instruments
held by ANTARGAZ in certain subsidiary companies

SHEARMAN & STERLING LLP

[ILLEGIBLE]

CONTENTS

THIS PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNTS (the "Pledge Agreement") IS MADE ON 7 DECEMBER 2005

BETWEEN:

(1) **ANTARGAZ,** a French *société anonyme* with a share capital of €3,935,349, having its registered office at Immeuble Les Renardières — 3, Place de Saverne, 92400 Courbevoie, France and registered in France with number 572 126 043 RCS Nanterre;

(hereinafter referred to as the **"Pledgor");**

(2) **CALYON,** a company *(société anonyme)* incorporated under the laws of France, having its registered office 9 quai du président Paul Doumer, 92920 Paris la Défense Cedex (France), registered under number 304 187 701 RCS Nanterre, represented by Jacques Pochon and Jérôme Del Ben duly empowered for the purposes hereof,

(hereinafter referred to as the **"Security Agent");**

(3) The banks and financial institutions named in schedule 1 (the **"Original Revolving Lenders")** and any bank or financial institution which may from time to time become a Revolving Lender under the Senior Facilities Agreement;

(hereinafter, together, referred to as the **"Revolving Lenders").**

WHEREAS:

(A) Pursuant to a senior facilities agreement dated 7 December 2005 (hereinafter, as amended and restated from time to time, the **"Senior Facilities Agreement")** and entered into between, among others, (i) AGZ Holding as the Parent (the **"Parent"),** (ii) the persons named therein as Borrowers and/or Guarantors, (iii) the Original Revolving Lenders and (iii) Calyon as Mandated Lead Arranger, Facility Agent and Security Agent, the Original Revolving Lenders have agreed to make available to the Parent, the Pledgor and certain of its subsidiaries a revolving credit facility in a maximum aggregate principal amount of €50,000,000 (the **"Revolving Facility").**

(B) The Pledgor is a party to the Senior Facilities Agreement as Borrower and Guarantor under the Revolving Facility.

(C) It is a condition precedent to the availability of the Revolving Facility that the Pledgor grant in favour of the Beneficiaríes a pledge over each of the Accounts.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Pledge

"Account" means the (i) special financial instruments account *("compte special")* the details of which are specified in each *Déclaration de Gage*, opened in the name of the Pledgor in the books of the relevant Company as account holder *(teneur de compte)*, in which the relevant Financial Instruments are registered and (ii) the relevant Special Cash Account;

"Article L. 431-4" means article L. 431-4 of the French Monetary and Financial Code *(Code Monétaire et Financier);*

"Beneficiaries" means the entities identified in paragraph III of each *Déclaration de Gage*;

"Borrower" means a Borrower under, and as defined in, the Senior Facilities Agreement;

"Company" means each company listed in schedule 2 and "Companies" means all of them;

"Confirmation of Pledge" means, for each Pledge, the confirmation of pledge *(attestation de nantissement de compte d'instruments financiers)* in the form attached as Schedule 5;

"Déclaration de Gage" has the meaning which is given to it in clause 2.4 of this Pledge Agreement;

"Discharge Date" means the date on which all of the Secured Liabilities have been irrevocably and unconditionally discharged in full and none of the Beneficiaries has any continuing obligation to any company in the Group under or in connection with the Revolving Facility;

"Event of Default" means an event defined as an Event of Default in the Senior Facilities Agreement;

"Financial Instruments" means, in respect of each Company listed in schedule 2, (i) the number of shares (as set out opposite the name of that Company in schedule 2 of this Pledge) equal to the total number of shares held by the Pledgor in that Company minus a maximum of ten (10) shares and (ii) all other financial instruments which would be registered in the Pledged Account in accordance with this Pledge;

"Guarantor" has the meaning given to it in the Senior Facilities Agreement;

"Secured Liabilities" means all money and liabilities now or hereafter due, owing or incurred to the Beneficiaries (or any of them) by the Pledgor under the Senior Finance Documents (or any of them), and under this Pledge in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith;

"Security Period" means the period beginning on the date hereof and ending on the Discharge Date;

"**Senior Finance Documents"** has the meaning given to it in the Senior Facilities Agreement;

"Special Account Holder" means Calyon; and

"Special Cash Account" means, for each Pledge, the relevant special bank account opened in the name of the Pledgor in the books of the relevant Special Account Holder, which pursuant to Article L. 431-4 of the French *Code Monétaire et Financier,* forms part of the relevant Account, and the reference of which are specified in the relevant *Déclaration de Gage.*

1.2 Capitalised terms used in this Pledge (including the Recitals) and not otherwise defined herein shall have the meaning ascribed thereto in the Senior Facilities Agreement.

2. PURPOSE

2.1 As security for the repayment, discharge and performance of all the Secured Liabilities, the Pledgor hereby pledges each of the Accounts in favour of the Beneficiaries.

2.2 (a) In accordance with Article L. 431-4, all Financial Instruments initially registered in the relevant Pledged Account, those which may be substituted therefor or added thereto in any manner whatsoever, as well as any income and proceeds *(fruits et produits)* therefrom in any currency whatsoever are automatically incorporated in the scope of the relevant Pledge without any such operation constituting in any manner a novation of the rights or the security granted to the Beneficiarìes under the Pledge.

(b) In addition, if the Pledgor subsequently subscribes or purchases in any manner whatsoever other financial instruments *(instruments financiers)* issued by the Company that are not automatically included in the scope of the relevant Pledge pursuant to paragraph (a) of this Clause 2, the Pledgor shall transfer the said financial instruments to the relevant Pledged Account and the said financial instruments shall therefore be included in the scope of the relevant Pledge in accordance with I of Article L. 431-4. The Pledgor shall execute all such documents and take all such other actions as may be necessary or appropriate to effect such transfer.

2.3 In accordance with Article L. 431-4, the Financial Instruments and the sums in any currency whatsoever subsequently registered in the relevant Pledged Account, as a security for the performance by the Pledgor of the Secured Obligations, are subject to the same terms as those initially registered and are considered as if they were so registered at the date of the initial *Déclaration de Gage.*

2.4 All income and proceeds *(fruits et produits)* in cash payable in respect to the Financial Instruments, including without limitation all dividends and other distributions in cash to which the Financial Instruments give right as well as all cash amounts payable in respect of or in substitution for any of the relevant Financial Instruments shall be paid to the relevant Special Cash Account. By executing the relevant Confirmation of Pledge, the Company shall accept to make such payments to the relevant Special Cash Account. So long as no Event of Default has occurred and has been notified to the Pledgor, the Pledgor is hereby authorised by the Lenders to withdraw from the relevant Special Cash Account all income and proceeds *(fruits et produits)* which have been credited therein. This authorisation may be revoked by the Security Agent on behalf of the Beneficiaries, by simple notice (substantially in the form of Schedule 6) of the Security Agent to the relevant Special Account Holder (with a copy to the Pledgor) upon the occurrence of an Event of Default, for so long it is not remedied, waived or ended in any way whatsoever. Upon receipt of such notice by the relevant Special Account Holder, all amounts standing to the credit of the relevant Special Cash Account, shall become unavailable for the Pledgor until a notification to the contrary is received from the Security Agent (which shall occur at the Pledgor's expense as soon as reasonably practicable when such Event of Default is no longer continuing). In accordance with Article L. 431-4, the relevant Special Cash Account is considered to be part of the Pledged Account at the date of the relevant signature of the *Déclaration de Gage.*

2.5 The Pledgor shall take all necessary steps requested by the Security Agent (including, without limitation, signature of a *"Déclaration de Gage de compte d'instruments financiers"* in the form set out in schedule 3 in relation to each Company) (each a ***"Déclaration de Gage"),*** as soon as possible, so that following execution of this Pledge:

(a) the Financial Instruments are transferred to the relevant Pledged Account opened in the name of the Pledgor with the relevant Company and indicating the pledge in favour of the Beneficiaries;

(b) the pledge granted over each of the Accounts under this Pledge is registered in the share transfer register of the relevant Company; and

(c) an *"Attestation de constitution de gage de compte d'instruments financiers"* in the form set out in schedule 5 is delivered by each Company to the Security Agent.

3. REPRESENTATIONS AND WARRANTIES

The Pledgor represents and warrants to the Security Agent and to each of the Beneficiaries as at the date hereof and for the duration of the Security Period, that:

(a) the Financial Instruments are registered, have been fully paid up, and represent at the date hereof the percentage of the share capital of each such Company as indicated in schedule 2 and will at all time represent at least 95% of the share capital of each such Company (or 85% with respect to Rhône Mediterrannée Gaz-RMG);

(b) it is the owner of the Accounts and the registered owner of the Financial Instruments and it has not created, incurred or permitted to subsist any Security Interest or other encumbrance whatsoever over the Accounts (or any of them) or the Financial Instruments (or any of them) other than the Security Interest granted pursuant to this Pledge;

(c) there is no purchase option outstanding or in existence in relation to all or part of the Financial Instruments, no scheme exists for the purchase or subscription of Financial Instruments in such Companies (or any of them), and more generally there exists no agreement by which any such Company has undertaken to issue new financial instruments or securities giving access to the share capital of that Company, all except as permitted under the Finance Documents;

(d) the Pledge has been approved by each Company (save as indicated in schedule 2) in accordance with its *Statuts;*

(e) the payment of, or the provision of security for, the Secured Liabilities by the Pledgor does not require any authorisation of any authority whatsoever, including, without limitation, from the administrative bodies of the Pledgor other than those previously obtained and no authorisation from the administrative bodies of the Pledgor or any of the Companies or of any authority whatsoever is required for the enforcement of this Pledge; and

(f) this Pledge is valid and enforceable in accordance with its terms and creates a pledge ranking above the rights that any other person may have over the Accounts or the Financial Instruments, or any of them, or over the proceeds of any sale of the Financial Instruments or any of them.

4. UNDERTAKINGS

4.1 For the duration of the Security Period, the Pledgor undertakes:

(a) not to transfer nor to sell the Financial Instruments, or any of them, without the prior written consent of the Security Agent acting on behalf of the Beneficiaries;

(b) not to create, incur or permit to subsist any Security Interest or encumbrance of any sort whatsoever over the Accounts or the Financial Instruments, or any of them, other than in favour of the Beneficiaries;

(c) save as otherwise permitted by the Finance Documents, to procure that no Company shall issue new Financial Instruments and more generally to procure that no Company shall change its share capital;

(d) to the extent permitted under French law, not to exercise the voting rights or to pass any resolutions attached to the Financial Instruments (or any of them) which may adversely change the terms of the Financial Instruments (or any class of them) or prejudice the Security Interest created hereunder; and

(e) to take any action, carry out any formalities and more generally do anything the Security Agent may reasonably consider necessary in order to permit the Security Agent or the other Beneficiaries to exercise, at any time, the rights and claims which it or the other Beneficiaries hold by virtue of this Pledge.

(f) Instruct the Special Account Holder to deliver to the Security Agent, with respect to the Special Cash Account, an *attestation de constitution de gage de compte espèces spécial* substantially in the form set out in Schedule 9 duly executed by the relevant Special Account Holder.

4.2 Notwithstanding anything contained herein, the Pledgor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Financial Instruments and the Accounts (or any of them) and none of the Beneficiaries shall be required in any manner to perform or fulfill any obligation of the Pledgor in respect of the Financial Instruments or the Accounts (or any of them) or to make any payment received by them, or to receive any enquiry as to the nature or sufficiency of any payment received by them, or to present or to file any claim or take any other action to collect or enforce the payment of any amount to which they may have been or to which they may be entitled hereunder at any time or times.

5. ENFORCEMENT

Following the occurrence of a payment default under the Secured Liabilities and without prejudice to any other right or action whatsoever which may be exercised or taken independently or concurrently, the Security Agent, acting on behalf of the Beneficiaries, may enforce its rights under the Pledge up to the limit of the Secured Liabilities in accordance with article L. 521-3 of the Code de Commerce and article 2078 of the French Civil Code.

6. DURATION

6.1 This Pledge shall remain in full force and effect throughout the Security Period.

6.2 The Security Agent acting upon instructions of the Beneficiaries undertakes to procure the release of the Pledge on or as soon as practicable after the Discharge Date.

7. NOTICE

Except as specifically provided otherwise in this Pledge, any notice, demand or other communication to be served under or in connection with this Pledge shall be made in accordance with clause 24 *(Notices)* of the Senior Facilities Agreement.

8. MISCELLANEOUS

8.1 This Pledge does not exclude or limit in any way the other rights of the Security Agent or the other Beneficiaries and does not affect the nature or the extent of the liabilities which have been or which may exist between the Pledgor and the Security Agent or the other Beneficiaries.

8.2 Where any clause of this Pledge shall be or become illegal, invalid or unenforceable it is agreed that the other provisions of this Pledge shall remain legal, valid and enforceable against the parties to this Pledge independently of the said illegal, invalid or unenforceable clauses.

8.3 No payment to the Security Agent and/or the other Beneficiaries whether under any judgment or court order or otherwise shall discharge the obligation or liability of the Pledgor unless and until the Security Agent and/or the other Beneficiaries shall have received payment in full in the currency in which the obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency the Security Agent and/or the other Beneficiaries shall have a further cause of action against the Pledgor to recover the amount of the shortfall.

8.4 In the event of a transfer by way of a novation of all or part of the rights and obligations by the Beneficiaries under the Senior Facilities Agreement, the Beneficiaries expressly reserve (and all the parties to this Pledge expressly agree to that), the rights, powers, privileges and actions that they enjoy under this Pledge in favour of their successors, in accordance with the provisions of articles 1278 and following of the French Civil Code.

9. EXPENSES

The Pledgor will promptly following demand pay to each of the Security Agent and/or the other Beneficiaries any expense (including legal fees and other out of pocket expenses and any Taxes thereon) or loss which the Security Agent and/or the other Beneficiaries may have properly incurred in connection with the preservation, enforcement or attempted preservation or enforcement of, the Security Agent's or the other Beneficiaries rights under, this Pledge including any present or future stamp or other taxes or duties and any penalties or interest with respect thereto which may be imposed by any competent jurisdiction in connection with the execution or enforcement of this Pledge all upon presentation of duly documented evidence.

10. FURTHER ASSURANCES

The Pledgor agrees that from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that the Security Agent may reasonably request, in order to perfect and protect any Security Interest granted or purported to be granted hereby or to enable the Security Agent to exercise and enforce its rights and remedies hereunder with respect to the relevant Account.

11. APPLICABLE LAW AND JURISDICTION

11.1 This Pledge shall be governed by and construed in all respects in accordance with French law.

11.2 Any dispute arising out of or in connection with this Pledge shall be submitted to the Commercial Court of Paris *(Tribunal de Commerce de Paris)* for the purpose of hearing and determining at first instance any dispute arising out of this Pledge.

Made in three (3) originals on 7 December 2005.

The Pledgor:
ANTARGAZ

Acting by: /s/ François Varagne
Name: François Varagne or any duly empowered person under a power of attorney
Title: Président-Directeur Général
Address: 3, Place de Saverne
92400 Courbevoie

Fax: +33 1 41 88 73 15

For the attention of François Varagne

The Security Agent:
CALYON

Acting by: /s/ Jacques Pochon and Jérôme Del Ben
Name: Jacques Pochon and Jérôme Del Ben
Title: Head of Acquisition Finance France and Associate Director
Address CALYON
Leverage and Financial Sponsors Group
9 quai du Président Paul Doumer
92920 Courbevoie Cedex
France

Fax: +33 1 41 89 39 53 / 14 33
For the attention of Jérôme Del Ben /
Victoria Becq-Giraudon

The Original Lenders:
CALYON

Acting by: /s/ Jacques Pochon and Jérôme Del Ben
Name: Jacques Pochon and Jérôme Del Ben
Title: Head of Acquisition Finance France and Associate Director
Address CALYON
Leverage and Financial Sponsors Group
9 quai du Président Paul Doumer
92920 Courbevoie Cedex
France

Fax: +33 1 41 89 39 53 / 14 33
For the attention of Jérôme Del Ben /
Victoria Becq-Giraudon

SCHEDULE 1
THE ORIGINAL REVOLVING LENDERS

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

SCHEDULE 2
THE COMPANIES

Company	Share Capital (Euro)	Registered no.	Approval clause	Approval obtained	% held	No. of shares held	No. of shares pledged
Wogegal SA	596,600.28	310 095 658 RCS Rennes	Yes	Yes (Board resolution 23 November 2005)	100	26,092	26,088
Gaz Est Distribution	152,400	421 283 615 RCS Nancy	Yes	Yes (Board resolution 23 November 2005)	100	9,994	9,990
Rhône Méditerranée Gaz - R.M.G.	151,758.24	382 151 272 RCS Lyon	Yes	Yes (Board resolution 23 November 2005)	85	2,494	2,490

SCHEDULE 3
DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L' ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément à, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l'"**Acte de Nantissement"**), dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	Antargaz, société anonyme au capital de €3.935.349, dont le siège social est situé Immeuble Les Renardières - 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre
Désignation du teneur de compte	[_____], société anonyme au capital de€ [_____], immatriculée sous le n°[_____] RCS [_____], ayant son siège au [_____].

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n°[_____] ouvert dans les livres de [_____] (le **"Teneur de Compte")** au nom du Constituant du Gage,

(ci-après le **"Compte d'Instruments Financiers");**

(b) Compte spécial n°[_____] ouvert dans les livres de Calyon (le **"Teneur de Compte Espèces Spécial")** au nom du Constituant du Gage,

(ci-après le **"Compte Espèces Spécial");**

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes,

(le Compte d'Instruments Financiers et le compte Espèces Spécial, ensemble le **"Compte Gagé")**

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de €[_____] chacune.
Emetteur:	[_____], société par actions simplifiée au capital de €[_____], ayant son siège social [_____], immatriculée sous le numéro [_____] RCS [_____].
Nombre d'actions créditées au Compte :	[_____] actions, représentant [_____]% du capital de [_____].

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définis à l'Acte de Nantissement sous ie vocable *Revolving Lenders* et dont la liste à la date des présentes la liste figure en annexe A à la présente déclaration, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Revolving Lender* an titre du *Senior Facilities Agreement;*

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement;* et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous I'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre du *Revolving Facility,* à concurrence d'un montant maximum de €50.000,000 en principal majoré des intérêts**,** commissions, frais et accessoires quelconques ainsi que de toutes sommes pouvant être dues aux personnes visées au III ci-dessus au titre du *Revolving Facility.*

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage ANTARGAZ	Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement [_____]
Par: [_____] Nom: [_____] ou toute personne qu'il se serait substituée en vertu d'un pouvoir Titre: [_____]	Par: [_____] Nom: [_____] ou toute personne qu'il se serait substituée en vertu d'un pouvoir Titre: [_____]

Annexe A
Revolving Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

SCHEDULE 4
DECLARATION OF PLEDGE OF A FINANCIAL INSTRUMENTS ACCOUNT IN ACCORDANCE WITH ARTICLE L. 431-4 OF THE FRENCH MONETARY AND FINANCIAL CODE

TRANSLATION FOR INFORMATION PURPOSES ONLY

This declaration of pledge of a financial instruments account is issued in accordance with and pursuant to the terms and conditions of a pledge of financial instruments account of today's date drafted in English and entitled "Pledge of Financial Instruments Account" (the "**Pledge**"), a copy of which is attached as schedule B to this declaration and which constitutes an integral part of this declaration.

Terms and expressions defined in the Pledge shall, save to the extent that the context otherwise requires, have the same meanings when used in this declaration.

I. Identity of Pledgor

Name	Antargaz, a company incorporated under the laws of France and having its registered office at Immeuble Les Renardières — 3, Place de Saverne, 92400, Courbevoie, France and registered with number 572 136 043 RCS Nanterre.
Name of the account holder	[_____], a French *société anonyme* with a share capital of €[_____] having its registered office at [_____] and registered with number [_____] RCS [_____].

II. Description of the Pledged Account

(a) Financial Instruments Account n°[_____] opened in the books of [_____] (the **"Account Holder"**) in the name of the Pledgor,

(hereafter referred to as the "Financial Instruments Account");

(b) Special Cash Account n°[_____] opened in the books of Calyon (the **"Special Cash Account Holder"**) in the name of the Pledgor,

(hereafter referred to as the **"Special Cash Account"**);

the Special Cash Account is considered to be part of the Pledged Account at the present date,

(the Financial Instruments Account and the Special Account are hereafter referred to as the **"Pledged Account"**).

III. Financial Instruments initially registered in the Pledged Account

Type of Financial Instruments:	[_____] shares, representing [_____] per cent, of the share capital of [_____].
Issuer of the Financial Instruments:	[_____], a French société anonyme with a share capital of €[_____] having its registered office at [_____] and registered with number [_____] RCS [_____].
Number of Financial Instruments in Account:	[_____] shares, representing [_____] per cent, of the share capital of [_____].

IV. Beneficiaries

(1) The banks and financial institutions defined as Revolving Lenders in the Pledge namely, all those banks and financial institutions which are Revolving Lenders at the time of this declaration, as set out in the list attached as schedule A to this declaration and any other person that becomes a Revolving Lender under the Senior Facilities Agreement;

(2) Calyon, a company (*société anonyme*) incorporated under the laws of France, having its registered office 9 quai du président Paul Doumer, 92920 Paris la Défense Cedex (France), registered under number 304 187 701 RCS Nanterre, acting for itself and in the name of and on behalf of the persons named in (1) above as Security Agent under the Senior Facilities Agreement; and

(3) Calyon, a company (*société anonyme*) incorporated under the laws of France, having its registered office 9 quai du président Paul Doumer, 92920 Paris la Défense Cedex (France), registered under number 304 187 701 RCS Nanterre, acting for itself and in the name of and on behalf of the persons named in (1) above as Facility Agent under the Senior Facilities Agreement.

V. Secured Obligations

The secured obligations are the obligations of the Pledgor, as defined under the term "**Secured Liabilities**" in the Pledge undertaken in its capacity as Borrower and Guarantor pursuant to the Revolving Facility, up to a maximum of €50,000,000 in principal, as well as any interest, commission, or additional costs or any other sums due to the persons listed in III above, pursuant to the Revolving Facility.

7 December 2005 in three (3) originals in order to constitute the Pledge

ANTARGAZ	We acknowledge receipt of this declaration of pledge of financial instruments account of today's date and undertake to carry out our responsibilities as account holder (*teneur de compte*) in accordance with the terms of this declaration of pledge of financial instruments account and the Pledge.
	[_____]
By: [_____] Name: [_____] or any duly empowered person under a power of attorney Title: [_____]	By: [_____] Name: [_____] or any duly empowered person under a power of attorney Title: [_____]

SCHEDULE 5
ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) [_____] actions émises par [_____] détenues par Antargaz et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par Antargaz, ont été virées sur un compte spécial numéro [_____] ouvert au nom de Antargaz et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour [_____]

Par: [_____]
Nom: [_____] ou toute personne
qu'il se serait substituée en vertu d'un pouvoir
Titre: [_____]

SCHEDULE 6
CERTIFICATE OF REGISTRATION OF A PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNT

TRANSLATION FOR INFORMATION PURPOSES ONLY

The undersigned hereby certifies that (i) [_____] shares issued by [_____] and held by Antargaz as identified in the declaration of pledge of financial instruments account date 7 December 2005 signed by Antargaz, have been transferred into a special account number [_____] opened in the name of Antargaz and (ii) the said account is pledged in favour of the Beneficiaries (as defined in the declaration of pledge of financial instrument accounts) and that such pledge has been duly registered. A copy of the pledge of financial instruments account is attached as a schedule to this certificate of registration of a pledge of financial instruments.

Paris,

7 December 2005

For and on behalf of [_____]

By: [_____]
Name: [_____] or any duly
empowered person under a power of attorney
Title: [_____]

SCHEDULE 7
MODÈLE DE NOTIFICATION DE LA SURVENANCE D'UN CAS DE DÉFAUT AU TENEUR DU COMPTE ESPÈCES SPÉCIAL

A Calyon, agissant en qualité de teneur du Compte Espèces Spécial

Messieurs,

- claration de gage de compte d'instruments financiers en date du 7 décembre 2005 (la **"Déclaration de Gage").**
- Compte bancaire spécial n°[_____] ouvert dans vos livres **(**le **"Compte Espèces Spécial").**

1. Nous nous référons à la convention de nantissement conclue le 7 décembre 2005 entre Antargaz en tant que Constituant et nous-mêmes en tant que Créancier-Gagiste (la **"Convention de Nantissements"),** ainsi qu'à la Déclaration de Gage.

2. Nous vous notifions la survenance d'un Cas de Défaut au titre des obligations garanties en vertu de la Convention de Nantissements.

3. A compter du [_____], le Constituant n'est donc plus autorisé à effectuer de débit sur le Compte Espèces Spécial mentionné ci-dessus et toute somme figurant au crédit de ce Compte Espèces Spécial doit être bloquée jusqu'à notification contraire de notre part.

Par CALYON,

En qualité d'Agent des Sûretés

Signature _____

SCHEDULE 8
FORM OF NOTIFICATION OF THE OCCURRENCE OF AN EVENT OF DEFAULT TO THE SPECIAL CASH ACCOUNT HOLDER

TRANSLATION FOR INFORMATION PURPOSES ONLY

To Calyon, acting as Special Account Holder

Dear Sirs,

- Confirmation of Pledge (*Déclaration de Gage*) dated 7 December 2005 (hereinafter the **"Confirmation of Pledge").**
- Special Cash Account n°[_____] opened in our books (hereinafter the **"Special Cash Account").**

1. We refer to the pledge agreement entered into on 7 December 2005 between Antargaz acting as Pledgor and ourselves as Security Agent (the **"Pledge")**.

2. We hereby notify to you the occurrence of an Event of Default with respect to the secured obligations under the Pledge.

3. As of [_____], the Pledgor is not allowed to withdraw any amount from the Special Cash Account aforementioned and any sums appearing on the credit of the Special Cash Account shall be blocked unless contrary written instructions received from us.

By: CALYON,

Acting as Security Agent

Signature _____

SCHEDULE 9
FORM OF CONFIRMATION OF PLEDGE — SPECIAL CASH ACCOUNT

[PAPIER EN-TÊTE CALYON]

ATTESTATION DE CONSTITUTION
DE COMPTES ESPECES SPECIAL

Par les présentes, la soussignée:

1. accuse réception de la Déclaration de Gage en date du 7 décembre 2005 signée par Antargaz en qualité de Constituant et dont une copie est annexée aux présents (la **"Déclaration de Gage");**

2. confirme que le compte n°[_____] désigné dans la Déclaration de Gage en qualité de Compte Espèces Spécial est ouvert dans ses livres au nom de Antargaz et constitue le compte spécial visé à l'article L. 431-4, III du Code monétaire et financier; et

3. accepte les termes des missions qui lui sont confiées en qualité de Teneur de Compte Espèces Spécial aux termes de la Déclaration de Gage et de la Convention de Nantissements et en particulier prend acte des stipulations de l'article 2.4 de la Convention de Nantissements au titre desquelles Antargaz peut retirer toutes sommes à tout moment du Compte Espèces Spécial *(Special Cash Account)* sauf instruction écrite contraire de l'Agent des Sûretés *(Security Agent).*

Les termes commençant par une majuscule dans la présente attestation ont le sens qui leur est donné dans la Déclaration de Gage.

Fait le 7 décembre 2005
En trois (3) exemplaires originaux

Le Teneur de Compte Espèces Spécial:

_____
CALYON
Par: Jacques Pochon et Jérôme Del Ben

SCHEDULE 10
CERTIFICATE CONFIRMING THE OPENING OF THE SPECIAL CASH ACCOUNT

TRANSLATION FOR INFORMATION PURPOSES ONLY

[Letterhead of CALYON]

The undersigned hereby:

1. acknowledges receipt of the Confirmation of Pledge *(Déclaration de Gage)* dated 7 December November 2005, signed by Antargaz as the Pledgor *(Constituant)*, a copy of which is hereto attached (the **"Confirmation of Pledge"**);

2. confirms that the account n°[_____] referred to in the Confirmation of Pledge as the Special Cash Account is opened in its books under the name of Antargaz, and is the special account provided for in article L. 431-4, III of the French Monetary and Financial Code *(Code Monétaire et Financier)*; and

3. agrees to the terms of the missions assigned, as Holder of the Special Account Holder, pursuant to the Confirmation of Pledge and the Security Agreement, and in particular acknowledges that the conditions of article 2.4 of the Pledge under which Antargaz can withdraw any amount at any time from the Special Cash Account, unless contrary written instructions received from the Security Agent.

Capital terms used in this certificate have the meaning ascribed to them in the Confirmation of Pledge.

Dated 7 December 2005
In three (3) original copies

The Special Account Holder:

_____
CALYON
By: Jacques Pochon and Jérôme Del Ben

DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément à, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l**' "Acte de Nantissement")**, dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilìsés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I Constituant du Gage

Nom	Antargaz, société anonyme au capital de €3,935.349, dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre
Désignation du teneur de compte	Wogegal SA, société anonyme au capital de €596.600,28, immatriculée sous le n° 310 095 658 RCS Rennes, ayant son siège au 19 bis, rue du Champ Martin, 35770 Vern sur Seiche.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° 1102 ter ouvert dans les livres de Wogegal SA (le **"Teneur de Compte")** au nom du Constituant du Gage,

(ci-après le **"Compte d'Instruments Financiers");**

(b) Compte spécial n° 31489/00010/00224848328/47 ouvert dans les livres de Calyon (le **"Teneur de Compte Espèces Spécial"**) au nom du Constituant du Gage,

(ci-après le **"Compte Espèces Spécial"**);

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes,

(le Compte d'Instruments Financiers et le compte Espèces Spécial, ensemble le **"Compte Gagé")**

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de €22,86 chacune.
Emetteur:	Wogegal SA, société anonyme au capital de €596.600,28, immatriculée sous le n° 310 095 658 RCS Rennes, ayant son siège au 19 bis, rue du Champ Martin, 35770 Vern sur Seiche.
Nombre d'actions créditées au Compte:	26.088 actions, représentant 99,99 % du capital de Wogegal SA.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définis à I'Acte de Nantissement sous le vocable *Revolving Lenders* et dont la liste à la date des présentes la liste figure en annexe A à la présente déclaration, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Revolving Lender* au titre du *Senior Facilities Agreement;*

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement;* et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous I'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre du *Revolving Facility,* à concurrence d'un montant maximum de € 50.000.000 en principal majoré des intérêts, commissions, frais et accessoires quelconques ainsi que de toutes sommes pouvant être dues aux personnes visées au III ci-dessus au titre du *Revolving Facility.*

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage

ANTARGAZ

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Title: Président-Directeur Général

Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

WOGEGAL SA

Par: _____
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

Annexe A
Revolving Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 26.088 actions émises par Wogegal SA détenues par Antargaz et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par Antargaz, ont été virées sur un compte spécial numéro 1102 ter ouvert au nom de Antargaz et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Wogegal SA

Par: _____
Nom: François Varagne en qualité de mandataire ou toute personne
qu'il se serait substituée en vertu d'un pouvoir

DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément à, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour **(**ci-après l'"**Acte de Nantissement"),** dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	Antargaz, société anonyme au capital de € 3.935.349, dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre
Désignation du teneur de compte	Gaz Est Distribution SA, société anonyme au capital de €152.400, immatriculée sous le n° 421 283 615 RCS Nancy, ayant son siège au Centre d'Affaires, 109, Boulevard d'Haussonville**,** 54000, Nancy.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° 1 ter ouvert dans les livres de Gaz Est Distribution SA (le **"Teneur de Compte")** au nom du Constituant du Gage,

(ci-après le **"Compte d'Instruments Financiers"**);

(b) Compte spécial n° 31489/00010/00224902745/47 ouvert dans les livres de Calyon (le **"Teneur de Compte Espèces Spécial")** au nom du Constituant du Gage,

(ci-après le **"Compte Espèces Spécial"**);

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes,

(le Compte d'Instruments financiers et le compte Espèces Spécial, ensemble le **"Compte Gagé")**

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de €15,24 chacune.
Emetteur:	Gaz Est Distribution SA, société anonyme au capital de €152.400, immatriculée sous le n° 421 283 615 RCS Nancy, ayant son siège au Centre d'Affaíres**,** 109, Boulevard d'Haussonville**,** 54000, Nancy.
Nombre d'actions créditées au Compte:	9.990 actions, représentant 99,9 % du capital de Gaz Est Distribution SA.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définis à l'Acte de Nantissement sous le vocable *Revolving Lenders* et dont la liste à la date des présentes la liste figure en annexe A à la présente déclaration, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Revolving Lender* au titre du *Senior Facilities Agreement;*

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer**,** 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement;* et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facilities Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous l'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre du *Revolving Facility,* à concurrence d**'**un montant maximum de €50.000.000 en principal majoré des intérêts, commissions, frais et accessoires quelconques ainsi que de toutes sommes pouvant être dues aux personnes visées au III ci-dessus au titre du *Revolving Facility.*

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage

ANTARGAZ

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

GAZ EST DISTRIBUTION SA

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir

Annexe A
Revolving Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 9.990 actions émises par Gaz Est Distribution SA détenues par Antargaz et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par Antargaz, ont été virées sur un compte spécial numéro I ter ouvert au nom de Antargaz et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Gaz Est Distribution SA

Par: _____
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément à, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l'"**Acte de Nantissement**"), dont une copie ligure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	Antargaz, société anonyme au capital de € 3.935.349, dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre
Désignation du teneur de compte	Rhône Méditerranée Gaz SA, société anonyme au capital de € 151.758,24, immatriculée sous le n° 382 151 272 RCS Lyon, ayant son siège au Centre d'Activités du Château de l'Ile, 6, rue Léon Blum, 69320 Feyzin.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° 11 ter ouvert dans les livres de Rhône Méditerranée Gaz SA (le **"Teneur de Compte")** au nom du Constituant du Gage,

(ci-après le **"Compte d'Instruments Financiers");**

(b) Compte spécial n° 31489/00010/00224902842/47 ouvert dans les livres de Calyon (le **"Teneur de Compte Espèces Spécial")** au nom du Constituant du Gage,

(ci-après le **"Compte Espèces Spécial");**

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes,

(le Compte d'Instruments Financiers et le compte Espèces Spécial, ensemble le **"Compte Gagé")**

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de € 51,83 chacune.
Emetteur:	Rhône Méditerranée Gaz SA, société anonyme au capital de € 151.758,24, immatriculée sous le n° 382 151 272 RCS Lyon, ayant son siège au Centre d'Activités du Château de l'Ile, 6, rue Léon Blum, 69320 Feyzin.
Nombre d'actions créditées au Compte:	2.490 actions, représentant 85 % du capital de Rhône Méditerranée Gaz SA.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définis à l'Acte de Nantissement sous le vocable *Revolving Lenders* et dont la liste à la date des présentes la liste figure en annexe A à la présente déclaration, ainsì que toute personne acquérant à quelque titre que ce soit la qualité de *Revolving Lender* au titre du *Senior Facilities Agreement**;***

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilites Agreement;* et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous l'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre du *Revoiving Facility,* à concurrence d'un montant maximum de € 50.000.000 en principal majoré des intérêts, commissions, frais et accessoires quelconques ainsi que de toutes sommes pouvant être dues aux personnes visées au III ci-dessus au titre du *Revolving Facility.*

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage

ANTARGAZ

Par: _____
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

RHONE MEDITERRANEE GAZ SA

Par: _____
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

Annexe A
Revolving Lenders

Calyon, 9 quai du président Paul Doumer, 92920 paris La Défense cedex, France

Annexe B
Acte de Nantissement

ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 2.490 actions émises par Rhône Méditerranée Gaz SA détenues par Antargaz et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par Antargaz, ont été virées sur un compte spécial numéro 11 ter ouvert au nom de Antargaz et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ec terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Rhône Méditerranée Gaz SA

Par: _____
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément ă, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l'"**Acte de Nantissement**"), dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	Antargaz, société anonyme au capital de €3.935.349, dont le siège social est situé Immeuble Les Renardières — 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre
Désignation du teneur de compte	Gaz Est Distribution SA, société anonyme au capital de €152.400, immatriculée sous le n° 421 283 615 RCS Nancy, ayant son siège au Centre d'Affaires, 109, Boulevard d'Haussonville, 54000, Nancy.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° l ter ouvert dans les livres de Gaz Est Distribution SA (le "**Teneur de Compte**") au nom du Constituant du Gage,

(ci-après le "**Compte d'Instruments Financiers**");

(b) Compte spécial n° 31489/00010/00224902745/47 ouvert dans les livres de Calyon (le "**Teneur de Compte Espèces Spécial**") au nom du Constituant du Gage,

(ci-après le "**Compte Espèces Spécial**");

le Compte Espèces Spécial étant rèputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes,

(le Compte d'Instruments Financiers et le compte Espèces Spécial, ensemble le "**Compte Gagé**")

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de €15,24 chacune.
Emetteur:	Gaz Est Distribution SA, société anonyme au capital de €152.400, immatriculée sous le n° 421 283 615 RCS Nancy, ayant son siège au Centre d'Affaires, 109, Boulevard d'Haussonville, 54000, Nancy.
Nombre d'actions créditées au Compte:	9.990 actions, représentant 99,9% du capital de Gaz Est Distribution SA.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définis à l'Acte de Nantissement sous le vocable *Revolving Lenders* et dont la liste à la date des présentes la liste figure en annexe A à la présente déclaration, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Revolving Lender* au titre du *Senior Facilities Agreement;*

(2) **CALYON**, société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) cì-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement;* et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous l'expression *Secured Liabilities* dans l'Acte de Nantissement, á savoir les obligations du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre du *Revolving Facility,* à concurrence d'un montant maximum de €50.000.000 en principal majoré des intérêts, commissions, frais et accessoires quelconques ainsi que de toutes sommes pouvant être dues aux personnes visées au III ci-dessus au titre du *Revolving Facility.*

Fait à Paris
Le 7 décembre 2005 en troïs (3) exemplaires originaux

Pour constitution du Gage

ANTARGAZ

Par: /s/ François Varagne
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

Nous accusons réception de la déclaration de gage de compte d'ïnstruments financìers en date de ce jour et acceptons les termes des missìons qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

GAZ EST DISTRIBUTION SA

Par: /s/ François Varagne
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir

Annexe A
Revolving Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 9.990 actions émises par Gaz Est Distribution SA détenues par Antargaz et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par Amargaz, ont été virées sur un compte spécial numéro I ter ouvert au nom de Antargaz et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Gaz Est Distribution SA

Par: /s/ François Varagne
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

CALYON
CORPORATE AND INVESTMENT BANK

ATTESTATION DE CONSTITUTION
DE COMPTES ESPECES SPECIAL

Par les présentes, la soussignée:

1. accuse réception de la Déclaration de Gage en date du 7 décembre 2005 signée par Antargaz en qualité de Constituant et dont une copie est annexée aux présents (la **"Déclaration de Gage"**);

2. confirme que le compte nº 31489/00010/00224902745/47 désigné dans la Déclaration de Gage en qualité de Compte Espèces Spécial est ouvert dans ses livres au nom de Antargaz et constitue le compte spécial visé à l'article L. 431-4, III du Code monétaire et financier; et

3. accepte les termes des missions qui lui sont confiées en qualité de Teneur de Compte Espèces Spécial aux termes de la Déclaration de Gage et de la Convention de Nantissements et en particulier prend acte des stipulations de l'article 2.4 de la Convention de Nantissements au titre desquelles Antargaz peut retirer toutes sommes à tout moment du Compte Espèces Spécial *(Spécial Cash Account)* sauf instruction écrite contraire de l'Agent des Sûretés (*Security Agent).*

Les termes commençant par une majuscule dans la présente attestation ont le sens qui leur est donné dans fa Déclaration de Gage.

Fait le 7 décembre 2005
En trois (3) exemplaires originaux

Le Teneur de Compte Espèces Spécial:

/s/ Jacques Pochon and Jérôme Del Ben
CALYON
Par : Jacques Pochon et Jérôme Del Ben

[ILLEGIBLE]

DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément â, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l'**"Acte de Nantissement"),** dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	Antargaz, société anonyme au capital de € 3.935.349, dont le siège social est situé Immeuble Les Renardières - 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre
Désignation du teneur de compte	Rhône Méditerranée Gaz SA, société anonyme au capital de € 151.758,24, immatriculée sous le n 382 151 272 RCS Lyon, ayant son siège au Centre d'Activités du Château de l'Ile, 6, rue Léon Blum, 69320 Feyzin.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° II ter ouvert dans les livres de Rhône Méditerranée Gaz SA (le **"Teneur de Compte")** au nom du Constituant du Gage.

(ci-après le **"Compte d'Instruments Financiers")**;

(b) Compte spécial n° 31489/00010/00224902842/47 ouvert dans les livres de Calyon (le **"Teneur de Compte Espèces Spécial"**) au nom du Constituant du Gage,

(ci-apré le **"Compte Espèces Spécial"**);

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes.

(le Compte d'Instruments Financiers et le compte Espèces Spécial, ensemble le **"Compte Gagé"**)

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de € 51,83 chacune.
Emetteur:	Rhône Méditerranée Gaz SA, société anonyme au capital de € 151.758,24, imrmatriculée sous le n° 382 151 272 RCS Lyon, ayant son siège au Centre d'Activités du Château de l'lle, 6, rue Léon Blum, 69320 Feyzin.
Nombre d'actions créditées au Compte:	2,490 actions, représentant 85 % du capital de Rhône Méditerranée Gaz SA.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définis à l'Acte de Nantissement sous le vocable *Revolving Lender* et dont la liste à la date des présentes ta liste figure en annexe A à la présente déclaration, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Revolving Lender* au titre du *Senior Facilities Agreement;*

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement;* et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous l'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre du *Revolving Facility,* à concurrence d'un montant maximum de €50.000.000 en principal majoré des intérêts, commissions, frais et accessoires quelconques ainsi que de toutes sommes pouvant être dues aux personnes visées au III ci-dessus au titre du *Revolving Facility*.

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage

ANTARGAZ

Par: /s/ François Varagne
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

RHONE MEDITERRANEE GAZ SA

Par: /s/ François Varagne
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

Annexe A
Revolving Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 2.490 actions émises par Rhône Méditerranée Gaz SA détenues par Antargaz et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par Antargaz, ont été virées sur un compte spécial numéro 11 ter ouvert au nom de Antargaz et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Rhône Méditerranée Gaz SA

Par: /s/ François Varagne
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

CALYON
CORPORATE AND INVESTMENT BANK

ATTESTATION DE CONSTITUTION
DE COMPTES ESPECES SPECIAL

Par Les présentes, la soussignée:

1. accuse réception de la Déclaration de Gage en date du 7 décembre 2005 signée par Antargaz en qualité de Constituant et dont une copie est annexée aux présents (la **"Déclaration de Cage"**);

2. confirme que le compte n° 31489/00010/00224902842/47 désigné dans la Déclaration de Gage en qualité de Compte Espèces Spécial est ouvert dans ses livres au nom de Antargaz et constitue le compte spécial visé à l'article L. 431-4, III du Code monétaire et financier; et

3. accepte les termes des missions qui lui sont confiées en qualité de Teneur de Compte Espèces Spécial aux termes de la Déclaration de Gage et de la Convention de Nantissements et en particulier prend acte des stipulations de l'article 2.4 de la Convention de Nantissements au titre desquelles Antargaz peut retirer toutes sommes à tout moment du Compte Espèces Spécial *(Special Cash Account)* sauf instruction écrite contraire de l'Agent des Sûretés (*Security Agent).*

Les termes commençant par une majuscule dans la présente attestation ont le sens qui leur est donné dans la Déclaration de Gage.

Fait le 7 décembre 2005
En trois (3) exemplaires originaux

Le Teneur de Compte Espèces Spécial:

/s/ Jacques Pochon et Jérôme Del Ben
CALYON
Par : Jacques Pochon et Jérôme Del Ben

[ILLEGIBLE]

DECLARATION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS
SOUMISE A L'ARTICLE L. 431-4 DU CODE MONETAIRE ET FINANCIER

La présente déclaration de gage de compte d'instruments financiers est émise conformément à, et selon les termes et conditions stipulés dans un acte de nantissement de compte d'instruments financiers en langue anglaise dénommé *Pledge of Financial Instruments Account* en date de ce jour (ci-après l'**"Acte de Nantissement")**, dont une copie figure en annexe B de la présente déclaration et qui fait partie intégrante de la présente déclaration.

Les termes et expressions en anglais utilisés dans la présente déclaration de gage auront, sauf stipulation contraire, la signification qui leur est attribuée à l'Acte de Nantissement.

I. Constituant du Gage

Nom	Antargaz, société anonyme au capital de €3.935.349, dont le siège social est situé Immeuble Les Renardières - - 3, place de Saverne, 92400 Courbevoie, France et dont le numéro unique d'identification est le 572 126 043 RCS Nanterre
Désignation du teneur de compte	Wogegal SA, société anonyme au capital de €596.600.28, immatriculée sous le n° 310 095 658 RCS Rennes, ayant son siège au 19 bis, rue du Champ Martin, 35770 Vern sur Seiche.

II. Identification du Compte Spécial Gagé

(a) Compte d'instruments financiers n° 1102 ter ouvert dans les livres de Wogegal SA (le **"Teneur de Compte")** au nom du Constituant du Gage,

(ci-après le **"Compte d'Instruments Financiers")**;

(b) Compte spécial n° 31489/00010/00224848328/47 ouvert dans les livres de Calyon (le **"Teneur de Compte Espèces Spécial")** au nom du Constituant du Gage,

(ci-après le **"Compte Espèces Spécial")**;

le Compte Espèces Spécial étant réputé faire partie intégrante du Compte d'Instruments Financiers à la date des présentes,

(le Compte d'Instruments Financiers et le compte Espèces Spécial, ensemble le **"Compte Gagé")**

III. Instruments Financiers inscrits initialement au Compte Gagé

Nature des actions:	actions nominatives d'une valeur nominale de €22,86 chacune.
Emetteur:	Wogegal SA, société anonyme au capital de €596.600.28, immatriculée sous le n° 310 095 658 RCS Rennes, ayant son siege au 19 bis, rue du Champ Martin, 35770 Vern sur Seiche.
Nombre d'actions créditées au Compte:	26.088 actions, représentant 99,99% du capital de Wogegal SA.

IV. Bénéficiaires

(1) Les banques et établissements financiers assimilés définis à l'Acte de Nantissement sous le vocable *Revolving Lenders* et dont la liste à la date des présentes la liste figure en annexe A à la présente déclaration, ainsi que toute personne acquérant à quelque titre que ce soit la qualité de *Revolving Lender* au titre du *Senior Facilities Agreement;*

(2) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Security Agent* aux termes du *Senior Facilities Agreement;* et

(3) **CALYON,** société anonyme ayant son siège social 9, quai du président Paul Doumer, 92920 Paris la Défense Cedex, immatriculée sous le numéro 304 187 701 RCS Nanterre, agissant tant en son nom qu'au nom et pour le compte des personnes visées au (1) ci-dessus en sa qualité de *Facility Agent* aux termes du *Senior Facilities Agreement.*

V. Obligations garanties

Les obligations garanties sont les obligations définies sous l'expression *Secured Liabilities* dans l'Acte de Nantissement, à savoir les obligations du Constituant pris en ses qualités de *Borrower* et de *Guarantor* au titre du *Revolving Facility,* à concurrence d'un montant maximum de €50.000.000 en principal majoré des intérêts, commissions, frais et accessoires quelconques ainsi que de toutes sommes pouvant être dues aux personnes visées au III ci-dessus au titre du *Revolving Facility.*

Fait à Paris
Le 7 décembre 2005 en trois (3) exemplaires originaux

Pour constitution du Gage

ANTARGAZ

Par: /s/ François Varagne
Nom: François Varagne ou toute personne qu'il se serait substituée en vertu d'un pouvoir
Titre: Président-Directeur Général

Nous accusons réception de la déclaration de gage de compte d'instruments financiers en date de ce jour et acceptons les termes des missions qui nous sont confiées en qualité de Teneur de Compte aux termes de la présente déclaration de gage de compte d'instruments financiers et de l'Acte de Nantissement

WOGEGAL SA

Par: /s/ François Varagne
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

Annexe A
Revolving Lenders

Calyon, 9 quai du président Paul Doumer, 92920 Paris La Défense cedex, France

Annexe B
Acte de Nantissement

ATTESTATION DE CONSTITUTION DE GAGE DE COMPTE D'INSTRUMENTS FINANCIERS

La soussignée atteste par les présentes que (i) 26.088 actions émises par Wogegal SA détenues par Antargaz et désignées dans la déclaration de gage de compte d'instruments financiers en date du 7 décembre 2005 signée par Antargaz, ont été virées sur un compte spécial numéro 1102 ter ouvert au nom de Antargaz et (ii) ledit compte est nanti en faveur des Bénéficiaires (tel que ce terme est défini dans la déclaration de gage d'instruments financiers) et porte la mention expresse dudit gage. Une copie de ladite déclaration de gage d'instruments financiers est annexée à la présente Attestation de Constitution de Gage d'Instruments Financiers.

Fait à Paris

Le 7 décembre 2005

Pour Wogegal SA

Par: /s/ François Varagne
Nom: François Varagne en qualité de mandataire ou toute personne qu'il se serait substituée en vertu d'un pouvoir

CALYON
CORPORATE AND INVESTMENT BANK

ATTESTATION DE CONSTITUTION
DE COMPTES ESPECES SPECIAL

Par les présentes, la soussignée:

1. accuse réception de la Déclaration de Gage en date du 7 décembre 2005 signée par Antargaz en qualité de Constituant et dont une copie est annexée aux présents (la **"Déclaration de Gage"**);

2. confirme que le compte n° 31489/00010/00224848328/47 désigné dans la Déclaration de Gage en qualité de Compte Espèces Spécial est ouvert dans ses livres au nom de Antargaz et constitue le compte spécial visé à l'article L. 431-4, III du Code monétaire et financier; et

3. accepte les termes des missions qui lui sont confiées en qualité de Teneur de Compte Espèces Spécial aux termes de la Déclaration de Gage et de la Convention de Nantissements et en particulier prend acte des stipulations de l'article 2.4 de la Convention de Nantissements au titre desquelles Antargaz peut retirer toutes sommes à tout moment du Compte Espèces Spécial *(Special Cash Account)* sauf instruction écrite contraire de l'Agent des Sûretés *(Security Agent).*

Les termes commençant par une majuscule dans la présente attestation ont le sens qui leur est donné dans la Déclaration de Gage.

Fait le 7 décembre 2005
En trois (3) exemplaires originaux

Le Teneur de Compte Espèces Spécial:

/s/ Jacques Pochon et Jérôme Del Ben
CALYON
Par: Jacques Pochon et Jérôme Del Ben

[ILLEGIBLE]

Exhibit 10.60

Contract #: 820019

SERVICE AGREEMENT
FOR RATE SCHEDULE CDS

This Service Agreement, made and entered into this _____ day of October, 2000, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and UGI UTILITIES, INC. (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, Customer desires Pipeline to transport natural gas for Customer's account on a firm basis pursuant to the terms and conditions of Pipeline's Rate Schedule CDS; and

WHEREAS, Pipeline desires to transport natural gas for Customer's account on a firm basis pursuant to the terms and conditions of Pipeline's Rate Schedule CDS; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I

SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule CDS, and of the General Terms and Conditions, transportation service hereunder will be firm. Subject to the terms, conditions and limitations hereof and of Sections 2.3 and 2.4 of Pipeline's Rate Schedule CDS, Pipeline shall deliver to those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Delivery), for Customer's account, as requested for any day, natural gas quantities up to Customer's MDQ. Customer's MDQ is as follows:

For the period commencing on November 1, 2000 and continuing through October 31, 2001

Maximum Daily Quantity (MDQ) 10,000 dth; and

For the period commencing on November 1, 2001 and continuing through October 31, 2002

Maximum Daily Quantity (MDQ) 1,000 dth

Subject to variances as may be permitted by Sections 2.4 of Rate Schedule CDS or the General Terms and Conditions, Customer shall deliver to Pipeline and Pipeline shall receive, for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Receipt) daily quantities of gas equal to the daily quantities delivered to Customer pursuant to this Service Agreement up to Customer's MDQ, plus Applicable Shrinkage as specified in the General Terms and Conditions.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the MDQ.

In addition to the MDQ and subject to the terms, conditions and limitations hereof, Rate Schedule CDS and the General Terms and Conditions, Pipeline shall deliver within the Access Area under this and all other service agreements under Rate Schedules CDS, FT-1, and/or SCT, quantities up to Customer's Operational Segment Capacity Entitlements, excluding those Operational Segment Capacity Entitlements scheduled to meet Customer's MDQ, for Customer's account, as requested on any day.

ARTICLE II

TERM OF AGREEMENT

The term of this Service Agreement shall commence on November 1, 2000, and shall continue in force and effect until October 31, 2002 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon one (1) year prior written notice to the other specifying a termination date of October 31, 2002 or any October 31, thereafter. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service Agreement may be terminated at any time by Pipeline in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due;

provided, Pipeline gives thirty (30) days prior written notice to Customer of such termination and provided further such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

ARTICLE III

RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule CDS and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule CDS as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule CDS, (b) Pipeline's Rate Schedule CDS pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule CDS. Notwithstanding the foregoing, Customer does not agree that Pipeline shall have the unilateral right without the consent of Customer subsequent to the execution of this Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings

pursuant to Section 4 of the Natural Gas Act to change the MDQ specified in Article I, to change the term of the agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

ARTICLE IV

POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The Point (s) of Receipt and Point (s) of Delivery at which Pipeline shall receive and deliver gas, respectively, shall be specified in Exhibit(s) A and B of the executed service agreement. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's zones shall be specified in Exhibit C of the executed service agreement.

Exhibit(s) A, B and C are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

ARTICLE V

QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications. Customer shall execute or cause its supplier to execute, if such supplier has retained processing rights to the gas delivered to Customer, the appropriate agreements prior to the commencement of service for the transportation and processing of any liquefiable hydrocarbons and any PVR quantities associated with the processing of gas received by Pipeline at the Point(s) of Receipt under such Customer's service agreement. In addition, subject to the execution of appropriate agreements, Pipeline is willing to transport liquids associated with the gas produced and tendered for transportation hereunder.

ARTICLE VI

ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: TEXAS EASTERN TRANSMISSION CORPORATION
5400 Westheimer Court
Houston, TX 77056-5310

(b) Customer: UGI UTILITIES, INC.
100 Kachel Blvd.
P.O. Box 12677
Reading, PA 19612-2677

or such other address as either party shall designate by formal written notice.

ARTICLE VII

ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

ARTICLE VIII

INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE IX

CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

Not Applicable

SERVICE AGREEMENT
FOR RATE SCHEDULE CDS
(Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By _____PMT

ATTEST:

_____

UGI UTILITIES, INC.

By _____

ATTEST:

_____

Contract # 820019

EXHIBIT A, TRANSPORTATION PATHS
FOR BILLING PURPOSES, DATED _____,
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE CDS
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline")
AND UGI UTILITIES, INC. ("Customer"), DATED _____:

(1) Customer's firm Point(s) of Receipt:

Point of Receipt	Description	Maximum Daily Receipt Obligation (plus Applicable Shrinkage) dth	Measurement Responsibilities		Owner	Operator
72770	Lebanon Lateral Warren Co., OH	10,000 11/01/2000 – 10/31/2001 1,000 11/01/2001 – 10/31/2002	Tx East Trans	Tx East Trans	TETCO	

(2) Customer shall have Pipeline's Master Receipt Point List ("MRPL"). Customer hereby agrees that Pipeline's MRPL as revised and published by Pipeline from time to time is incorporated herein by reference.

Customer hereby agrees to comply with the Receipt Pressure Obligation as set forth in Section 6 of Pipeline's General Terms and Conditions at such Point(s) of Receipt.

Transportation	Transportation Path Path Quantity (Dth/D)
M2 to M3	10,000 11/1/2000 – 10/31/2001 1,000 11/1/2001 – 10/31/2002

SIGNED FOR IDENTIFICATION

PIPELINE: _____ CBA

CUSTOMER: _____

SUPERSEDES EXHIBIT A DATED: _____

Contract # : 820019

EXHIBIT B, POINT(S) OF DELIVERY, DATED _____,
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE CDS
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND
UGI UTILITIES, INC. ("Customer"),
DATED _____:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Responsi-bilities	Owner	Operator
1. 71987	UGI — Grantville – Hershey, PA - Lebanon CO., PA	10,000 11/01/2000 – 10/31/2001 1,000 11/01/2001 – 10/31/2002	At such pressure available in Pipeline's facilities at the point of delivery, not to exceed the maximum allowable operating pressure	TEXAS EAST TRAN	TEXAS EAST TRAN	UGI UTILITIES INC.

SIGNED FOR IDENTIFICATION

PIPELINE: _____CBA

CUSTOMER: _____

SUPERSEDES EXHIBIT B DATED _____

Contract # : 820019

EXHIBIT C, ZONE BOUNDARY ENTRY QUANTITY AND ZONE BOUNDARY EXIT QUANTITY,
DATED _____, TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE CDS
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("PIPELINE") AND
UGI UTILITIES, INC. ("CUSTOMER"), DATED _____:

ZONE BOUNDARY ENTRY QUANTITY
Dth/D

For the period commencing on November 1, 2000 and continuing through October 31, 2001
To

FROM	STX	ETX	WLA	ELA	M1-24	M1-30	M1-TXG	M1-TGC	M2-24	M2-30	M2 -TXG	M2-TGC	M2	M3
STX														
ETX														
WLA														
ELA														
M1-24														
M1-30														
M1-TXG														
M1-TGC														
M2-24														
M2-30														
M2-TXG														
M2-TGC														
M2														10,000
M3														

EXHIBIT C (Continued)
UGI UTILITIES, INC.

ZONE BOUNDARY EXIT QUANTITY
Dth/D

TO

FROM	STX	ETX	WLA	ELA	M1-24	M1-30	M1-TXG	M1-TGC	M2-24	M2-30	M2-TXG	M2-TGC	M2	M3
STX														
ETX														
WLA														
ELA														
M1-24														
M1-30														
M1-TXG														
M1-TGC														
M2-24														
M2-30														
M2-TXG														
M2-TGC														
M2														10,000
M3														

Contract # 820019

EXHIBIT C (Continued)
UGI UTILITIES, INC.

ZONE BOUNDARY ENTRY QUANTITY
Dth/D

For the period commencing on November 1, 2001 and continuing through October 31, 2002

To

FROM	STX	ETX	WLA	ELA	M1-24	M1-30	M1-TXG	M1-TGC	M2-24	M2-30	M2-TXG	M2-TGC	M2	M3
STX														
ETX														
WLA														
ELA														
M1-24														
M1-30														
M1-TXG														
M1-TGC														
M2-24														
M2-30														
M2-TXG														
M2 - TGC														
M2														1,000
M3														

Contract # : 820019

EXHIBIT C (Continued)
UGI UTILITIES, INC.

ZONE BOUNDARY EXIT QUANTITY
Dth/D

TO

FROM	STX	ETX	WLA	ELA	M1-24	M1-30	M1-TXG	M1-TGC	M2-24	M2-30	M2-TXG	M2-TGC	M2	M3
STX														
ETX														
WLA														
ELA														
M1-24														
M1-30														
M1-TXG														
M1-TGC														
M2-24														
M2-30														
M2-TXG														
M2-TGC														
M2														1,000
M3														

SIGNED FOR IDENTIFICATION:

PIPELINE: _____CBA

CUSTOMER: _____

SUPERCEDES EXHIBIT C DATED _____

EXHIBIT 21

SUBSIDIARIES OF UGI CORPORATION

SUBSIDIARY	OWNERSHIP	STATE OF INCORPORATION
AMERIGAS, INC.	100%	PA
AMERIGAS PROPANE, INC.	100%	PA
AmeriGas Partners, L.P.	(1)	DE
AmeriGas Finance Corp.		DE
AmeriGas Eagle Finance Corp.		DE
AP Eagle Finance Corp.		DE
AmeriGas Propane, L.P.	(2)	DE
AmeriGas Propane Parts & Service, Inc.		PA
AmeriGas Eagle Propane, L.P.	(3)	DE
AmeriGas Eagle Parts & Service, Inc.		PA
AmeriGas Eagle Propane, Inc.		DE
AmerE Holdings, Inc.		DE
AmeriGas Eagle Holdings, Inc.		DE
Active Propane of Wisconsin, LLC		DE
AmeriGas Technology Group, Inc.	100%	PA
Petrolane Incorporated	100%	PA
AMERIGAS, INC.	100%	PA
AMERIGAS PROPANE, INC.	100%	PA
AmeriGas Partners, L.P.	(1)	DE
AmeriGas Finance Corp.		DE
AmeriGas Eagle Finance Corp.		DE
AP Eagle Finance Corp.		DE
AmeriGas Propane, L.P.	(2)	DE
AmeriGas Propane Parts & Service, Inc.		PA
AmerE Holdings, Inc.		DE
AmeriGas Eagle Holdings, Inc.		DE
Active Propane of Wisconsin, LLC		DE
AmeriGas Technology Group, Inc.	100%	PA
Petrolane Incorporated	100%	PA
FOUR FLAGS DRILLING COMPANY, INC.	100%	PA
ASHTOLA PRODUCTION COMPANY	100%	PA
UGI ETHANOL DEVELOPMENT CORPORATION	100%	PA
NEWBURY HOLDING COMPANY	100%	DE
UGI ENTERPRISES, INC.	100%	PA
EASTFIELD INTERNATIONAL HOLDINGS, INC.	100%	DE
EUROGAS HOLDINGS, INC.	100%	DE
UGI BLACK SEA ENTERPRISES, INC.	100%	PA
UGI CHINA, INC.	100%	DE
UGI HVAC SERVICES, INC.	100%	DE
UGI ENERGY SERVICES, INC. (d/b/a GASMARK®)	100%	PA
Energy Services Funding Corporation	100%	DE
Hellertown Pipeline Company	100%	PA
Homestead Holding Company	100%	DE
UGI Asset Management, Inc.	100%	DE
UGI Development Company	100%	PA
UGID Holding Company	100%	DE
UGI Hunlock Development Company	100%	PA
UGI LNG, Inc.	100%	DE
UGI Storage Company	100%	PA
UGI HVAC ENTERPRISES, INC.	100%	DE
UGI INTERNATIONAL (CHINA), INC.	100%	DE
UGI INTERNATIONAL (ROMANIA), INC.	100%	PA
UGI INTERNATIONAL ENTERPRISES, INC.	100%	PA
Kosan Gas A/S	100%	DENMARK

SUBSIDIARY	OWNERSHIP	STATE OF INCORPORATION
UGI Europe, Inc.	100%	DE
UGI International Holdings BV	100%	NETHERLANDS
UGI Bordeaux Holding	100%	FRANCE
AGZ Holding (4)	99.99%	FRANCE
Antargaz (5)	99.99%	FRANCE
Aquitaine Rhone Gas	100%	FRANCE
Gaz Energie Distribution	100%	FRANCE
Norgal	52.66%	FRANCE
Rhone Gaz	50.62%	FRANCE
Sigap Quest	66%	FRANCE
Sobegal	72%	FRANCE
FLAGA GmbH (6)	100%	AUSTRIA
ECO Energietechnik GmbH (7)	100%	AUSTRIA
FLAGA Suisse GmbH	100%	SWITZERLAND
Zentraleuropa LPG Holding GmbH (Austria)	100%	AUSTRIA
Flaga GPL Romania s.r.l. (Romania)	98.15%	ROMANIA
Flaga LPG SA (Romania)	77.99%	ROMANIA
Flaga LPG Zrt.	100%	HUNGARY
Flaga s.r.o. (Czech Republic)	100%	CZECH REPUBLIC
LPG Technik spol s.r.o. (Czech Republic)	100%	CZECH REPUBLIC
Flaga spol s.r.o. (Slovakia)	100%	SLOVAKIA
ECO Energy Service spol. s.r.o. (Slovakia)	100%	SLOVAKIA
Flaga Gaz Magyarorszag GmbH (Hungary)	100%	HUNGARY
Flaga Gaz Polska Sp. z.o.o. (Poland)	100%	POLAND
Flaga Terminal Polska Sp. z.o.o. (Poland)	100%	POLAND
UGI ROMANIA, INC.	100%	PA
UGI PROPERTIES, INC.	100%	PA
UGI UTILITIES, INC.	100%	PA
UGI ENERGY VENTURES, INC.	100%	DE
UGI PENN NATURAL GAS, INC.	100%	PA
UGI Penn HVAC Services, Inc.	100%	PA
UGI CENTRAL PENN GAS, INC.	100%	PA
UGI Central Penn Propane, LLC	100%	PA
UGI Petroleum Products of Delaware, Inc.	100%	DE
UGI STONERIDGE I, LLC	100%	DE
UGI Stoneridge II, LLC	100%	DE
UNITED VALLEY INSURANCE COMPANY	100%	VT

(1) AmeriGas Propane, Inc. and its subsidiary, Petrolane Incorporated, hold a combined 44% (approx.) interest in AmeriGas Partners, L.P.

(2) 1.0101% owned by AmeriGas Propane, Inc. , the General Partner; and 98.9899% owned by AmeriGas Partners, L.P., the Limited Partner.

(3) 99.9% owned by AmeriGas Propane, L.P. and <0.1% owned by AmeriGas Eagle Holdings, Inc. (GP) and an unrelated third party.

(4) A nominal share is held by each of Lon R. Greenberg, Peter Kelly, François Varagne, Robert W. Krick and Robert H. Knauss.

(5) A nominal share is held by each of Lon R. Greenberg, Peter Kelly, François Varagne, Donald J. Groth, Robert H. Knauss and Matthew A. Woodward.

(6) Josef Weinzierl owns a nominal share. The remaining shares are owned by UGI International Holdings BV.

(7) Josef Weinzierl owns a nominal share. The remaining shares are owned by Flaga GmbH.

Last edited 11/04/10

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-167098 and 333-144781) and Form S-8 (Nos. 333-167099, 33-61722, 333-22305, 333-49080, 333-104938, 333-118147 and 333-142010) of UGI Corporation of our report dated November 19, 2010 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
November 19, 2010

Exhibit 31.1

CERTIFICATION

I, Lon R. Greenberg, certify that:

1. I have reviewed this annual report on Form 10-K of UGI Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 19, 2010

/s/ Lon R. Greenberg
Lon R. Greenberg
Chairman and Chief Executive Officer of
UGI Corporation

Exhibit 31.2

CERTIFICATION

I, Peter Kelly, certify that:

1. I have reviewed this annual report on Form 10-K of UGI Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 19, 2010

/s/ Peter Kelly
Peter Kelly
Vice President — Finance and
Chief Financial Officer of UGI Corporation

Exhibit 32

Certification by the Chief Executive Officer and Chief Financial Officer
Relating to a Periodic Report Containing Financial Statements

I, Lon R. Greenberg, Chief Executive Officer, and I, Peter Kelly, Chief Financial Officer, of UGI Corporation, a Pennsylvania corporation (the "Company"), hereby certify that to our knowledge:

(1) The Company's annual report on Form 10-K for the period ended September 30, 2010 (the "Form 10-K") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

* * *

CHIEF EXECUTIVE OFFICER

/s/ Lon R. Greenberg
Lon R. Greenberg

Date: November 19, 2010

CHIEF FINANCIAL OFFICER

/s/ Peter Kelly
Peter Kelly

Date: November 19, 2010