AGL RESOURCES INC (AGL)

8-K

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 6, 2010

AGL RESOURCES INC.

(Exact name of registrant as specified in its charter)

Georgia	**1-14174**	**58-2210952**
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

Ten Peachtree Place NE Atlanta, Georgia 30309
(Address and zip code of principal executive offices)

404-584-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

☑ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry Into a Material Definitive Agreement.

The Merger Agreement

On December 6, 2010, AGL Resources Inc., a Georgia corporation ("AGL Resources") and Nicor Inc., an Illinois corporation ("Nicor"), announced that their respective boards of directors approved and the parties entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among AGL Resources, Nicor, Ottawa Acquisition LLC, an Illinois limited liability company ("Merger LLC"), and Apollo Acquisition Corp., an Illinois corporation ("Merger Sub"). Both Merger LLC and Merger Sub are wholly-owned subsidiaries of AGL Resources. Pursuant to the Merger Agreement, Merger Sub will merge with and into Nicor (the "Merger"), with Nicor to be the surviving corporation in the Merger (the "Surviving Corporation") and a wholly-owned subsidiary of AGL Resources, which will be followed immediately after the effective time of the Merger (the "Effective Time"), by a merger of the Surviving Corporation with and into Merger LLC (the "Subsequent Merger", and together with the Merger, the "Transaction"), with Merger LLC to be the surviving entity in the Subsequent Merger. It is anticipated that AGL Resources' shareholders will own approximately 67% and Nicor shareholders will own approximately 33% of the outstanding common stock of AGL Resources following the completion of the Transaction.

At the Effective Time, each share of common stock of Nicor outstanding will be converted into the right to receive consideration consisting of (i) $21.20 in cash and (ii) 0.8382 of a share of AGL Resources common stock (the "Merger Consideration"). Immediately prior to the Effective Time, each share of restricted Nicor common stock will vest in full, and each such share of restricted stock will be converted into the right to receive the Merger Consideration, subject to withholding taxes. Immediately prior to the Effective Time, each outstanding vested or unvested restricted stock unit in respect of Nicor common stock will be cancelled, and the holder of each such restricted stock unit will be entitled to receive a cash payment equal to the product of (i) the number of shares of Nicor common stock subject to such restricted stock unit, and (ii) the value of the Merger Consideration, subject to withholding taxes. In addition, immediately prior to the Effective Time, each option to purchase Nicor common stock that is outstanding will be cancelled, and the holder of each such option will be entitled to receive a cash payment in an amount equal to the product of (i) the number of shares previously subject to such option and (ii) the excess, if any, of (A) the value of the Merger Consideration over (B) the exercise price per share of the option, subject to withholding taxes.

The Merger Agreement also provides that upon the consummation of the Transaction, the board of directors of AGL Resources will be made up of sixteen members consisting of the twelve current directors of AGL Resources and four designees of Nicor.

The completion of the Merger is subject to various customary conditions, including, among others (i) the approval of the Nicor shareholders, (ii) the approval of the AGL Resources shareholders to (A) amend the Amended and Restated Articles of Incorporation of AGL Resources to increase the maximum size of the AGL Resources board of directors, and (B) issue shares of AGL Resources common stock under the rules of the New York Stock Exchange, (iii) clearance under the Hart-Scott-Rodino Antitrust Improvements Act, (iv) effectiveness of the registration statement for the AGL Resources shares of common stock to be issued to Nicor shareholders in the Merger and approval of the listing of such shares on the New York Stock Exchange, (v) receipt of all required regulatory approvals from, among others, the Illinois Commerce Commission, and (vi) subject to certain materiality exceptions, the accuracy of the representations and warranties made by Nicor and AGL Resources, respectively, and compliance by Nicor and AGL Resources with their respective obligations under the Merger Agreement. The Merger and the Subsequent Merger, considered together as a single integrated transaction for United States federal income tax purposes along with the other transactions effected pursuant to the Merger Agreement, are intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

The Merger Agreement contains (a) customary representations and warranties of Nicor and AGL Resources, and (b) covenants of Nicor and AGL Resources (i) to conduct their respective businesses in the ordinary course and (ii) with respect to, among other things, cooperation on seeking necessary regulatory approvals and access to information. Nicor and AGL Resources have also agreed not to (i) solicit proposals relating to alternative business combination transactions or (ii) subject to certain exceptions, enter into discussions, or enter into any agreement, concerning, or provide confidential information in connection with, any proposals for alternative business combination transactions. AGL Resources has agreed to use its reasonable best efforts to (i) obtain the financing contemplated by the commitment letter, as described in further detail below; and (ii) obtain regulatory approvals necessary to consummate the Merger.

The Merger Agreement contains certain termination rights for each of Nicor and AGL Resources, including each party's right to terminate the Merger Agreement under certain circumstances to enter into a "Superior Proposal" (as defined in the Merger Agreement). In addition, the Merger Agreement provides that in connection with the termination of the Merger Agreement under specified circumstances, Nicor may be required to pay AGL Resources a termination fee of $67 million (or $36 million in the event Nicor terminates to accept an acquisition proposal received prior to the 45th day after the date of the Merger Agreement), and AGL Resources may be required to pay Nicor a termination fee of $67 million. Further, the Merger Agreement provides that if either party terminates the Merger Agreement due to a failure by AGL Resources to obtain the necessary financing for the Transaction, then AGL Resources may be required to pay Nicor a "Financing Failure Fee" (as defined in the Merger Agreement) of $115 million.

Bridge Facility Commitment Letter

On December 6, 2010, and in connection with the Merger Agreement, AGL Capital Corporation, a Nevada corporation and a wholly-owned subsidiary of AGL Resources ("Borrower"), entered into a commitment letter (the "Commitment Letter") with Goldman Sachs Bank USA ("GS Bank"). The Commitment Letter provides that, subject to the conditions set forth therein, GS Bank will commit to provide a 364-day senior bridge term loan facility in an aggregate principal amount of $1.05 billion (the "Bridge Facility"). The Bridge Facility bears interest at the higher of (i) the Eurodollar rate plus an applicable margin ranging from 1.5 to 2.5%, depending on the Borrower's credit rating, subject to an increase of 0.25% for each 90 days that elapse after the closing of the Transaction, or (ii) the highest interest rate any of AGL Resources or its subsidiaries is paying on any similar loan after giving effect to the Transaction. Under the Commitment Letter, GS Bank will act as sole lead arranger and sole bookrunner of the Bridge Facility. It is anticipated that some or all of the Bridge Facility will be replaced or repaid by AGL Resources or the Borrower through one or a combination of the following: issuance of debt securities, preferred stock, common equity, or other securities; bank loans; or other debt financings. It is expected that the proceeds of the Bridge Facility or replacement financings will be used to fund, in part, (i) the cash consideration for the Transaction and to pay the fees and expenses incurred in connection with the Bridge Facility and (ii) the Borrower's termination and repayment or refinancing of certain existing indebtedness of Nicor.

The commitment to provide the Bridge Facility is subject to certain conditions, including without limitation (i) the absence of a Parent Material Adverse Effect or a Company Material Adverse Effect (each as defined in the Merger Agreement) (subject to certain exceptions); (ii) the accuracy of the representations made by Nicor and its subsidiaries in the Merger Agreement (subject to certain exceptions); (iii) the accuracy of the representations made by AGL Resources and its subsidiaries in the Merger Agreement (subject to certain exceptions); (iv) the accuracy of certain other customary representations; (v) the receipt of funds in an amount necessary to consummate the Transaction, whether by the issuance of equity, debt, cash on hand, proceeds from the Bridge Facility or a combination of the foregoing; (vi) the absence of changes to the Merger Agreement and the related disclosure schedules which are material and adverse to the Lenders; (vii) compliance with the Total Debt to Capitalization Ratio (as defined in the Commitment Letter); (viii) the absence of certain cross-defaults with respect to indebtedness of AGL Resources and its subsidiaries; (ix) the repayment in full of all pre-existing indebtedness of Nicor and its subsidiaries, subject to certain exceptions; (x) the delivery of certain financial information pertaining to each of AGL Resources and Nicor; (xi) the ability of the Borrower to achieve a certain liquidity level at closing; (xii) the ability of the Borrower to achieve certain minimum credit ratings; (xiii) the use of commercially reasonable efforts by the Borrower to market $1.05 billion of debt securities to fund, in part, the cash portion of the merger consideration to be received by shareholders of Nicor in the Merger, and receipt of certain deliverables in connection therewith; (xiv) the payment of certain transaction fees; and (xv) the receipt of customary closing documents. The Borrower will pay certain customary fees and expenses in connection with obtaining the Bridge Facility.

The foregoing summaries of the Merger Agreement and the Commitment Letter, and the transactions contemplated thereby, do not purport to be complete and are subject to, and qualified in their entirety by, the full text of such agreements, which are filed herewith as Exhibits 2.1 and 10.1, respectively, and incorporated herein by reference. The Merger Agreement has been included to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual or financial information about AGL Resources, Nicor, or their respective subsidiaries and affiliates. The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of that agreement and as of specific dates; were solely for the benefit of the parties to the Merger Agreement; may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of AGL Resources, Merger Sub, Merger LLC or Nicor or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in public disclosures by AGL Resources and Nicor. The Merger Agreement should not be read alone, but should instead be read in conjunction with the other information regarding the companies and the Merger that will be contained in, or incorporated by reference into, the proxy statement that the parties will be filing in connection with the Merger, as well as in the other filings that each of AGL Resources and Nicor make with the SEC.

Forward Looking Statements

Certain expectations and projections regarding our future performance referenced in this report, in other reports or statements we file with the Securities and Exchange Commission (the “SEC”) or otherwise release to the public, and on our website, are forward-looking statements. Senior officers and other employees may also make verbal statements to analysts, investors, regulators, the media and others that are forward-looking. Forward-looking statements involve matters that are not historical facts, such as statements regarding our future operations, prospects, strategies, financial condition, economic performance (including growth and earnings), industry conditions and demand for our products and services. Because these statements involve anticipated events or conditions, forward-looking statements often include words such as “anticipate,” “assume,” “believe,” “can,” “could,” “estimate,” “expect,” “forecast,” “future,” “goal,” “indicate,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “would,” or similar expressions. Forward-looking statements contained in this report include, without limitation, statements about the benefits of the transaction between AGL Resources and Nicor, including future financial and operating results, cost savings, enhanced revenues, and accretion to reported earnings that may be realized from the transaction, and statements with respect to the parties’ plans, objectives, expectations and intentions and other statements that are not historical facts.

Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. While we believe our expectations are reasonable in view of the currently available information, our expectations are subject to future events, risks and uncertainties, and there are several factors - many beyond our control - that could cause results to differ significantly from our expectations. Such events, risks and uncertainties include, but are not limited to, changes in price, supply and demand for natural gas and related products; the impact of changes in state and federal legislation and regulation including changes related to climate change; actions taken by government agencies on rates and other matters; concentration of credit risk; utility and energy industry consolidation; the impact on cost and timeliness of construction projects by government and other approvals, development project delays, adequacy of supply of diversified vendors, unexpected change in project costs, including the cost of funds to finance these projects; the impact of acquisitions and divestitures; direct or indirect effects on our business, financial condition or liquidity resulting from a change in our credit ratings or the credit ratings of our counterparties or competitors; interest rate fluctuations; financial market conditions, including recent disruptions in the capital markets and lending environment and the current economic downturn; general economic conditions; uncertainties about environmental issues and the related impact of such issues; the impact of changes in weather, including climate change, on the temperature-sensitive portions of our business; the impact of natural disasters such as hurricanes on the supply and price of natural gas; acts of war or terrorism; and other factors which are provided in detail in our filings with the SEC, which we incorporate by reference in this report.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in such forward−looking statements: (1) the risk that conditions imposed by the merger agreement may not be met causing the transaction not to close; (2) the risk that the businesses of AGL Resources and Nicor will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (3) expected revenue synergies and cost savings from the transaction may not be fully realized or realized within the expected time frame; (4) revenues following the transaction may be lower than expected; (5) the ability to obtain governmental approvals of the transaction on the proposed terms and schedule; and (6) the failure of AGL Resources or Nicor to obtain the requisite shareholder approval for the transaction. Additional factors that could cause AGL Resources' results to differ materially from those described in the forward−looking statements can be found in the Annual Report on Form 10-K of AGL Resources for the year ended December 31, 2009, which was filed with the SEC on February 4, 2010, under the heading "Item 1A•Risk Factors" and in the Annual Report on Form 10-K of Nicor for the year ended December 31, 2009, which was filed with the SEC on February 24, 2010, under the heading "Item 1A•Risk Factors," and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by each of AGL Resources and Nicor. All subsequent written and oral forward−looking statements concerning the proposed transaction or other matters and attributable to AGL Resources or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements are only as of the date they are made, and we do not undertake to update these statements to reflect subsequent changes.

Important Merger Information and Additional Information:

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction, AGL Resources and Nicor will file relevant materials with the SEC. AGL Resources will file a Registration Statement on Form S-4 that includes a joint proxy statement of AGL Resources and Nicor and which also constitutes a prospectus of AGL Resources. AGL Resources and Nicor will mail the joint proxy statement/prospectus to their respective shareholders. **Investors are urged to read the joint proxy statement/ prospectus regarding the proposed transaction when it becomes available, as well as other documents filed with the SEC, because they will contain important information.** The joint proxy statement/prospectus and other documents that will be filed by AGL Resources and Nicor with the SEC will be available free of charge at the SEC's website, www.sec.gov or from AGL Resources' website (www.aglresources.com) under the tab "Investor Relations" and then under the heading "SEC Filings". These documents will also be available free of change from Nicor's website (www. Nicor.com) under the tab "Investor" and then under the heading "SEC Filings".

AGL Resources, Nicor, their respective directors and certain of their executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. **Information about the directors and executive officers of Nicor is set forth in its definitive proxy statement, which was filed with the SEC on March 10, 2010. Information about the directors and executive officers of AGL Resources is set forth in its definitive proxy statement, which was filed with the SEC on March 15, 2010.** Investors may obtain additional information regarding the interests of such participants by reading the joint proxy statement/prospectus AGL Resources and Nicor will file with the SEC when it becomes available.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	**Description**
2.1	Agreement and Plan of Merger, dated as of December 6, 2010, by and among AGL Resources Inc., Apollo Acquisition Corp., Ottawa Acquisition LLC and Nicor Inc.
10.1	Senior Bridge Term Loan Credit Facility Commitment Letter, dated as of December 6, 2010, by and between AGL Capital Corporation and Goldman Sachs Bank USA.

SIGNATURES

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

AGL RESOURCES INC.

By: /s/ Paul R. Shlanta
Name: Paul R. Shlanta
Title: Executive Vice President, General Counsel and Chief Ethics and Compliance Officer

Dated: December 7, 2010

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER

among

AGL Resources Inc.,

Apollo Acquisition Corp.,

Ottawa Acquisition LLC

and

Nicor Inc.

Dated as of December 6, 2010

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of December 6, 2010 (this "Agreement"), by and among AGL Resources Inc., a Georgia corporation ("Parent"), Apollo Acquisition Corp., an Illinois corporation and a wholly-owned subsidiary of Parent ("Merger Sub"), Ottawa Acquisition LLC, an Illinois limited liability company and a wholly-owned subsidiary of Parent ("Merger LLC"), and Nicor Inc., an Illinois corporation (the "Company"). All capitalized terms used in this Agreement shall have the meanings assigned to such terms in Section 8.4 or as otherwise defined elsewhere in this Agreement unless the context clearly indicates otherwise.

RECITALS

WHEREAS, the respective Boards of Directors of Parent, Merger Sub and the Company have each approved this Agreement and the merger of Merger Sub with and into the Company (the "Merger") upon the terms and subject to the conditions set forth in this Agreement and in accordance with the Illinois Business Corporation Act of 1983 (the "IBCA");

WHEREAS, immediately following the Merger, the surviving corporation in the Merger shall merge with and into Merger LLC (the "Subsequent Merger") in accordance with Section 1.3, upon the terms and subject to the conditions of this Agreement and in accordance with the Illinois Limited Liability Company Act (the "LLC Act");

WHEREAS, the Parties intend that the Merger be mutually interdependent with and a condition precedent to the Subsequent Merger and that the Subsequent Merger shall, through the binding commitment evidenced by Section 1.3(a), be effectuated immediately following the Effective Time (as defined below), upon the terms and subject to the conditions of this Agreement and in accordance with the LLC Act, without further approval, authorization or direction from or by any of the Parties hereto;

WHEREAS, the Board of Directors of the Company (the "Company Board") has, upon the terms and subject to the conditions set forth herein, (i) determined that the transactions contemplated by this Agreement, including the Merger, are fair to and in the best interests of the Company and its shareholders, and (ii) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger;

WHEREAS, the Boards of Directors of Parent (the "Parent Board") and Merger Sub and the sole member of Merger LLC have, upon the terms and subject to the conditions set forth herein, (i) determined that the transactions contemplated by this Agreement, including the Merger and the Subsequent Merger, are fair to and in the best interests of Parent and Merger Sub and their respective shareholders, (ii) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger and the Subsequent Merger and (iii) in the case of the Parent Board, recommended that Parent's shareholders adopt the Charter Amendment;

WHEREAS, it is intended that the Merger and the Subsequent Merger, considered together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, shall qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and that this Agreement will be, and hereby is, adopted as a "plan of reorganization" within the meaning of Treasury Regulation Sections 1.368-2(g) and 1.368-3(a); and

WHEREAS, Parent, Merger Sub, Merger LLC and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and subject to the conditions set forth herein, the Parties to this Agreement agree as follows:

ARTICLE 1

THE MERGER

1.1 The Merger.

(a) Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the IBCA, at the Effective Time, Merger Sub shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation of the Merger (the "Surviving Corporation"). At the Effective Time, the effects of the Merger shall be as provided in this Agreement and the applicable provisions of the IBCA. Without limiting the generality of the foregoing, at the Effective Time, all of the property, rights, privileges, immunities, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation, and all of the debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation.

(b) At the Effective Time, the articles of incorporation of Merger Sub as in effect immediately prior to the Effective Time shall be the articles of incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or herein or by applicable Law. In addition, at the Effective Time, the bylaws of Merger Sub as in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable Law.

(c) The Parties shall take all actions necessary so that the directors of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the initial directors of the Surviving Corporation, each to hold office in accordance with the articles of incorporation and bylaws of the Surviving Corporation until their respective successors shall have been duly elected, designated or qualified, or until their earlier death, resignation or removal in accordance with the articles of incorporation and bylaws of the Surviving Corporation. The officers of the Company immediately prior to the Effective Time, from and after the Effective Time, shall continue as the officers of the Surviving Corporation, each to hold office in accordance with the articles of incorporation and bylaws of the Surviving Corporation until their respective successors shall have been duly elected, designated or qualified, or until their earlier death, resignation or removal in accordance with the articles of incorporation and bylaws of the Surviving Corporation.

(d) After the Effective Time, if the Surviving Corporation shall determine or shall be advised that any deeds, bills of sale, instruments of conveyance, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Company or Merger Sub acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, then the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of either the Company or Merger Sub, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement.

1.2 Closing and Effective Time of the Merger. The closing of the Merger (the “Closing”) will take place at 9:00 a.m., Chicago, Illinois time, on the date that is the later of (i) the third Business Day after satisfaction or waiver of all of the conditions set forth in Article 6 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions at the Closing) and (ii) the final day of the Marketing Period or such earlier date as may be specified by Parent on no less than three Business Days’ prior notice to the Company (such date on which the Closing occurs, the “Closing Date”), at the offices of Latham & Watkins LLP, 233 South Wacker Drive, Suite 5800, Chicago, Illinois 60606, unless another time, date or place is agreed to in writing by the Parties hereto. On the Closing Date, or on such other date as Parent and the Company may agree to in writing, (i) Parent, Merger Sub and the Company shall cause appropriate articles of merger or other appropriate documents (the “Articles of Merger”) to be executed and filed with the Secretary of State of the State of Illinois in accordance with the relevant provisions of the IBCA and shall make all other filings or recordings required under the IBCA and (ii) Parent shall file the Charter Amendment with the Secretary of State of Georgia. The Merger shall become effective at the time the Articles of Merger shall have been duly filed with the Secretary of State of the State of Illinois or such other date and time as is agreed upon by the Parties and specified in the Articles of Merger, such date and time hereinafter referred to as the “Effective Time”.

1.3 Subsequent Merger.

(a) Immediately after the Effective Time, the Surviving Corporation shall merge with and into Merger LLC, the separate corporate existence of the Surviving Corporation shall thereupon cease, Merger LLC shall continue as the surviving entity (the "Surviving Company") and all of the rights and obligations of the Surviving Corporation under this Agreement shall be deemed the rights and obligations of the Surviving Company. The effects of the Subsequent Merger shall be as provided in this Agreement and the applicable provisions of the LLC Act. Immediately following the completion of the Subsequent Merger, the Articles of Organization and Operating Agreement of the Surviving Company shall be as mutually agreed by Parent and the Company prior to filing the Joint Proxy Statement with the SEC.

(b) The Merger and Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, are intended to be treated for U.S. federal income tax purposes as a "reorganization" under Section 368(a) of the Code (to which each of Parent and the Company are to be parties under Section 368(b) of the Code) in which the Company is to be treated as merging directly with and into Parent, with the Company Common Stock converted in such merger into the right to receive the consideration provided for hereunder. This Agreement shall constitute a "plan of reorganization" within the meaning of Treasury Regulation Sections 1.368-2(g) and 1.368-3(a).

(c) Each of the Parties hereto shall, and shall cause its affiliates to, treat the Merger and Subsequent Merger for all Tax purposes consistent with Section 1.3(b) unless required to do otherwise by applicable Law.

ARTICLE 2

EFFECT OF THE MERGER ON CAPITAL STOCK

2.1 Conversion of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or the holders of any of the following securities:

(a) Conversion of Common Stock. Subject to Section 2.2, each share of common stock, par value $2.50 per share, of the Company (a "Share" or collectively, the "Shares") issued and outstanding immediately prior to the Effective Time, other than Shares to be cancelled in accordance with Section 2.1(c) and other than Dissenting Shares, shall be converted into the right to receive (i) $21.20 in cash, without interest (the "Cash Consideration"), and (ii) 0.8382 (the "Exchange Ratio") of a share of validly issued, fully paid and nonassessable shares of Parent Common Stock (the "Stock Consideration" and, together with the Cash Consideration, the "Merger Consideration").

(b) Effect on Common Stock. At the Effective Time, all of the Shares shall cease to be outstanding, shall be cancelled and shall cease to exist, and each certificate (a "Certificate") formerly representing any of the Shares (other than Shares to be cancelled in accordance with Section 2.1(c) and other than Dissenting Shares) shall thereafter represent only the right to receive the Merger Consideration and any other amounts as provided in Section 2.2, in each case without interest, subject to compliance with the procedures for surrender of such Shares as set forth in Section 2.2.

(c) Cancellation of Treasury Stock and Parent-Owned Stock. All Shares that are held in the treasury of the Company or owned of record by any Company Subsidiary and all Shares owned of record by Parent, Merger Sub or any of their respective wholly-owned Subsidiaries shall be cancelled immediately prior to the Effective Time and shall cease to exist, with no payment being made with respect thereto.

(d) Merger Sub Common Stock. Each share of common stock, par value $0.01 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one newly and validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation.

(e) Merger Consideration Adjustment. Notwithstanding anything in this Agreement to the contrary, if, from the date of this Agreement until the Effective Time, the outstanding shares of Parent Common Stock or Company Common Stock or the securities convertible into or exercisable for shares of Parent Common Stock or Company Common Stock shall have been changed into a different number of shares or a different class by reason of any reclassification, stock split (including a reverse stock split), recapitalization, split-up, combination, exchange of shares, readjustment, or other similar transaction, or a stock dividend or stock distribution thereon shall be declared with a record date within said period, the Merger Consideration and the Exchange Ratio and any other similarly dependent items, as the case may be, shall be appropriately adjusted to provide the holders of Shares the same economic effect as contemplated by this Agreement prior to such event.

(f) Total Stock Consideration Adjustment. Notwithstanding anything contained herein to the contrary, if the Total Stock Consideration is less than 40% of the aggregate Base Merger Consideration, then the Exchange Ratio shall be increased (with a corresponding reduction in the Cash Consideration) to the extent necessary so that the Total Stock Consideration is equal to 40% of the aggregate Base Merger Consideration (the "Adjustment"). The Adjustment made pursuant to this Section 2.1(f) shall be made as follows: for each 0.0001 increase to the Exchange Ratio, there will be a corresponding decrease to the Cash Consideration in the amount of the product of 0.0001 multiplied by the Parent Signing Share Price.

2.2 Payment for Securities; Surrender of Certificates.

(a) Exchange Agent. Prior to the Effective Time, Parent shall deposit with a nationally recognized financial institution designated by Parent and reasonably acceptable to the Company (the "Exchange Agent"), for the benefit of the holders of Shares, for exchange in accordance with this Article 2, certificates representing the full number of shares of Parent Common Stock issuable pursuant to Section 2.1 in exchange for outstanding shares of Company Common Stock. Prior to the Effective Time, Parent shall provide or shall cause to be provided to the Exchange Agent in immediately available funds all of the cash necessary to pay the cash portion of the Merger Consideration, and shall, after the Effective Time on the appropriate payment date, if applicable, provide or cause to be provided to the Exchange Agent any dividends or other distributions payable on such shares of Parent Common Stock pursuant to Section 2.2(c) (such shares of Parent Common Stock and cash provided to the Exchange Agent, together with any dividends or other distributions with respect thereto, being hereinafter referred to as the "Exchange Fund"). For the purposes of such deposit, Parent shall assume that there will not be any fractional shares of Parent Common Stock. Parent shall make available to the Exchange Agent, for addition to the Exchange Fund, from time to time as needed, cash sufficient to pay cash in lieu of fractional shares in accordance with Section 2.2(e). The cash component of the Exchange Fund shall be invested by the Exchange Agent, as directed by Parent, in short-term obligations of the United States of America with maturities of no more than 30 days, pending payment thereof by the Exchange Agent to the holders of Shares pursuant to this Article 2. The Exchange Agent shall, pursuant to irrevocable instructions, deliver the Parent Common Stock and cash contemplated to be issued pursuant to Section 2.1 out of the Exchange Fund. The Exchange Fund shall not be used for any other purpose.

(b) Procedures for Surrender. As promptly as practicable after the Effective Time, Parent shall cause the Exchange Agent to mail to each holder of record of a Certificate or non-certificated Shares represented by book-entry ("Book-Entry Shares"), in each case whose Shares were converted into the right to receive the Merger Consideration at the Effective Time pursuant to this Agreement: (i) a letter of transmittal, which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent, and shall otherwise be in such form and have such other provisions as Parent may reasonably specify, and (ii) instructions for use in effecting the surrender of the Certificates or Book-Entry Shares in exchange for payment of the Merger Consideration issuable and payable in respect thereof, and any dividends or other distributions to which such holders are entitled pursuant to Section 2.2(c). Upon surrender of Certificates for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by Parent, and upon delivery of a letter of transmittal, duly executed and in proper form, with respect to such Certificates or Book-Entry Shares, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificates or Book-Entry Shares shall be entitled to receive in exchange therefor the amount of cash and the number of whole shares of Parent Common Stock (which shall be in non-certificated book-entry form unless a physical certificate is requested) into which each Share formerly represented by such Certificates and each Book-Entry Share was converted pursuant to Section 2.1(a) and cash in lieu of fractional shares of Parent Common Stock as set forth in Section 2.2(e), including any dividends or other distributions to which such holders are entitled pursuant to Section 2.2(c) and the Certificates so surrendered shall forthwith be cancelled. Until such time as the Merger Consideration is issued to or at the direction of the holder of a surrendered Certificate or Book-Entry Shares, such Parent Common Stock shall not be voted on any matter. In the event of a transfer of ownership of Company Common Stock that is not registered in the transfer records of the Company, payment may be made and Merger Consideration may be issued to a Person other than the Person in whose name the Certificate so surrendered is registered, if such Certificate shall be properly endorsed or shall otherwise be in proper form for transfer and the Person requesting such payment shall pay any transfer and other similar Taxes required by reason of the payment of the Merger Consideration to a Person other than the registered holder of the Certificate so surrendered or shall establish to the satisfaction of Parent that such Taxes either have been paid or are not required to be paid. Payment of the Merger Consideration with respect to Book-Entry Shares shall only be made to the Person in whose name such Book-Entry Shares are registered. Subject to the last sentence of Section 2.2(c), until surrendered as contemplated by this Section 2.2, each Certificate and each Book-Entry Share shall be deemed at any time after the Effective Time to represent only the right to receive the Merger Consideration into which the Shares theretofore represented by such Certificate or Book-Entry Share having been converted pursuant to Section 2.1(a). No interest shall be paid or accrue on any cash payable upon surrender of any Certificate or Book-Entry Share.

(c) Dividends. No dividends or other distributions with respect to shares of Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any Certificate formerly representing Company Common Stock or any Book-Entry Share with respect to the shares of Parent Common Stock issuable upon surrender thereof, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 2.2(e) until the surrender of such Certificate or Book-Entry Share in accordance with this Article 2. Subject to applicable Law, following surrender of any such Certificate, there shall be paid to the holder of the shares of Parent Common Stock issued in exchange therefor, without interest, (i) promptly after the time of such surrender, the amount of any cash payable in lieu of a fractional share of Parent Common Stock to which such holder is entitled pursuant to Section 2.2(e) and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such whole shares of Parent Common Stock.

(d) Transfer Books; No Further Ownership Rights in Shares. As of the close of business on the date of the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of Shares on the records of the Company. The Merger Consideration issued (and paid) in accordance with the terms of this Article 2 upon conversion of any Shares shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to such Shares (other than the right to receive dividends or other distributions, if any, in accordance with Section 2.2(c)). From and after the Effective Time, the holders of Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shares except as otherwise provided for herein or by applicable Law. If, after the Effective Time, Certificates are presented to the Surviving Company or the Exchange Agent for any reason, they shall be cancelled and exchanged as provided in this Agreement.

(e) Fractional Shares. No certificates or scrip representing fractional shares of Parent Common Stock shall be issued upon the conversion of Shares pursuant to Section 2.1, and such fractional share interests shall not entitle the owner thereof to vote or to any rights of a holder of Parent Common Stock. For purposes of this Section 2.2(e), all fractional shares to which a single record holder would be entitled shall be aggregated and calculations shall be rounded to three decimal places. In lieu of any such fractional shares, each holder of Shares who would otherwise be entitled to such fractional shares shall be entitled to an amount in cash, without interest, rounded down to the nearest cent, equal to the product of (A) the amount of the fractional share interest in a share of Parent Common Stock to which such holder is entitled under Section 2.1(a) (or would be entitled but for this Section 2.2(e)) and (B) an amount equal to the average of the closing sale prices of the Parent Common Stock on the NYSE as reported in the Wall Street Journal for each of the twenty consecutive trading days ending with the fifth complete trading day prior to the Closing Date (not counting the Closing Date). As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of Shares in lieu of any fractional share interests in Parent Common Stock, the Exchange Agent shall make available such amounts, without interest, to the holders of Shares entitled to receive such cash.

(f) Termination of Fund; Abandoned Property; No Liability. At any time following nine months after the Effective Time, the Surviving Company shall be entitled to require the Exchange Agent to deliver to it any portion of the Exchange Fund (including any interest received with respect thereto) not disbursed to holders of Shares, and thereafter such holders shall be entitled to look only to the Surviving Company (subject to abandoned property, escheat or other similar Laws) as general creditors thereof with respect to the Merger Consideration payable upon due surrender of their Shares and compliance with the procedures set forth in Section 2.2(b), and any dividends or distributions with respect to Parent Common Stock as contemplated by Section 2.2(c), in each case, without interest. Notwithstanding the foregoing, neither the Surviving Company nor the Exchange Agent shall be liable to any holder of a Share for Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

(g) Withholding Rights. Parent, Merger Sub, the Surviving Corporation, the Surviving Company and the Exchange Agent, as the case may be, shall be entitled to deduct and withhold from the Merger Consideration otherwise payable pursuant to this Agreement to any holder of Shares, Company Options, Restricted Stock or RSUs, as applicable, such amounts that Parent, Merger Sub, the Surviving Corporation, the Surviving Company or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under the Code or any other provision of applicable Law. To the extent that amounts are so withheld by Parent, Merger Sub, the Surviving Corporation, the Surviving Company or the Exchange Agent, such amounts shall be treated for all purposes of this Agreement as having been paid to the holder of Shares, Company Options, Restricted Stock, or RSUs, as applicable, in respect of which such deduction and withholding was made by Parent, Merger Sub, the Surviving Corporation, the Surviving Company or the Exchange Agent.

(h) Lost, Stolen or Destroyed Certificates. In the event that any Certificate shall have been lost, stolen or destroyed, the Exchange Agent shall issue in exchange for such lost, stolen or destroyed Certificates, upon the making of an affidavit of that fact by the holder thereof, the Merger Consideration and any unpaid dividends or other distributions payable or deliverable in respect thereof pursuant to this Agreement; provided, however, that Parent may, in its reasonable discretion and as a condition precedent to the payment of such Merger Consideration, require the owner of such lost, stolen or destroyed Certificate to deliver a bond in such sum as it may reasonably direct as indemnity against any claim that may be made against Parent, Merger Sub, the Surviving Corporation, the Surviving Company or the Exchange Agent with respect to the Certificate alleged to have been lost, stolen or destroyed.

2.3 Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, Shares outstanding immediately prior to the Effective Time and held by a holder who is entitled to demand and has properly demanded appraisal for such Shares in accordance with, and who complies with, Sections 5/11.65 and 5/11.70 of the IBCA (such Shares, "Dissenting Shares") shall not be converted into the right to receive the Merger Consideration as provided in Section 2.1(a), and shall instead represent the right to receive payment of the consideration due to the holder of Dissenting Shares, to the extent available, in accordance with Section 5/11.70 of the IBCA. Upon consummation of the Merger, the Dissenting Shares shall cease to be issued and outstanding and the holders thereof shall be entitled to receive such consideration as will be determined under Section 5/11.70 of the IBCA. If any such holder fails to perfect or otherwise waives, withdraws or loses his right to appraisal under Section 5/11.65 of the IBCA or other applicable Law, then such Dissenting Shares shall be deemed to have been converted as of the Effective Time into, and to have become exchangeable solely for, the right to receive the Merger Consideration as provided in Section 2.1(a) and any unpaid dividends or other distributions payable or deliverable in respect thereof pursuant to Section 2.2(c), in each case without interest. The Company shall serve prompt notice to Parent of any demands received by the Company for appraisal of any Shares, and Parent shall have the right to participate in and direct all negotiations and proceedings with respect to such demands. Prior to the Effective Time, the Company shall not, except with the prior written consent of Parent, make any payment with respect to, or settle, offer to settle or compromise, any such demands, or agree to do any of the foregoing.

2.4 Treatment of Company Options, Restricted Stock, Restricted Stock Units, Stock Plans.

(a) Treatment of Options. Prior to the Effective Time, the Company Board (or, if appropriate, any committee thereof) shall adopt appropriate resolutions and take all other actions necessary and appropriate to provide that, immediately prior to the Effective Time, each outstanding option to purchase Shares (the "Company Options"), under the Nicor Inc. 1989 Long-Term Incentive Plan, as amended, the Nicor Inc. 1997 Long-Term Incentive Plan, as amended, the 2006 Long Term Incentive Plan, as amended, or any other Company Benefit Plan providing for the issuance of such options (collectively, the "Company Equity Plans"), shall be cancelled and, in exchange therefor, each former holder of any such cancelled Company Option shall be entitled to receive, in consideration of the cancellation of such Company Option and in settlement therefor, a payment in cash of an amount equal to the product of (i) the total number of Shares previously subject to such Company Option and (ii) the excess, if any, of the Cash-Out Amount over the exercise price per Share previously subject to such Company Option (such amounts payable hereunder, the "Option Payments"), subject to any withholding of Taxes required by applicable Law to be withheld in accordance with Section 2.2(g). From and after the Effective Time, any such cancelled Company Option shall no longer be exercisable by the former holder thereof, but shall only entitle such holder to the payment of the Option Payment.

(b) Treatment of Restricted Stock. Immediately prior to the Effective Time, each unvested Share subject to forfeiture restrictions, repurchase rights or other restrictions under the Company Equity Plans ("Restricted Stock") shall vest in full, and all restrictions (including forfeiture restrictions or repurchase rights) otherwise applicable to such Restricted Stock shall lapse and the Restricted Stock shall be converted into the right to receive the Merger Consideration, without interest, as provided in Section 2.1(a), subject to any withholding of Taxes required by applicable Law to be withheld in accordance with Section 2.2(g).

(c) Restricted Stock Units. Immediately prior to the Effective Time, each contractual right to receive a Share at a future date granted pursuant to the Company Equity Plans, the Nicor Inc. Stock Deferral Plan, any other plan, agreement or arrangement of the Company or any Company Subsidiary ("RSU") that is outstanding immediately prior to the Effective Time, whether or not then vested, shall be cancelled and in exchange therefor, each former holder of any such cancelled RSU shall be entitled to receive, in consideration of the cancellation of such RSU and in settlement therefor, an amount in cash equal to the Cash-Out Amount multiplied by the number of Shares subject to such RSU as of immediately prior to the Effective Time, with such cash payable under the terms of the RSU, subject to any withholding of Taxes required by applicable Law to be withheld in accordance with Section 2.2(g).

(d) Termination of Company Equity Plans. After the Effective Time, all Company Equity Plans shall be terminated and no further Company Options, Restricted Stock, RSUs or other rights with respect to Shares shall be granted thereunder.

(e) Parent Funding. At the Effective Time, Parent shall make a cash contribution to the Surviving Company in immediately available funds to permit the Surviving Company to make the payments required under this Section 2.4.

2.5 Treatment of Employee Stock Purchase Plan. The current offerings in progress as of the date hereof under the Nicor Employee Stock Purchase Plan (the "ESPP") shall continue, and shares of Company Common Stock shall be issued to participants thereunder on the next currently scheduled purchase dates occurring after the date hereof as provided under, and subject to the terms and conditions of, the ESPP. In accordance with the terms of the ESPP, any offering in progress as of the Effective Time shall be shortened, and the Business Day immediately preceding the Effective Time shall be the price date and purchase date for the ESPP (the "New Price Date"). Each then outstanding option under the ESPP shall be deemed exercised automatically on such New Price Date. Notwithstanding any restrictions on transfer of stock in the ESPP, the treatment in the Merger of any Shares under this provision shall be in accordance with Section 2.1(a). The Company shall terminate the ESPP as of or prior to the Effective Time.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in, or qualified by any matter set forth in, the Company SEC Documents (excluding any disclosures contained under the heading "Risk Factors" or in any section relating to "forward-looking statements" to the extent that they are cautionary, predictive or forward-looking in nature) or the disclosure letter delivered by the Company to Parent, Merger Sub and Merger LLC prior to the execution of this Agreement, including the documents attached to or delivered together with such disclosure letter (the "Company Disclosure Letter") (each section of which qualifies the correspondingly numbered representation, warranty or covenant if specified therein and such other representations, warranties or covenants where its relevance as an exception to (or disclosure for purposes of) such other representations, warranties or covenants is reasonably apparent), the Company hereby represents and warrants to Parent, Merger Sub and Merger LLC as follows:

3.1 Organization and Qualification; Subsidiaries.

(a) The Company and each Company Subsidiary is a corporation or other legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of incorporation or organization and has all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as it is now being conducted. The Company and each Company Subsidiary is duly qualified or licensed to do business and is in good standing in each jurisdiction where the ownership, leasing or operation of its properties or assets or the conduct of its business requires such qualification or license, except where the failure to be so qualified, licensed or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect.

(b) The Company has made available to Parent, prior to the date hereof, true and complete copies of (i) the Amended and Restated Articles of Incorporation, as amended, of the Company (the "Company Charter"), (ii) the Amended and Restated By-laws, of the Company (the "Company Bylaws"), and (iii) the articles of incorporation, or equivalent organizational document, of each Company Subsidiary, each as in effect as of the date hereof.

(c) Section 3.1 of the Company Disclosure Letter sets forth a true and complete list of the Subsidiaries of the Company (each a "Company Subsidiary"), together with the jurisdiction of organization or incorporation, as the case may be, of each Company Subsidiary and the jurisdictions in which each Significant Company Subsidiary is authorized to conduct business.

3.2 Capitalization.

(a) The authorized capital stock of the Company consists of (i) 160,000,000 shares of common stock, par value $2.50 per share (the "Company Common Stock"), of which, as of the close of business on November 30, 2010, there were 45,540,272 shares issued and outstanding, (ii) 1,600,000 shares of preferred stock, par value $50.00 per share (the "Company Preferred Stock"), of which, as of the close of business on November 30, 2010, there were 393 shares issued and outstanding and (iii) 20,000,000 shares of preference stock, no par value per share (the "Company Preference Stock"), of which there are no shares issued and outstanding. All of the outstanding shares of Company Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights.

(b) As of the close of business on November 30, 2010, the Company has no shares of Company Common Stock, Company Preferred Stock or Company Preference Stock reserved for or otherwise subject to issuance, except for (i) 626,526 shares of Company Common Stock reserved for issuance pursuant to the Company Equity Plans for outstanding Company Options and RSUs, (ii) 1,571,416 shares of Company Common Stock reserved for future issuance pursuant to the Company Equity Plans, (iii) 7,003 shares of Company Common Stock subject to outstanding rights under the ESPP, (iv) 438,112 shares of Company Common Stock reserved for future issuance pursuant to the terms of the Company's Amended and Restated Automatic Dividend Reinvestment Plan and Stock Purchase Plan, and (v) 1,258 shares of Company Common Stock reserved for future issuance upon the conversion of the Company's outstanding 5% Convertible Preferred Stock, par value $50 per share.

(c) Except for Company Options and RSUs disclosed in Section 3.2(b) above (which includes Company Options and RSUs that may be issued or granted pursuant to Section 5.1(a)(ii)), and share units under the Nicor Inc. Directors' Deferred Compensation Plan (which share units are not convertible into, exercisable for or exchangeable for Equity Interests of the Company or any Company Subsidiary), there are no (i) options, warrants or other rights relating to any Equity Interests of the Company or any Company Subsidiary or (ii) agreements or arrangements obligating the Company or any Company Subsidiary to issue, acquire or sell any Equity Interests of the Company or any Company Subsidiary. Since the close of business on November 30, 2010 through the date hereof, the Company has not issued any shares of Company Common Stock or other Equity Interests (other than under the ESPP).

(d) There are no bonds, debentures, notes or other indebtedness of the Company or any Company Subsidiary having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of common stock of the Company or of any Company Subsidiary may vote.

(e) Except with respect to the Company Options, Restricted Stock, and RSUs and the related award agreements, there are no outstanding obligations of the Company (i) requiring the repurchase, redemption or disposition of, or containing any right of first refusal with respect to, (ii) requiring the registration for sale of or (iii) granting any preemptive or antidilutive rights with respect to, any Equity Interests in the Company or any Company Subsidiary.

(f) The Company or another Company Subsidiary owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other Equity Interests of each of the Company Subsidiaries, free and clear of any Liens (other than transfer and other restrictions under applicable federal and state securities Laws), and all of such shares of capital stock or other Equity Interests have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights. Except for Equity Interests in the Company Subsidiaries, neither the Company nor any Company Subsidiary owns directly or indirectly any Equity Interest in any Person, or has any obligation to acquire any such Equity Interest, or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in, any Company Subsidiary or any other Person. There are no outstanding obligations to which the Company or any Company Subsidiary is a party (i) restricting the transfer of or (ii) limiting the exercise of voting rights with respect to any Equity Interests in any Company Subsidiary.

3.3 Authority.

(a) The Company has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby, including the Merger, subject to receipt of the Company Shareholder Approval and any regulatory approvals referenced in Sections 3.5(d), 3.5(e) and 3.5(f). The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby, including the Merger, have been duly and validly authorized by all requisite corporate action, and no other corporate proceedings on the part of the Company, and no shareholder votes are necessary to authorize the execution and delivery of this Agreement or to consummate the transactions contemplated hereby, other than, with respect to the Merger, the Company Shareholder Approval. This Agreement has been duly authorized and validly executed and delivered by the Company and, assuming due authorization, execution and delivery by Parent, Merger Sub and Merger LLC, constitutes the legally valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency or other similar Laws, now or hereafter in effect, affecting creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

(b) Assuming the representations set forth in Section 4.17 are true and correct, no other state takeover statute or similar statute or regulation applies or purports to apply to the Merger or any other transaction contemplated by this Agreement.

(c) The affirmative vote of the holders of shares representing a majority of the voting power of the outstanding shares of the Company Common Stock entitled to vote at the Company Shareholder Meeting is the only vote required of the holders of any class or series of capital stock or other Equity Interests of the Company to approve and adopt this Agreement and the transactions contemplated hereby, including the Merger (the "Company Shareholder Approval").

3.4 No Conflict. None of the execution, delivery or performance of this Agreement by the Company or the consummation by the Company of the Merger or any other transaction contemplated by this Agreement will (with or without notice or lapse of time, or both): (a) subject to obtaining the Company Shareholder Approval, conflict with or violate any provision of the Company Charter or Company Bylaws or any equivalent organizational or governing documents of any Company Subsidiary; (b) assuming that all consents, approvals, authorizations and permits described in Section 3.5 have been obtained and all filings and notifications described in Section 3.5 have been made and any waiting periods thereunder have terminated or expired, conflict with or violate any Law applicable to the Company or any Company Subsidiary or any of their respective properties or assets; or (c) require any consent or approval under, violate, conflict with, result in any breach of, or constitute a change of control or default under, or result in termination or give to others any right of termination, vesting, amendment, acceleration or cancellation of, or result in the creation of a Lien upon any of the respective properties or assets of the Company or any Company Subsidiary pursuant to, any Contract to which the Company or any Company Subsidiary is a party or by which any of their respective properties or assets are bound or any Company Permit, except, with respect to clauses (b) and (c), for any such conflicts, violations, consents, breaches, losses, changes of control, defaults, other occurrences or Liens which, individually or in the aggregate, has not had and would not (i) reasonably be expected to have a Company Material Adverse Effect or (ii) prevent or materially delay the consummation of the transactions contemplated by this Agreement.

3.5 Required Filings and Consents. None of the execution, delivery or performance of this Agreement by the Company, or the consummation by the Company of the Merger, Subsequent Merger or any other transaction contemplated by this Agreement will require (with or without notice or lapse of time, or both) any consent, approval, declaration, authorization or permit of, or filing or registration with or notification to, or any other action by or in respect of, any Governmental Entity, other than (a) the filing and recordation of the Articles of Merger as required by the IBCA, (b) the Company Shareholder Approval, (c) compliance with any applicable requirements of the HSR Act, (d) compliance with any applicable requirements of the Illinois Public Utilities Act, the Illinois Gas Storage Act, the Illinois Gas Pipeline Safety Act and the Illinois Gas Transmission Facilities Act, in each case as amended (the “Illinois Statutes”) including notice to and, if necessary, approval of, the Illinois Commerce Commission (the “ICC”), (e) the approval of the California Public Utilities Commission (the “CPUC”) of a change in control over Central Valley Gas Storage, LLC, (f) approval of the Federal Communications Commission (“FCC”) for the transfer of control over the FCC licenses of Northern Illinois Gas Company (“Nicor Gas”), a wholly owned subsidiary of the Company, under Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d) (the approvals in subsections (d), (e) and (f) being referred to herein as the “Company Required Governmental Approvals”), (g) compliance with the applicable requirements of the Exchange Act or the Securities Act, including filings with the SEC as may be required by the Company in connection with this Agreement and the transactions contemplated hereby, (h) compliance with any applicable foreign securities Laws or Blue Sky Laws, (i) filings required under the rules and regulations of the NYSE, and (j) such consents, approvals, declarations, authorizations, permits, filings, registrations, notifications or actions which, if not obtained or made, would not (A) reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect or (B) prevent or materially delay the consummation of the transactions contemplated by this Agreement.

3.6 Permits; Compliance with Laws.

(a) The Company and each Company Subsidiary is in possession of all authorizations, licenses, permits, franchises, grants, consents, qualifications, permissions, certificates, variances, exemptions, approvals, orders, registrations and clearances of any Governmental Entity necessary for the Company and each Company Subsidiary to own, lease and operate its properties and assets, and to carry on and operate its businesses as currently conducted (the "Company Permits"), except where the failure to have, or the suspension or cancellation of, or the failure to be in full force and effect of, any Company Permits, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. All Company Permits are valid and in full force and effect, except where the failure to be in full force and effect would not be reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. The Company and each Company Subsidiary is in compliance in all respects with the terms and requirements of such Company Permits, except where the failure to be in compliance would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Neither the Company nor any Company Subsidiary is in conflict with, default under or violation of, any Law applicable to the Company or any Company Subsidiary or by which any property or asset of the Company or any Company Subsidiary is bound or affected, except for any conflicts, defaults or violations that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. To the knowledge of the Company, no investigation by any Governmental Entity with respect to the Company or any Company Subsidiary is pending, nor has any Governmental Entity indicated to the Company an intention to conduct any such investigation, except for such investigations, the outcomes of which if determined adversely to the Company or any Company Subsidiary, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

3.7 SEC Filings; Financial Statements.

(a) Since January 1, 2008, each of the Company and Nicor Gas has filed with, or otherwise furnished to, as applicable, all registration statements, prospectuses, forms, reports, definitive proxy statements, schedules and other documents required to be filed with or furnished by it to the SEC pursuant to the Securities Act or the Exchange Act, as the case may be, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") (such documents and any other documents filed by the Company with or furnished by the Company to the SEC, together with any supplements, modifications and amendments thereto since the time of filing through the date hereof, collectively, the "Company SEC Documents" and such documents and any other documents filed by Nicor Gas with or furnished by Nicor Gas to the SEC, together with any supplements, modifications and amendments thereto since the time of filing, collectively, the "Nicor Gas SEC Documents"). As of their respective filing dates and, if supplemented, modified or amended since the time of filing, as of the date of such supplement, modification or amendment, the Company SEC Documents and Nicor Gas SEC Documents (i) did not, at the time each such document was filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and (ii) complied in all material respects with the applicable requirements of the Exchange Act or the Securities Act, as the case may be, and the Sarbanes-Oxley Act. Except for Nicor Gas, none of the Company Subsidiaries is currently required to file any forms or reports with the SEC. As of the date hereof, each of the Company and Nicor Gas satisfies the requirements set forth in General Instruction I.A., Item 3 of Form S-3 under the Securities Act.

(b) The audited consolidated financial statements and unaudited consolidated interim financial statements of the Company and the consolidated Company Subsidiaries (including, in each case, any related notes and schedules thereto) included in the Company SEC Documents (collectively, the "Company Financial Statements"), (i) complied as of their respective dates of filing with the SEC, in all material respects with the published rules and regulations of the SEC with respect thereto, (ii) have been prepared in accordance with GAAP (as in effect in the United States on the date of such Company Financial Statement) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of interim financial statements, for normal and recurring year-end adjustments and as may be permitted by the SEC on Form 10-Q, Form 8-K or any successor or like form under the Exchange Act) and (iii) fairly present in all material respects the consolidated financial position and the consolidated results of operations, cash flows and changes in shareholders' equity of the Company and the consolidated Company Subsidiaries as of the dates and for the periods referred to therein (except, in the case of interim financial statements, for normal and recurring year-end adjustments as may be permitted by the SEC on Form 10-Q, Form 8-K or any successor or like form under the Exchange Act).

3.8 Internal Controls. The Company has established and maintains a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) intended to provide reasonable assurances regarding the reliability of financial reporting for the Company and the Company Subsidiaries. The Company has designed disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that all such material information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act. The Company's management has completed an assessment of the effectiveness of the Company's internal controls over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2009, and such assessment concluded that such controls were effective. Based on its most recent evaluation of internal controls prior to the date hereof, the Company has disclosed to the Company's auditors and the audit committee of the Company Board (i) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect the Company's ability to report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting, and each such deficiency, weakness and fraud so disclosed to auditors, if any, has been disclosed to Parent prior to the date hereof.

3.9 No Undisclosed Liabilities. Except for those liabilities and obligations (a) reserved against or provided for in the Company Financial Statements, (b) incurred since September 30, 2010 in the ordinary course of business consistent with past practice, (c) incurred under this Agreement or in connection with the transactions contemplated hereby, including the Merger and Subsequent Merger or (d) that otherwise have not had and would not reasonably be expected to have a Company Material Adverse Effect, neither the Company nor any Company Subsidiary is, as of the date of this Agreement, subject to any liabilities or obligations of any nature, whether accrued, absolute, determined, determinable, fixed, contingent or otherwise, that would be required to be recorded or reflected on a balance sheet in accordance with GAAP as of the date hereof.

3.10 Absence of Certain Changes or Events.

(a) Since December 31, 2009, through the date of this Agreement, there has not been any Company Material Adverse Effect or any change(s), event(s), or development(s) which have had or would reasonably be expected to have, individually or in the aggregate with all other such change(s), event(s) or development(s), a Company Material Adverse Effect.

(b) Since September 30, 2010, through the date of this Agreement, neither the Company nor any Company Subsidiary has taken any action that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a breach of any of clauses (i)-(xx) of Section 5.1(a).

3.11 Information Supplied. The information supplied or to be supplied by or on behalf of the Company in writing expressly for inclusion or incorporation by reference in (i) the registration statement on Form S-4 to be filed with the SEC by Parent in connection with the Share Issuance (together with any amendment or supplements thereto, the "Form S-4") will not, at the time the Form S-4 is filed with the SEC, at any time it is amended or supplemented or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) the Joint Proxy Statement will not, at the date mailed to the Company's shareholders or Parent's shareholders or at the time of the Company Shareholder Meeting or the Parent Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Joint Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, the Company makes no representation with respect to statements made or incorporated by reference therein based on information supplied by Parent, Merger Sub or Merger LLC in writing expressly for inclusion (including by incorporation by reference) in the Joint Proxy Statement.

3.12 Employee Benefit Plans.

(a) List of Plans. The Company Disclosure Letter sets forth a true and complete list of each material "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), and any other material plan, policy, program, practice, agreement, understanding or arrangement (whether written or oral) providing compensation or other benefits to any current or former director, officer, employee or consultant, which are maintained, sponsored or contributed to by the Company or any Company Subsidiary, or under which the Company or any Company Subsidiary has any material obligation or liability, including all incentive, bonus, deferred compensation, cafeteria, medical, disability, stock purchase or equity based compensation plans, policies or programs (each a "Company Benefit Plan").

(b) General Compliance. Each Company Benefit Plan has been administered in all material respects in accordance with its terms and all applicable Laws, including ERISA and the Code. With respect to the Company Benefit Plans, no event has occurred and, to the knowledge of the Company, there exists no condition or set of circumstances in connection with which the Company could be subject to any material liability (other than for routine benefit liabilities) under the terms of, or with respect to, such Company Benefit Plans, ERISA, the Code or any other Law applicable to such Company Benefit Plans.

(c) Tax Qualification of Plans. (i) Each Company Benefit Plan which is intended to qualify under Section 401(a) of the Code has either received a favorable determination letter from the IRS as to its qualified status or may rely upon an opinion letter for a prototype plan and, to the knowledge of the Company, no fact or event has occurred that would reasonably be expected to adversely affect the qualified status of any such Company Benefit Plan, (ii) to the knowledge of the Company, there has been no prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code, other than a transaction that is exempt under a statutory or administrative exemption) with respect to any Company Benefit Plan that could result in material liability to the Company, and (iii) no suit, administrative proceeding, action or other litigation has been brought, or to the knowledge of the Company, is threatened against or with respect to any such Company Benefit Plan, including any audit or inquiry by the IRS or United States Department of Labor (other than routine benefits claims).

(d) Retiree Welfare Benefits. No Company Benefit Plan provides health or other welfare benefits after retirement or other termination of employment (other than (i) continuation coverage required under Section 4980(B)(f) of the Code or other similar applicable Law or (ii) coverage or benefits the full cost of which is borne by the employee or former employee (or any beneficiary of the employee or former employee)).

(e) Single Employer Plans. Section 3.12(e) of the Company Disclosure Letter lists each Company Benefit Plan that is a single-employer pension plan subject to Title IV of ERISA. Neither the Company nor any Company Subsidiary has any material liability under Title IV of ERISA that has not been satisfied in full, and no condition exists that presents a material risk to the Company or any Company Subsidiary of incurring or being subject (whether primarily, jointly or secondarily) to a material liability thereunder. With respect to each Company Benefit Plan that is subject to Title IV or Part 3 of Title I of ERISA or Section 412 of the Code (other than a Multiemployer Plan), (i) no reportable event (within the meaning of Section 4043 of ERISA, other than an event for which the reporting requirements have been waived by regulations) has occurred or is expected to occur, (ii) the Company and each Company Subsidiary has made when due any installments required under Section 412 of the Code and Section 302 of ERISA, (iii) neither the Company nor any ERISA Affiliate is required to provide security under Section 436(f) of the Code, (iv) all premiums (and interest charges and penalties for late payment, if applicable) have been paid when due to the Pension Benefit Guaranty Corporation ("PBGC"), (v) no filing has been made by the Company or any Company Subsidiary with the PBGC and no proceeding has been commenced by the PBGC to terminate any Company Benefit Plan and no condition exists which could constitute grounds for the termination of any such Company Benefit Plan by the PBGC and (vi) no liability has been incurred under Section 4062(e) of ERISA.

(f) Multiemployer Plans. Section 3.12(f) of the Company Disclosure Letter lists each Company Benefit Plan that is a multiemployer pension plan (as defined in Section 3(37) of ERISA) ("Multiemployer Plan"). With respect to each Company Benefit Plan that is a Multiemployer Plan, (i) neither the Company nor any ERISA Affiliate has incurred any withdrawal liability under Section 4201 of ERISA nor does the Company or any Company Subsidiary expect to withdraw in a "complete withdrawal" or "partial withdrawal" within the meaning of Section 4203 and 4205 of ERISA, (ii) all contributions required to be made to any such Company Benefit Plan have been timely made, and (iii) to the knowledge of the Company, no such Multiemployer Plan has been terminated, has been in or is about to be in reorganization under or is in "critical" or "endangered" status under Section 432 of the Code or Section 305 of ERISA so as to result directly or indirectly in any increase in contributions under Section 4243 of ERISA or in liability contingent or otherwise to the Company or any ERISA Affiliate.

(g) Change in Control. No amount that could be received (whether in cash or property or the vesting of property) as a result of the consummation of the transactions contemplated by this Agreement, including the Merger, by any employee, officer or director of the Company or any Company Subsidiary who is a "disqualified individual" (as such term is defined in Treasury Regulation Section 1.280G-1) under any Company Benefit Plan could be characterized as an "excess parachute payment" (as defined in Section 280G(b)(1) of the Code).

3.13 Labor and Other Employment Matters.

(a) The Company and each Company Subsidiary is in compliance in all material respects with all applicable Laws respecting labor, employment, fair employment practices, terms and conditions of employment, workers' compensation, occupational safety, plant closings, and wages and hours. The Company Disclosure Letter lists each collective bargaining agreement covering the terms of employment of any employee of the Company or any Company Subsidiary. There is no (i) ongoing, and to the knowledge of the Company, pending or threatened work stoppage, slowdown or labor strike against the Company or any Company Subsidiary (and no work stoppages, slowdowns or other labor strikes occurred in the last five years); (ii) unfair labor practice or other labor-related charge pending or, to the knowledge of the Company, threatened by or on behalf of any employees of the Company or any Company Subsidiary, in each case that is material; or (iii) written communication received by the Company or any Company Subsidiary of the intent of any Governmental Entity responsible for the enforcement of labor or employment Laws to conduct an investigation of or affecting the Company or any Company Subsidiary and, to the knowledge of the Company, no such investigation is in progress.

(b) The Company Disclosure Letter sets forth a true and complete list of each material (i) severance or employment agreements with directors, officers, employees, or consultants of the Company or any Company Subsidiary, (ii) severance programs of the Company or any Company Subsidiary with or relating to its employees, or (iii) plans, programs or other agreements of the Company or any Company Subsidiary with or relating to its directors, officers, employees or consultants which contain change in control provisions.

3.14 Contracts.

(a) All Contracts, including amendments thereto, required to be filed as an exhibit to any report of the Company filed pursuant to the Exchange Act of the type described in Item 601(b)(10) of Regulation S-K promulgated by the SEC have been filed, and no such Contract has been amended or modified, except for such amendments or modifications which have been filed as an exhibit to a subsequently dated and filed Company SEC Document. All such filed Contracts (excluding any redacted portions thereof) shall be deemed to have been made available to Parent.

(b) Other than the Contracts referenced in Section 3.14(a) that were filed in unredacted form, Section 3.14(b) of the Company Disclosure Letter sets forth a true and complete list, as of the date of this Agreement, of each Contract to which the Company or any Company Subsidiary is a party and which constitutes: (i) an agreement that limits in any material respect the freedom of the Company or any Company Subsidiary to compete in any line of business or sell, supply or distribute any product or service in any market or geographic area, (ii) a joint venture, partnership or limited liability company agreement or other similar agreement or arrangement relating to the formation, creation, operation, management or control of any joint venture, partnership or limited liability company, other than any such agreement or arrangement solely between or among the Company and/or the Company Subsidiaries, (iii) an agreement (other than a future contract, option contract or other derivative transaction) that involves future expenditures or receipts by the Company or any Company Subsidiary of more than $20,000,000 in any one year period that cannot be terminated on less than 90 days notice without material payment or penalty, (iv) an acquisition agreement that contains "earn-out" or other contingent payment obligations that could reasonably be expected to result in future payments by the Company or a Company Subsidiary in excess of $2,000,000, (v) an agreement relating to indebtedness for borrowed money or any financial guaranty, in each case pertaining to indebtedness in excess of $20,000,000 individually, (vi) other than leases in the way of easements or rights of way, a material lease or sublease with respect to leased real property, (vii) a future contract, option contract or other derivative transaction, in any case relating to the supply or price of natural gas that has a term of longer than 90 days and a notional value greater than $20,000,000, (viii) a gas transportation contract that is reasonably expected to result in future payments by the Company or any Company Subsidiary in excess of $20,000,000 in any one year period, and (ix) other than agreements described in Section 3.14(b)(vii) and Section 3.14(b)(viii), an agreement entered into since December 31, 2002 relating to the disposition or acquisition by the Company or any Company Subsidiary of assets or properties in excess of $20,000,000 not made in the ordinary course of business consistent with past practice. Each Contract of the type described in Section 3.14(a) and this Section 3.14(b) is referred to herein as a "Company Scheduled Contract."

(c) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) each Company Scheduled Contract is a legally valid and, to the knowledge of the Company, enforceable obligation of the Company or the Company Subsidiary party thereto, in accordance with its terms, except that (A) such enforcement may be subject to applicable bankruptcy, insolvency or other similar laws, now or hereafter in effect, affecting creditors' rights generally and (B) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought; and (ii) none of the Company or any Company Subsidiary knows of, or has received notice of, any violation or default by it under (nor does there exist any condition which upon the passage of time or the giving of notice or both would cause such a violation of or default under) any Company Scheduled Contract to which it is a party or by which it or any of its properties or assets is bound or affected.

3.15 Litigation. As of the date hereof, there is no (a) suit, claim, action or proceeding to which the Company or any Company Subsidiary is a party pending or, to the knowledge of the Company, threatened, or (b) to the knowledge of the Company, investigation involving the Company or any Company Subsidiary, in each case that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect or challenges the validity or propriety of the Merger. Neither the Company nor any Company Subsidiary is subject to any outstanding order, writ, injunction, judgment or decree that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect.

3.16 Real Property.

(a) Section 3.16(a) of the Company Disclosure Letter sets forth a true and complete list of all real property owned in fee by the Company or any Company Subsidiary (collectively, the "Company Owned Real Property") and the address for each Company Owned Real Property. The Company or a Company Subsidiary, as the case may be, holds good and marketable fee title to the Company Owned Real Property, free and clear of all Liens, except for such Liens that would not reasonably be expected to have a Company Material Adverse Effect.

(b) Section 3.16(b) of the Company Disclosure Letter sets forth (i) a true and complete list of each material lease or sublease for real property under which the Company or any Company Subsidiary (other than Tropical Shipping and Construction Company Limited) is a lessee or sublessee and (ii) a true and complete list of the material real property leased or subleased by Tropical Shipping and Construction Company Limited (the real property underlying the leases in clause (i) and the real property described in clause (ii), collectively, the "Company Leased Real Property" and each such lease or sublease, a "Company Real Property Lease"); and (i) to the knowledge of the Company, each Company Real Property Lease is valid and in full force and effect and enforceable against the Company or any Company Subsidiary party thereto, in accordance with its terms, except that, (A) such enforcement may be subject to applicable bankruptcy, insolvency or other similar laws, now or hereafter in effect, affecting creditors' rights generally and (B) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought; (ii) no notices of default under any Company Real Property Lease have been received by the Company or any Company Subsidiary that have not been resolved; and (iii) neither the Company nor any Company Subsidiary is in default under any Company Real Property Lease, and no event has occurred which, with the passage of time, the giving of notice, or both, would constitute a default thereunder by the Company or any Company Subsidiary, and, to the knowledge of the Company, no landlord thereunder is in default and no event has occurred which, with the passage of time, the giving of notice, or both, would constitute a default thereunder by any landlord that, in each of the foregoing cases, individually or in the aggregate, would reasonably be expected to have a Company Material Adverse Effect.

(c) The Company Owned Real Property and the Company Leased Real Property are referred to collectively herein as the "Company Real Property." With respect to the Company Real Property and the easements, permits and licenses material to the operation of the business of the Company and the Company Subsidiaries (such easements, permits and licenses being collectively referred to herein as the "Company Real Property Rights"), neither the Company nor any Company Subsidiary has received any written notice of, nor to the knowledge of the Company does there exist as of the date of this Agreement any pending, threatened or contemplated condemnation or similar proceedings, or any sale or other disposition of any Company Real Property or Company Real Property Rights, or any part thereof, in lieu of condemnation that, individually or in the aggregate, would reasonably be expected to have a Company Material Adverse Effect. The Company and the Company Subsidiaries have lawful rights of use and access to all Company Real Property and Company Real Property Rights, in each case, necessary to conduct their businesses substantially as presently conducted, except as would not reasonably be expected to have a Company Material Adverse Effect.

(d) Except as would not reasonably be expected to have a Company Material Adverse Effect, the Company or Company Subsidiaries hold all easements, permits and licenses material to the operation of the business of the Company and Company Subsidiaries, without, to the knowledge of the Company, any conflict with the rights of others.

(e) There are no options, rights of first offer, rights of first refusal or contracts outstanding for the sale, exchange, or transfer of any material portion of the Company Owned Real Property or, to the knowledge of the Company, any other Company Real Property.

(f) No material portion of any Company Real Property has been damaged or destroyed by fire or other casualty and not fully repaired, restored or replaced, except as such damage or destruction would not reasonably be expected to have a Company Material Adverse Effect.

3.17 Environmental Matters. Other than with respect to the Company's liability with respect to the manufactured gas plants listed in Section 3.17 of the Company Disclosure Letter and except as set forth at Section 3.17 of the Company Disclosure Letter or except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect:

(a) The Company and each Company Subsidiary is, and at all times since January 1, 2008, has been, in compliance with applicable Environmental Laws, in possession of all Environmental Permits necessary to conduct their current operations, and are in compliance with their respective Environmental Permits. All such Environmental Permits are valid and in full force and effect.

(b) None of the Company or any Company Subsidiary has received any written notice, demand, letter or claim alleging that the Company or such Company Subsidiary is in violation of, or liable under, any Environmental Law, including with respect to the investigation, sampling, monitoring, treatment, remediation, removal or cleanup of Hazardous Substances, and, to the knowledge of the Company, there is no basis for any such notice, demand or claim.

(c) None of the Company or any Company Subsidiary has entered into or, to the knowledge of the Company, is subject to any judgment, order, writ, injunction or decree relating to compliance with Environmental Laws or the Release or threatened Release of any Hazardous Substance.

(d) To the knowledge of the Company, there has been no Release or threatened Release of any Hazardous Substance at, on, under or from any property currently or formerly owned, leased, operated or used by the Company or any Company Subsidiary or any other location, in concentrations or under conditions or circumstances that (i) would reasonably be expected to result in liability for the Company or any Company Subsidiary under any Environmental Laws or (ii) would require reporting, investigation, remediation, or other corrective or response action by the Company or any Company Subsidiary under any Environmental Laws and that has not otherwise been addressed through such reporting, investigation, remediation, or other corrective or response action by the Company or any Company Subsidiary.

(e) None of the execution, delivery or performance of this Agreement by the Company, or the consummation by the Company of the Merger, Subsequent Merger or any other transaction contemplated by this Agreement will require (with or without notice or lapse of time, or both) any consent, approval, declaration, authorization or permit of, or filing or registration with or notification to, or any other action by or in respect of, any Governmental Entity under, or conflict with or violate any, Environmental Law.

Notwithstanding any other provisions of this Agreement to the contrary, the representations and warranties made in this Section 3.17 and the representations and warranties made in Section 3.7 (to the extent the Company's financial statements or filings relate to or address environmental matters) are the sole and exclusive representations and warranties made by the Company in this Agreement with respect to Hazardous Substances, Environmental Laws and Environmental Permits.

3.18 Intellectual Property.

(a) To the knowledge of the Company, the Company and the Company Subsidiaries own or have the right to use, free and clear of all Liens, all Intellectual Property necessary to conduct the businesses of the Company and the Company Subsidiaries substantially as presently conducted except where the failure to so own or have such right, or the presence of such Liens, would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Since December 31, 2009, the Company has not received written notice and, to the knowledge of the Company, no claim has been threatened by any Person, challenging the use or ownership by the Company or the Company Subsidiaries of any Intellectual Property, except for claims that would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) To the knowledge of the Company, (i) the use of the Intellectual Property owned by the Company or any of the Company Subsidiaries by the Company or any of the Company Subsidiaries does not infringe upon, violate or constitute a misappropriation of any third party right, title or interest in any Intellectual Property, and (ii) the Company has not received any written notice from any third party that the use of the Intellectual Property by the Company or any of the Company Subsidiaries infringes upon, violates or constitutes a misappropriation of any third party right, title or interest in any Intellectual Property.

(d) Since December 31, 2009, to the knowledge of the Company, the Intellectual Property owned by the Company or any Company Subsidiary has not been used or enforced or has failed to be used or enforced in a manner that would reasonably be expected to result in the abandonment, cancellation or unenforceability of any such Intellectual Property, except for such conflicts, infringements, violations, interferences, claims, invalidity, abandonments, cancellations or unenforceability that could not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

3.19 Tax Matters.

(a) The Company and each Company Subsidiary have timely filed with the appropriate Tax Authority all income and other material Tax Returns required to be filed, in the manner required by applicable Law, taking into account any extensions of time within which to file such Tax Returns, and all such Tax Returns were true, correct, complete and accurate, subject in each case to such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. All material Taxes due and payable by the Company or any Company Subsidiary have been paid within the time and in the manner required by applicable Law (whether or not shown or required to be shown on a Tax Return).

(b) Except as has not had and as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) there are no audits, claims, assessments, administrative proceedings, judicial proceedings or other proceedings pending with regard to any Taxes or Tax Returns of the Company or any Company Subsidiary; (ii) neither the Company nor any Company Subsidiary has received a written notice or announcement of any audits, claims, assessments, administrative proceedings, judicial proceedings or other proceedings; (iii) neither the Company nor any Company Subsidiary has waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to any Tax assessment or deficiency for any open tax year; and (iv) there are no assessments, claims, adjustments, or deficiencies with respect to Taxes against the Company or any Company Subsidiary that remains unpaid.

(c) There are no Tax Liens upon any property or assets of the Company or any Company Subsidiary except Liens for current Taxes not yet due and payable and Liens for Taxes being contested in good faith by appropriate proceedings, in each case, for which appropriate reserves have been set up in accordance with GAAP.

(d) Subject to such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, neither the Company nor any Company Subsidiary is liable for the Taxes of any other Person (other than the Company or a Company Subsidiary) under Treasury Regulation 1.1502-6 or any similar provision of state, local or foreign Tax Law, by contract, by assumption, by operation of Law, or as a transferee or successor.

(e) Other than assets subject to Section 168(g)(1)(A) of the Code held by a Company Subsidiary that is not a U.S. Person, none of the assets of the Company or any Company Subsidiary (i) are "tax exempt use property" within the meaning of Section 168(h) of the Code or is otherwise subject to the restrictions provided in Section 168(f), (g), (h) or (i) of the Code or (ii) directly or indirectly secure any debt the interest on which is tax exempt under Section 103(a) of the Code.

(f) The Company and the Company Subsidiaries have complied with the normalization rules described in Section 168(i)(9) of the Code and any other applicable provisions of the Code or Regulations with respect to any public utility property (as defined in Section 168(i)(10) of the Code).

(g) Since January 1, 2008, neither the Company nor any Company Subsidiary has been a party to any transaction treated by the parties thereto as a distribution to which Section 355 of the Code applied.

(h) The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the five-year period ending on the Closing Date.

(i) Neither the Company nor any Company Subsidiary has engaged in any transaction that gives rise to a disclosure obligation as a "reportable transaction" under Section 6011 of the Code and the Treasury Regulations thereunder.

3.20 Tax Treatment. Neither the Company nor any Company Subsidiary has taken any action or failed to take any action or knows of any fact, agreement, plan or other circumstance that would, to the knowledge of the Company, jeopardize the qualification of the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, as a "reorganization" within the meaning of Section 368(a) of the Code.

3.21 Opinion of Financial Advisor. The Company Board has received the oral opinion (subsequently to be set forth in writing) of J.P. Morgan Securities LLC on December 6, 2010 to the effect that, as of the date of such opinion and subject to the assumptions, qualifications and limitations set forth therein, the Merger Consideration is fair, from a financial point of view, to the holders of Company Common Stock.

3.22 Insurance. All material fire, liability, workers' compensation, property, casualty and other forms of insurance policies maintained by the Company and the Company Subsidiaries (collectively, the "Company Insurance Policies") are with reputable insurance carriers, provide full and adequate coverage for all normal risks incident to the business of the Company and the Company Subsidiaries and their respective properties and assets, and are in character and amount at least equivalent to that carried by persons engaged in similar businesses and subject to the same or similar perils or hazards, except for any such failures to maintain insurance policies that, individually or in the aggregate, are not reasonably likely to have a Company Material Adverse Effect. Each Company Insurance Policy is in full force and effect and all premiums due with respect to all Company Insurance Policies have been paid, with such exceptions that, individually or in the aggregate, are not reasonably likely to have a Company Material Adverse Effect.

3.23 Brokers. Except for the Company's obligations to J.P. Morgan Securities LLC, the Company's financial advisor, pursuant to an engagement letter, a copy of which has been provided to Parent, neither the Company nor any Company Subsidiary, nor any of their respective directors, officers or employees has incurred, on behalf of the Company or any Company Subsidiary, any obligation to pay any brokerage, finders', advisory or similar fee in connection with the transactions contemplated by this Agreement.

3.24 Trading. The Company has established risk parameters, limits and guidelines (including position limits and limitations on working capital and VaR) in compliance with the risk management policy approved by the Company (the "Company Trading Guidelines") to restrict the level of risk that the Company and the non-utility Company Subsidiaries are authorized to take with respect to, among other things, the net position resulting from all physical commodity transactions, exchange-traded futures and options transactions, over-the-counter transactions and derivatives thereof and similar transactions (the "Net Company Position") and monitors compliance by the Company and the non-utility Company Subsidiaries with such Company Trading Guidelines. The Company has provided a copy of the Company Trading Guidelines to Parent prior to the date of this Agreement. At no time between September 30, 2010 and the date hereof, (a) has the Net Company Position not been within the risk parameters in all material respects that are set forth in the Company Trading Guidelines, or (b) has the exposure of the Company and the non-utility Company Subsidiaries with respect to the Net Company Position resulting from all such transactions been material to the Company and the Company Subsidiaries taken as a whole. From September 30, 2010 to the date hereof, the Company and the Company Subsidiaries have not, in accordance with generally recognized mark to market accounting policies, experienced an aggregate net loss in its trading and related operations that would have a Company Material Adverse Effect.

3.25 Regulation as a Utility.

(a) The Company is "holding company" of a "single state holding company system" under Public Utility Holding Company Act of 2005 ("PUHCA 2005"). Nicor Gas is a "local distribution company" and a "Hinshaw pipeline" exempt from FERC regulation as a "natural gas company" pursuant to the Natural Gas Act (the "NGA") sections 1(b) and/or 1(c), 15 U.S.C. §§ 717 (b), (c). Under FERC regulation, the Nicor Gas section 1(c) exemption also exempts the Company from FERC PUHCA 2005 regulation. In addition, Nicor Gas holds a blanket certificate pursuant to 18 C.F.R. § 284.224 authorizing Nicor Gas to provide certain transportation services in interstate commerce subject to the NGA.

(b) Nicor Gas is regulated as a “gas company” under the Illinois Statutes.

(c) Central Valley Gas Storage, L.L.C., a wholly-owned subsidiary of the Company is also regulated as a “gas corporation” under Section 222 of the California Public Utilities Code and as a “public utility” under Section 216 of the California Public Utilities Code. Central Valley Gas Storage, L.L.C. is developing a natural gas storage facility that will qualify as an “intrastate pipeline” and/or a “Hinshaw pipeline” exempt from FERC regulation under NGA sections 1(b) and/or 1(c), 15 U.S.C. §§ 717 (b), (c).

(d) Except for (i) the regulation of the Company by FERC as a holding company of a single state holding company system under PUHCA 2005, (ii) the regulation of Nicor Gas by FERC as a “local distribution company” and/or a “Hinshaw pipeline” transporting natural gas in interstate commerce under the NGA, (iii) the regulation of Nicor Gas Company by the ICC, and (iv) the regulation of Central Valley Gas Storage, L.L.C. by the California Public Utilities Commission as a “gas corporation” and a “public utility” under the California Public Utilities Code, neither the Company nor any Company Subsidiary is subject to regulation as a public utility or public service company (or similar designation) by any state in the United States having jurisdiction over them or their respective properties or assets. In addition, neither the Company nor any Company Subsidiary is subject to regulation as a public utility by FERC under Section 201(e) of the Federal Power Act, 16 U.S.C. § 824(e).

3.26 No Additional Representations. The Company has undertaken an independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of Parent and the Parent Subsidiaries. The Company acknowledges that in entering into this Agreement, the Company relied solely upon its independent investigation and analysis and the representations and warranties of Parent and the Parent Subsidiaries set forth in Section 4 and none of Parent, Merger Sub or Merger LLC makes any representation or warranty as to any matter whatsoever except as expressly set forth in this Agreement or in any certificate delivered by Parent, Merger Sub or Merger LLC to the Company in accordance with the terms hereof, and specifically (but without limiting the generality of the foregoing) that none of Parent, Merger Sub or Merger LLC makes any representation or warranty with respect to (a) any projections, estimates or budgets delivered or made available to the Company (or any of their respective affiliates, officers, directors, employees or Company Representatives) of future revenues, results of operations (or any component thereof), cash flows or financial condition (or any component thereof) of Parent and its Subsidiaries or (b) the future business and operations of Parent and its Subsidiaries. Absent fraud, Parent, the Parent Subsidiaries, and their respective affiliates, shareholders and members, and the Parent Representatives shall have no liability or responsibility based upon any information provided or made available or statements made or omissions therefrom to the Company, the Company Subsidiaries or the Company Representatives, except as and only to the extent expressly set forth in this Agreement (as qualified by the Parent Disclosure Letter).

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

OF PARENT, MERGER SUB AND MERGER LLC

Except as set forth in, or qualified by any matter set forth in, the Parent SEC Documents (excluding any disclosures contained under the heading "Risk Factors" or in any section relating to "forward-looking statements" to the extent that they are cautionary, predictive or forward-looking in nature) or the disclosure letter delivered by Parent, Merger Sub and Merger LLC to the Company prior to the execution of this Agreement, including the documents attached to or delivered together with such disclosure letter (the "Parent Disclosure Letter") (each section of which qualifies the correspondingly numbered representation, warranty or covenant if specified therein and such other representations, warranties or covenants where its relevance as an exception to (or disclosure for purposes of) such other representations, warranties or covenants is reasonably apparent), Parent, Merger Sub and Merger LLC hereby represent and warrant to the Company as follows:

4.1 Organization and Qualification. Each of Parent, Merger Sub and Merger LLC is duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of incorporation or organization and has all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as it is now being conducted. Each of Parent, Merger Sub and Merger LLC is duly qualified or licensed to do business and is in good standing in each jurisdiction where the ownership, leasing or operation of its properties or assets or the conduct of its business requires such qualification or license, except where the failure to be so qualified, licensed or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect.

4.2 Capitalization.

(a) The authorized capital stock of Parent consists of (i) 750,000,000 shares of common stock, par value $5.00 per share (the "Parent Common Stock"), of which, as of the close of business on November 30, 2010, there were 78,061,155 shares issued and outstanding (including 2,637 shares of Parent Common Stock held in treasury), (ii) 10,000,000 shares of preferred stock, with or without par value (the "Parent Preferred Stock"), none of which was outstanding as of the close of business on November 30, 2010 and (iii) 10,000,000 shares of Class A Junior Participating Preferred Stock, none of which is outstanding. All of the outstanding shares of Parent Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights.

(b) As of the close of business on November 30, 2010, Parent has no shares of Parent Common Stock or Parent Preferred Stock reserved for or otherwise subject to issuance, except for 3,766,924 shares of Parent Common Stock reserved for issuance pursuant to incentive or other compensation plans or arrangements for directors, officers and employees of Parent and its Subsidiaries.

(c) Except for incentive or other compensation plans or arrangements for directors, officers and employees of Parent and its Subsidiaries, there are no (i) options, warrants or other rights relating to any Equity Interests of Parent or any Subsidiary of Parent (each, a "Parent Subsidiary" and, collectively, the "Parent Subsidiaries") or (ii) agreements or arrangements obligating Parent or any Parent Subsidiary to issue, acquire or sell any Equity Interests of Parent or any Parent Subsidiary. Since the close of business on November 30, 2010, Parent has not issued any shares of Parent Common Stock or other Equity Interests (other than 1,000 shares of Parent Common Stock issued under its incentive or other compensation plans or arrangements for directors, officers and employees).

(d) There are no bonds, debentures, notes or other indebtedness of Parent or any Parent Subsidiary having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of common stock of Parent or of any Parent Subsidiary may vote.

(e) There are no outstanding obligations of Parent or any Parent Subsidiary (i) requiring the repurchase, redemption or disposition of, or containing any right of first refusal with respect to, (ii) requiring the registration for sale of or (iii) granting any preemptive or antidilutive rights with respect to, any Equity Interests in Parent or any Parent Subsidiary.

(f) Parent or another Parent Subsidiary owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other Equity Interests of each of the Parent Subsidiaries, free and clear of any Liens (other than transfer and other restrictions under applicable federal and state securities Laws), and all of such shares of capital stock or other Equity Interests have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights. Except for Equity Interests in the Parent Subsidiaries, neither Parent nor any Parent Subsidiary owns directly or indirectly any Equity Interest in any Person, or has any obligation to acquire any such Equity Interest, or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in, any Parent Subsidiary or any other Person. There are no outstanding obligations to which Parent or any Parent Subsidiary is a party (i) restricting the transfer of or (ii) limiting the exercise of voting rights with respect to any Equity Interests in any Parent Subsidiary.

(g) The authorized capital stock of Merger Sub consists of 1000 shares of common stock, par value $0.01 per share all of which are validly issued and outstanding. Merger Sub has no Equity Interests reserved for or otherwise subject to issuance.

4.3 Authority.

(a) Each of Parent, Merger Sub and Merger LLC has all requisite organizational power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby, including the Merger, subject to receipt of the Parent Shareholder Approval and any regulatory approvals referenced in Section 4.5. The execution, delivery and performance of this Agreement by each of Parent, Merger Sub and Merger LLC, and the consummation by Parent, Merger Sub and Merger LLC of the transactions contemplated hereby, have been duly and validly authorized by all requisite corporate or limited liability company action, as applicable, and no other corporate or limited liability company proceedings on the part of Parent, Merger Sub or Merger LLC and no shareholder or member votes are necessary to authorize the execution and delivery of this Agreement or to consummate the transactions contemplated hereby, other than, with respect to the Merger, the Parent Shareholder Approval. This Agreement has been duly authorized and validly executed and delivered by Parent, Merger Sub and Merger LLC, and assuming due authorization, execution and delivery by the Company, constitutes a legally valid and binding obligation of Parent, Merger Sub and Merger LLC, enforceable against Parent, Merger Sub and Merger LLC in accordance with its terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency or other similar Laws, now or hereafter in effect, affecting creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

(b) Required Vote. (i) The affirmative vote of the holders of a majority of the outstanding shares of Parent Common Stock approving the Charter Amendment and (ii) the affirmative vote of the holders of a majority of the shares of Parent Common Stock represented at the Parent Shareholder Meeting and entitled to vote thereon approving the Share Issuance pursuant to Section 312.03 of the NYSE Listed Company Manual, provided that a majority of the shares of the outstanding Parent Common Stock is present and votes on such proposal at the Parent Shareholder Meeting (collectively, the "Parent Shareholder Approval") are the only votes of the holders of any class or series of shares or other securities of Parent necessary to approve the Merger, this Agreement, the Charter Amendment, the Share Issuance and the other transactions contemplated hereby.

4.4 No Conflict. None of the execution, delivery or performance of this Agreement by Parent, Merger Sub or Merger LLC, or the consummation by Parent, Merger Sub or Merger LLC of the Merger, Subsequent Merger or any other transaction contemplated by this Agreement will (with or without notice or lapse of time, or both): (a) conflict with or violate any provision of the articles of incorporation, articles of organization, bylaws or operating agreement of Parent, Merger Sub or Merger LLC; (b) assuming that all consents, approvals, authorizations and permits described in Section 4.5 have been obtained and all filings and notifications described in Section 4.5 have been made and any waiting periods thereunder have terminated or expired, conflict with or violate any Law applicable to Parent, Merger Sub, Merger LLC or any other Parent Subsidiary or any of their respective properties or assets; or (c) require any consent or approval under, violate, conflict with, result in any breach of or any loss of any benefit under, or constitute a default under, or result in termination or give to others any right of termination, vesting, amendment, acceleration or cancellation of, or result in the creation of a Lien upon any of the respective properties or assets of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary pursuant to any Contract or permit to which Parent, Merger Sub, Merger LLC or any other Parent Subsidiary is a party or by which they or any of their respective properties or assets are bound, except, with respect to clauses (b) and (c), for any such conflicts, violations, consents, breaches, losses, defaults, other occurrences or Liens which, individually or in the aggregate, have not had and would not (i) reasonably be expected to have a Parent Material Adverse Effect or (ii) prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.5 Required Filings and Consents. None of the execution, delivery or performance of this Agreement by Parent, Merger Sub and Merger LLC, or the consummation by Parent, Merger Sub and Merger LLC of the Merger, Subsequent Merger or any other transaction contemplated by this Agreement will require (with or without notice or lapse of time, or both) any consent, approval, declaration, authorization or permit of, or filing or registration with or notification to, or any other action by or in respect of, any Governmental Entity, other than (a) the filing and recordation of the Articles of Merger as required by the IBCA, (b) the Parent Shareholder Approval, (c) compliance with any applicable requirements of the HSR Act, (d) if necessary, the approval of the ICC, (e) if necessary, the approval of the CPUC of a change in control over Central Valley Gas Storage, LLC, (f) compliance with the applicable requirements of the Securities Act and the Exchange Act, including filings with the SEC as may be required by Parent, Merger Sub or Merger LLC in connection with this Agreement and the transactions contemplated hereby, including the Form S-4, (g) compliance with any applicable foreign securities Laws or Blue Sky Laws, (h) filings required under the rules and regulations of the NYSE, and (i) such other consents, approvals, declarations, authorizations, permits, filings, registrations, notifications or actions which, if not obtained or made, would not (A) reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect or (B) prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.6 Permits; Compliance with Laws.

(a) Each of Parent, Merger Sub, Merger LLC and each other Parent Subsidiary is in possession of all authorizations, licenses, permits, franchises, grants, consents, qualifications, permissions, certificates, variances, exemptions, approvals, orders, registrations and clearances of any Governmental Entity necessary for Parent and each Parent Subsidiary to own, lease and operate its properties and assets, and to carry on and operate its businesses as currently conducted (the “Parent Permits”), except where the failure to have, or the suspension or cancellation of, or the failure to be in full force and effect of, any Parent Permits, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect. All Parent Permits are valid and in full force and effect, except where the failure to be in full force and effect would not be reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Parent and each Parent Subsidiary is in compliance in all respects with the terms and requirements of such Parent Permits, except where the failure to be in compliance would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(b) None of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary is in conflict with, default under or violation of, any Law applicable to Parent, Merger Sub, Merger LLC or any other Parent Subsidiary or by which any property or asset of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary is bound or affected, except for any conflicts, defaults or violations that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect. To the knowledge of Parent, no investigation by any Governmental Entity with respect to Parent, Merger Sub, Merger LLC or any other Parent Subsidiary is pending, nor has any Governmental Entity indicated to Parent or any Parent Subsidiary an intention to conduct any such investigation, except for such investigations, the outcomes of which if determined adversely to Parent, Merger Sub, Merger LLC or any other Parent Subsidiary, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

4.7 SEC Filings; Financial Statements.

(a) Since January 1, 2008, Parent and each of the Parent Subsidiaries set forth in Section 4.7 of the Parent Disclosure Letter (collectively, the "Parent Subsidiary Issuers") has filed with, or otherwise furnished to, as applicable, all registration statements, prospectuses, forms, reports, definitive proxy statements, schedules and other documents required to be filed with or furnished by it to the SEC pursuant to the Securities Act or the Exchange Act, as the case may be, together with all certifications required pursuant to the Sarbanes-Oxley Act (such documents and any other documents filed by Parent with or furnished by Parent to the SEC, together with any supplements, modifications and amendments thereto since the time of filing through the date hereof, collectively, the "Parent SEC Documents" and such documents and any other documents filed by any Parent Subsidiary Issuer with or furnished by any Parent Subsidiary Issuer to the SEC, together with any supplements, modifications and amendments thereto since the time of filing, collectively, the "Parent Subsidiary SEC Documents"). As of their respective filing dates and, if supplemented, modified or amended since the time of filing, as of the date of such supplement, modification or amendment, the Parent SEC Documents and the Parent Subsidiary SEC Documents (i) did not at the time each such document was filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and (ii) complied in all material respects with the applicable requirements of the Exchange Act or the Securities Act, as the case may be, and the Sarbanes-Oxley Act. Except for the Parent Subsidiary Issuers, none of the Parent Subsidiaries is currently required to file any forms or reports with the SEC.

(b) The audited consolidated financial statements and unaudited consolidated interim financial statements of Parent and the consolidated Parent Subsidiaries (including, in each case, any related notes and schedules thereto) included in the Parent SEC Documents (collectively, the "Parent Financial Statements"), (i) complied as of their respective dates of filing with the SEC, in all material respects with the published rules and regulations of the SEC with respect thereto, (ii) have been prepared in accordance with GAAP (as in effect in the United States on the date of such Parent Financial Statement) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of interim financial statements, for normal and recurring year-end adjustments and as may be permitted by the SEC on Form 10-Q, Form 8-K or any successor or like form under the Exchange Act) and (iii) fairly present in all material respects the consolidated financial position and the consolidated results of operations, cash flows and changes in shareholders' equity of Parent and the consolidated Parent Subsidiaries as of the dates and for the periods referred to therein (except, in the case of interim financial statements, for normal and recurring year-end adjustments as may be permitted by the SEC on Form 10-Q, Form 8-K or any successor or like form under the Exchange Act).

4.8 Internal Controls. Parent has established and maintains a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) intended to provide reasonable assurances regarding the reliability of financial reporting for Parent and the Parent Subsidiaries. Parent has designed disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information required to be disclosed by Parent in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that all such material information is accumulated and communicated to Parent's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act. Parent's management has completed an assessment of the effectiveness of Parent's internal controls over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2009, and such assessment concluded that such controls were effective. Based on its most recent evaluation of internal controls prior to the date hereof, Parent has disclosed to Parent's auditors and the audit committee of the Parent Board (i) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect Parent's ability to report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Parent's internal controls over financial reporting, and each such deficiency, weakness and fraud so disclosed to auditors, if any, has been disclosed to the Company prior to the date hereof.

4.9 No Undisclosed Liabilities. Except for those liabilities and obligations (a) reserved against or provided for in the Parent Financial Statements, (b) incurred since September 30, 2010 in the ordinary course of business consistent with past practice, (c) incurred under this Agreement or in connection with the transactions contemplated hereby, including the Merger and Subsequent Merger or (d) that otherwise have not had and would not reasonably be expected to have a Parent Material Adverse Effect, none of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary is, as of the date of this Agreement, subject to any liabilities or obligations of any nature, whether accrued, absolute, determined, determinable, fixed, contingent or otherwise, that would be required to be recorded or reflected on a balance sheet in accordance with GAAP as of the date hereof.

4.10 Information Supplied. The information supplied or to be supplied by or on behalf of Parent, Merger Sub and Merger LLC in writing expressly for inclusion or incorporation by reference in (i) the Form S-4 will not, at the time the Form S-4 is filed with the SEC, at any time it is amended or supplemented or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) the Joint Proxy Statement will not, at the date mailed to the Company's shareholders or Parent's shareholders or at the time of the Company Shareholder Meeting or the Parent Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Form S-4 and the Joint Proxy Statement will comply as to form in all material respects with the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations thereunder. Notwithstanding the foregoing, Parent makes no representation with respect to statements made or incorporated by reference therein based on information supplied by the Company in writing expressly for inclusion (including by incorporation by reference) in the Form S-4 or the Joint Proxy Statement.

4.11 Absence of Certain Changes.

(a) Since December 31, 2009, through the date of this Agreement, there has not been any Parent Material Adverse Effect or any change(s), event(s), or development(s) which have had or would reasonably be expected to have, individually or in the aggregate with all other such change(s), event(s) or development(s), a Parent Material Adverse Effect.

(b) Since September 30, 2010, through the date of this Agreement, none of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary has taken any action that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a breach of any of the clauses (i)-(xiv) of Section 5.1(b).

4.12 Employee Benefit Plans.

(a) List of Plans. The Parent Disclosure Letter sets forth a true and complete list of each material "employee benefit plan" as defined in Section 3(3) of ERISA (each a "Parent Benefit Plan").

(b) General Compliance. Each Parent Benefit Plan has been administered in all material respects in accordance with its terms and all applicable Laws, including ERISA and the Code. With respect to the Parent Benefit Plans, no event has occurred and, to the knowledge of Parent, there exists no condition or set of circumstances in connection with which Parent could be subject to any material liability (other than for routine benefit liabilities) under the terms of, or with respect to, such Parent Benefit Plans, ERISA, the Code or any other Law applicable to such Parent Benefit Plans.

(c) Tax Qualification of Plans. (i) Each Parent Benefit Plan which is intended to qualify under Section 401(a) of the Code has either received a favorable determination letter from the IRS as to its qualified status or may rely upon an opinion letter for a prototype plan and, to the knowledge of Parent, no fact or event has occurred that would reasonably be expected to adversely affect the qualified status of any such Parent Benefit Plan, (ii) to the knowledge of Parent, there has been no prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code, other than a transaction that is exempt under a statutory or administrative exemption) with respect to any Parent Benefit Plan that could result in material liability to Parent, and (iii) no suit, administrative proceeding, action or other litigation has been brought, or to the knowledge of Parent, is threatened against or with respect to any such Parent Benefit Plan, including any audit or inquiry by the IRS or United States Department of Labor (other than routine benefits claims).

(d) Single Employer Plans. Section 4.12(d) of the Parent Disclosure Letter lists each Parent Benefit Plan that is a single-employer pension plan subject to Title IV of ERISA. Neither Parent nor any Parent Subsidiary has any material liability under Title IV of ERISA that has not been satisfied in full, and no condition exists that presents a material risk to Parent or any Parent Subsidiary of incurring or being subject (whether primarily, jointly or secondarily) to a material liability thereunder. With respect to each Parent Benefit Plan that is subject to Title IV or Part 3 of Title I of ERISA or Section 412 of the Code (other than a Multiemployer Plan), (i) no reportable event (within the meaning of Section 4043 of ERISA, other than an event for which the reporting requirements have been waived by regulations) has occurred or is expected to occur, (ii) Parent and each Parent Subsidiary has made when due any installments required under Section 412 of the Code and Section 302 of ERISA, (iii) neither Parent nor any ERISA Affiliate is required to provide security under Section 436(f) of the Code, (iv) all premiums (and interest charges and penalties for late payment, if applicable) have been paid when due to the PBGC, (v) no filing has been made by Parent or any Parent Subsidiary with the PBGC and no proceeding has been commenced by the PBGC to terminate any Parent Benefit Plan and no condition exists which could constitute grounds for the termination of any such Parent Benefit Plan by the PBGC and (vi) no liability has been incurred under Section 4062(e) of ERISA.

(e) Multiemployer Plans. Section 4.12(e) of the Parent Disclosure Letter lists each Parent Benefit Plan that is a Multiemployer Plan. With respect to each Parent Benefit Plan that is a Multiemployer Plan, (i) neither Parent nor any ERISA Affiliate has incurred any withdrawal liability under Section 4201 of ERISA nor does Parent or any Parent Subsidiary expect to withdraw in a “complete withdrawal” or “partial withdrawal” within the meaning of Section 4203 and 4205 of ERISA, (ii) all contributions required to be made to any such Parent Benefit Plan have been timely made, and (iii) to the knowledge of Parent, no such Multiemployer Plan has been terminated, has been in or is about to be in reorganization under or is in “critical” or “endangered” status under Section 432 of the Code or Section 305 of ERISA so as to result directly or indirectly in any increase in contributions under Section 4243 of ERISA or in liability contingent or otherwise to Parent or any ERISA Affiliate.

4.13 Litigation. As of the date hereof, there is no (a) suit, claim, action or proceeding to which Parent, Merger Sub, Merger LLC or any other Parent Subsidiary is a party pending, or, to the knowledge of Parent, Merger Sub or Merger LLC, threatened, or (b) to the knowledge of Parent, investigation involving Parent, Merger Sub or Merger LLC, in each case that, individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect or challenges the validity or propriety of the Merger or the Subsequent Merger. None of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary is subject to any outstanding order, writ, injunction, judgment or decree that, individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect.

4.14 Environmental Matters. Except as set forth at Section 4.14 of the Parent Disclosure Letter or except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect:

(a) Parent and each Parent Subsidiary is, and at all times since January 1, 2008, has been, in compliance with applicable Environmental Laws, in possession of all Environmental Permits necessary to conduct their current operations, and in compliance with their respective Environmental Permits. All such Environmental Permits are valid and in full force and effect.

(b) None of Parent or any Parent Subsidiary has received any written notice, demand, letter or claim alleging that Parent or such Parent Subsidiary is in violation of, or liable under, any Environmental Law, including with respect to the investigation, sampling, monitoring, treatment, remediation, removal or cleanup of Hazardous Substances, and, to the knowledge of Parent, there is no basis for any such notice, demand or claim.

(c) None of Parent or any Parent Subsidiary has entered into or, to the knowledge of Parent, is subject to any judgment, order, writ, injunction or decree relating to compliance with Environmental Laws or the Release or threatened Release of any Hazardous Substance.

(d) To the knowledge of Parent, there has been no Release or threatened Release of any Hazardous Substance at, on, under or from any property currently or formerly owned, leased, operated or used by Parent or any Parent Subsidiary or any other location, in concentrations or under conditions or circumstances that (i) would reasonably be expected to result in liability for the Parent or any Parent Subsidiary under any Environmental Laws or (ii) would require reporting, investigation, remediation, or other corrective or response action by Parent or any Parent Subsidiary under any Environmental Laws and that has not otherwise been addressed through such reporting, investigation, remediation, or other corrective or response action by the Parent or any Parent Subsidiary.

(e) None of the execution, delivery or performance of this Agreement by Parent, or the consummation by Parent of the Merger, Subsequent Merger or any other transaction contemplated by this Agreement will require (with or without notice or lapse of time, or both) any consent, approval, declaration, authorization or permit of, or filing or registration with or notification to, or any other action by or in respect of, any Governmental Entity under, or conflict with or violate any, Environmental Law.

Notwithstanding any other provisions of this Agreement to the contrary, the representations and warranties made in this Section 4.14 and the representations and warranties made in Section 4.7 (to the extent Parent's financial statements or filings relate to or address environmental matters) are the sole and exclusive representations and warranties made by Parent, Merger Sub and Merger LLC in this Agreement with respect to Hazardous Substances, Environmental Laws and Environmental Permits.

4.15 Tax Matters.

(a) Parent and each Parent Subsidiary have timely filed with the appropriate Tax Authority all income and other material Tax Returns required to be filed, in the manner required by applicable Law, taking into account any extensions of time within which to file such Tax Returns, and all such Tax Returns were true, correct, complete and accurate, subject in each case to such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. All material Taxes due and payable by Parent or any Parent Subsidiary have been paid within the time and in the manner required by applicable Law (whether or not shown or required to be shown on a Tax Return).

(b) Except as has not had and as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect: (i) there are no audits, claims, assessments, administrative proceedings, judicial proceedings or other proceedings pending with regard to any Taxes or Tax Returns of Parent or any Parent Subsidiary; (ii) neither Parent nor any Parent Subsidiary has received a written notice or announcement of any audits, claims, assessments, administrative proceedings, judicial proceedings or other proceedings; (iii) neither Parent nor any Parent Subsidiary has waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to any Tax assessment or deficiency for any open tax year; and (iv) there are no assessments, claims, adjustments or deficiencies with respect to Taxes against Parent or any Parent Subsidiary that remains unpaid.

(c) There are no Tax Liens upon any property or assets of Parent or any Parent Subsidiary except Liens for current Taxes not yet due and payable and Liens for Taxes being contested in good faith by appropriate proceedings, in each case, for which appropriate reserves have been set up in accordance with GAAP.

(d) Subject to such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, neither Parent nor any Parent Subsidiary is liable for the Taxes of any other Person (other than Parent or a Parent Subsidiary) under Treasury Regulation 1.1502-6 or any similar provision of state, local or foreign Tax Law, by contract, by assumption, by operation of Law, or as a transferee or successor.

(e) Other than assets subject to Section 168(g)(1)(A) of the Code held by a Parent Subsidiary that is not a U.S. Person, none of the assets of Parent or any Parent Subsidiary are (i) "tax exempt use property" within the meaning of Section 168(h) of the Code or is otherwise subject to the restrictions provided in Section 168(f), (g), (h) or (i) of the Code or (ii) directly or indirectly secures any debt, the interest on which is tax exempt under Section 103(a) of the Code.

(f) Parent and the Parent Subsidiaries have complied with the normalization rules described in Section 168(i)(9) of the Code and any other applicable provisions of the Code or Regulations with respect to any public utility property (as defined in Section 168(i)(10) of the Code).

(g) Since January 1, 2008, neither Parent nor any Parent Subsidiary has been a party to any transaction treated by the parties thereto as a distribution to which Section 355 of the Code applied.

(h) Neither Parent nor any Parent Subsidiary has engaged in any transaction that gives rise to a disclosure obligation as a "reportable transaction" under Section 6011 of the Code and the Treasury Regulations thereunder.

4.16 Tax Treatment. Neither Parent nor any Parent Subsidiary has taken any action or failed to take any action or knows of any fact, agreement, plan or other circumstance that would, to the knowledge of Parent, jeopardize the qualification of the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, as a "reorganization" within the meaning of Section 368(a) of the Code.

4.17 Ownership of Company Capital Stock. None of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary beneficially owns, as of the date hereof, any Shares or any other securities convertible into or exchangeable or exercisable for, Company Common Stock. Other than as contemplated by this Agreement, none of Parent, Merger Sub or Merger LLC owns, nor at any time during the last three years has owned, any Shares or any other securities convertible into or exchangeable or exercisable for, Shares or otherwise been, an "interested shareholder" of the Company within the meaning of Section 5/11.75 of the IBCA.

4.18 Sufficient Funds.

(a) At the Closing, Parent and Merger Sub will have sufficient funds to consummate the Merger.

(b) Parent and Merger Sub have received and accepted and agreed to a commitment letter, dated December 6, 2010 (the "Commitment Letter") from the lenders party thereto (collectively, the "Lenders") relating to the commitment of the Lenders to provide the debt financing required to consummate the transactions contemplated by this Agreement. The debt financing required to consummate the transactions contemplated by this Agreement, including the Merger and Subsequent Merger, whether obtained pursuant to the arrangements contemplated by the Commitment Letter or through a substitute permanent financing arrangement which may involve a public offering of debt securities, is collectively referred to in this Agreement as the "Financing". A complete and correct copy of the executed Commitment Letter has been provided to the Company.

(c) The Financing, when funded in accordance with the Commitment Letter, will provide Parent with acquisition financing at the Effective Time, as applicable, sufficient to consummate the transactions contemplated by this Agreement on the terms contemplated by this Agreement and to pay the cash portion of the Merger Consideration. At the Closing, Parent and Merger Sub will have sufficient funds to (i) effect any repayment or refinancing of debt of Parent or the Company or their respective Subsidiaries contemplated by or necessary in connection with this Agreement (and the transactions contemplated hereby) or the Commitment Letter, and (ii) pay all transaction fees and expenses of Parent, the Company and their respective Subsidiaries.

(d) The Commitment Letter is valid, binding and in full force and effect and no event has occurred which, with or without notice, lapse of time or both, would reasonably be expected to constitute a default or breach or an incurable failure to satisfy a condition precedent on the part of Parent, Merger Sub or Merger LLC under the terms and conditions of the Commitment Letter, other than any such default or breach that has been waived by the Lenders or otherwise cured in a timely manner by Parent, Merger Sub or Merger LLC to the satisfaction of the Lenders, as the case may be. The Commitment Letter has not been assigned, amended, restated or otherwise modified prior to the date of this Agreement, and the respective commitments contained in the Commitment Letter have not been withdrawn, modified or rescinded in any respect prior to the date of this Agreement. There are no conditions precedent (including any "flex" provision set forth in the associated fee letter) related to the funding of the full amount of the Financing, other than as expressly set forth in or contemplated by the Commitment Letter. As of the date hereof, Parent, Merger Sub and Merger LLC do not have any reason to believe that any conditions of the Financing will not be satisfied or that the Financing will not be available to Parent, Merger Sub or Merger LLC at the Effective Time. Parent, Merger Sub and Merger LLC have paid in full any and all commitment fees or other fees required to be paid pursuant to the terms of the Commitment Letter on or before the date of this Agreement.

4.19 Ownership of Merger Sub and Merger LLC; No Prior Activities.

(a) Merger Sub and Merger LLC were formed solely for the purpose of engaging in the transactions contemplated by this Agreement. All of the outstanding capital stock of Merger Sub and all of the membership interests of Merger LLC are owned directly by Parent. There are no options, warrants or other rights, agreements, arrangements or commitments to which Merger Sub or Merger LLC is a party relating to the issued or unissued Equity Interests in Merger Sub or Merger LLC or obligating Merger Sub or Merger LLC to grant, issue or sell any of its respective Equity Interests by sale or otherwise. There are no obligations, contingent or otherwise, of Merger Sub or Merger LLC to repurchase, redeem or otherwise acquire any shares of the capital stock of Merger Sub or any of the membership interests of Merger LLC. Except for obligations or liabilities incurred in connection with its incorporation and the transactions contemplated by this Agreement, Merger Sub and Merger LLC have not, and prior to the Effective Time will not have, incurred, directly or indirectly through any Subsidiary or affiliate, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any Person.

(b) Since its formation, Merger Sub has qualified as and been treated as a corporation for U.S. federal income tax purposes. Since its formation, Merger LLC has qualified as and been treated as disregarded as an entity separate from Parent for U.S. federal income tax purposes within the meaning of Treasury Regulations Section 301.7701-3(b)(1)(ii).

4.20 Management Arrangements. As of the date hereof, none of Parent, Merger Sub or Merger LLC, or their respective executive officers, directors or affiliates, has entered into any agreement, arrangement or understanding with any of the executive officers, directors or affiliates of the Company that is currently in effect or would or is expected to become effective in the future (upon consummation of the Merger or otherwise) and that, if effective at the date hereof, would be required to be disclosed under Item 1005(d) of Regulation M-A under the Exchange Act.

4.21 Opinion of Financial Advisor. The Parent Board has received the written opinion of Goldman Sachs & Co. dated December 6, 2010 to the effect that, as of the date of such opinion and subject to the assumptions, qualifications and limitations set forth therein, the Merger Consideration to be issued and paid in the Merger by Parent is fair, from a financial point of view, to Parent.

4.22 Brokers. Except for Parent's obligations to Goldman Sachs & Co, Parent's financial advisor, pursuant to an engagement letter, a copy of which has been provided to the Company, none of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary, nor any of their respective shareholders, members, directors, officers, employees or affiliates, has incurred or will incur on behalf of Parent, Merger Sub, Merger LLC or any other Parent Subsidiary, any brokerage, finders', advisory or similar fee in connection with the transactions contemplated by this Agreement.

4.23 Trading. Parent has established risk parameters, limits and guidelines (including position limits and limitations on working capital and VaR) in compliance with the risk management policy approved by the Parent (the "Parent Trading Guidelines") to restrict the level of risk that Parent and the non-utility Parent Subsidiaries are authorized to take with respect to, among other things, the net position resulting from all physical commodity transactions, exchange-traded futures and options transactions, over-the-counter transactions and derivatives thereof and similar transactions (the "Net Parent Position") and monitor compliance by Parent and the non-utility Parent Subsidiaries with such Parent Trading Guidelines. Parent has provided a copy of the Parent Trading Guidelines to the Company prior to the date of this Agreement. At no time between September 30, 2010 and the date hereof, (a) has the Net Parent Position not been within the risk parameters in all material respects that are set forth in the Parent Trading Guidelines, or (b) has the exposure of Parent and the non-utility Parent Subsidiaries with respect to the Net Parent Position resulting from all such transactions been material to Parent and the Parent Subsidiaries taken as a whole. From September 30, 2010 to the date hereof, Parent and the Parent Subsidiaries have not, in accordance with generally recognized mark to market accounting policies, experienced an aggregate net loss in its trading and related operations that would have a Parent Material Adverse Effect.

4.24 Regulation as a Utility.

(a) Parent is a “holding company” under PUHCA 2005. Each of Atlanta Gas Light Company, Chattanooga Gas Company, Pivotal Utility Holdings, Inc. (Pivotal Utility Holdings, Inc. operates through its divisions Elizabethtown Gas Company in New Jersey, Elkton Gas in Maryland and Florida City Gas in Florida) and Virginia Natural Gas, Inc. is a “local distribution company”, “intrastate gas pipeline” and/or a “Hinshaw pipeline” within the meaning of the NGA and a “gas utility company” under PUHCA 2005.

(b) Atlanta Gas Light Company is regulated as a “gas company” in the State of Georgia under Title 46 of the Official Code of Georgia Annotated.

(c) Chattanooga Gas Company is regulated as a “public utility” in the State of Tennessee under Title 65 of the Tennessee Code Annotated.

(d) Pivotal Utility Holdings, Inc. (through its operating division Elizabethtown Gas Company) is regulated as a “public utility” in the State of New Jersey under Title 48 of the New Jersey Statutes Annotated.

(e) Pivotal Utility Holdings, Inc. (through its operating division Elkton Gas) is regulated as a “gas company” in Maryland under the Maryland Public Service Commission Law.

(f) Pivotal Utility Holdings, Inc. (through its operating division Florida City Gas) is regulated as a “public utility” in the State of Florida under Chapter 366 of the Florida Statutes.

(g) Virginia Natural Gas, Inc. is regulated as a “public service corporation” in the Commonwealth of Virginia under Title 56 of the Code of Virginia.

(h) Neither Parent nor any Parent Subsidiary is subject to regulation: (i) as a public utility by FERC under Section 201(e) of the Federal Power Act, 16 U.S.C. § 824(e), or (ii) except as set forth in clauses (a) – (g) above, as a public utility or public service company (or similar designation) by any state in the United States having jurisdiction over them or their respective properties or assets.

4.25 No Additional Representations. Each of Parent, Merger Sub and Merger LLC has undertaken an independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Company and the Company Subsidiaries. Parent, Merger Sub and Merger LLC acknowledge that in entering into this Agreement, each relied solely upon its independent investigation and analysis and the representations and warranties of the Company and the Company Subsidiaries set forth in Section 3 and that the Company makes no representation or warranty as to any matter whatsoever except as expressly set forth in this Agreement or in any certificate delivered by the Company to Parent, Merger Sub or Merger LLC in accordance with the terms hereof, and specifically (but without limiting the generality of the foregoing) that the Company makes no representation or warranty with respect to (a) any projections, estimates or budgets delivered or made available to Parent, Merger Sub or Merger LLC (or any of their respective affiliates, officers, directors, employees or Parent Representatives) of future revenues, results of operations (or any component thereof), cash flows or financial condition (or any component thereof) of the Company and its Subsidiaries or (b) the future business and operations of the Company and its Subsidiaries. Absent fraud, the Company, the Company Subsidiaries, and their respective affiliates, shareholders and members, and the Company Representatives shall have no liability or responsibility based upon any information provided or made available or statements made or omissions therefrom to Parent, the Parent Subsidiaries or the Parent Representatives, except as and only to the extent expressly set forth in this Agreement (as qualified by the Company Disclosure Letter).

ARTICLE 5

COVENANTS

5.1 Conduct of Business Pending the Closing.

(a) By the Company. The Company agrees that between the date of this Agreement and the Effective Time, except as set forth in Section 5.1(a) of the Company Disclosure Letter or as contemplated or permitted by any other provision of this Agreement or as required by applicable Law or the regulations or requirements of the NYSE, unless Parent shall otherwise agree in writing (which agreement shall not be unreasonably withheld, delayed or conditioned), the Company will, and will cause each Company Subsidiary to, (i) conduct its operations only in the ordinary course of business and (ii) use its commercially reasonable efforts to preserve substantially intact its business organization. Without limiting the foregoing, except as set forth in Section 5.1(a) of the Company Disclosure Letter or as permitted by any other provision of this Agreement or as required by applicable Law or the regulations and requirements of the NYSE, the Company shall not, and shall not permit any Company Subsidiary to, between the date of this Agreement and the Effective Time, do any of the following without the prior written consent of Parent (which consent shall not be unreasonably withheld, delayed or conditioned):

(i) except as required by Law, amend its articles of incorporation or bylaws or equivalent organizational documents;

(ii) issue, deliver, sell, grant or authorize the issuance of any Equity Interests in the Company or any Company Subsidiary, or securities convertible into, or exchangeable or exercisable for, any such Equity Interests, or any rights of any kind to acquire any such Equity Interests or such convertible or exchangeable securities, other than (A) grants of Company Options, RSUs and Restricted Stock in the ordinary course of business and consistent with past practice in connection with regular annual compensation decisions, (B) the issuance of Shares upon the exercise of Company Options and the vesting of RSUs outstanding as of the date hereof or otherwise permitted to be granted hereunder in accordance with their terms, (C) the issuance of Shares pursuant to the ESPP under current offerings in progress as of the date hereof, (D) the issuance of Shares pursuant to the terms of the Company's Amended and Restated Automatic Dividend Reinvestment Plan and Stock Purchase Plan (but only, with respect to clauses (A)-(D), in amounts not exceeding the aggregate amount set forth on Section 5.1(a)(ii) of the Company Disclosure Letter), and (E) the adoption of a shareholder rights agreement and the issuance of rights to purchase Equity Interests of the Company pursuant to such shareholder rights agreement and the issuance of Equity Interests of the Company pursuant to the exercise of such rights, so long as such shareholder rights agreement is inapplicable to the Merger or the other transactions contemplated by this Agreement;

(iii) other than in the ordinary course of business, (A) sell, pledge, dispose of, transfer, lease, license, or encumber any material property or assets of the Company or any Company Subsidiary, or (B) amend or terminate any Company Real Property Lease in a manner that would have a material and adverse effect on the Company or any Significant Company Subsidiary, except in each case pursuant to existing Contracts;

(iv) declare, set aside, make or pay any dividend or other distribution (whether payable in cash, stock, property or a combination thereof) with respect to any of its shares of capital stock (other than (A) regular quarterly cash dividends paid by the Company, not in excess of $0.465 per share, with usual declaration, record and payment dates and in a manner consistent with the Company's past dividend policy, (B) dividends payable on any shares of the Company Preferred Stock or Company Preference Stock pursuant to their terms, (C) dividends paid by a wholly-owned Company Subsidiary to the Company or another wholly-owned Company Subsidiary, (D) dividend equivalent rights on RSUs payable by the Company consistent with past practice and the RSU agreements or (E) the dividend of rights to purchase Equity Interests of the Company pursuant to a shareholder rights agreement permitted to be adopted under clause (ii) above) or enter into any agreement with respect to the voting or registration of its Equity Interests;

(v) other than (A) in the case of Company Subsidiaries, (B) in the case of cashless exercises of Company Options, or Tax withholdings on the vesting or payment of Restricted Stock and RSUs or (C) the redemption of Company Preferred Stock, reclassify, combine, split, subdivide or amend the terms of, or redeem, purchase or otherwise acquire, directly or indirectly, any of its Equity Interests;

(vi) subject to Section 5.4, merge or consolidate the Company or any Company Subsidiary with any Person or adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of the Company or any Company Subsidiary;

(vii) acquire (including by merger, consolidation, or acquisition of stock or assets) any interest in any Person or any assets, other than (A) acquisitions of assets in the ordinary course of business and (B) any other acquisitions for consideration not in excess of $10,000,000 individually or $25,000,000 in the aggregate;

(viii) incur any indebtedness for borrowed money or issue any debt securities, or assume or guarantee the obligations of any Person (other than a wholly-owned Company Subsidiary) for borrowed money, except (A) in connection with refinancings of existing indebtedness at or within six months of its stated maturity or a lower cost of funds (calculating such cost on an aggregate after-Tax basis), (B) for borrowings in the ordinary course of business under the Company's existing credit facilities (or under refinancings of existing credit facilities pursuant to clause (A)), (C) indebtedness for borrowed money that is prepayable at any time without penalty or premium, in an amount not to exceed $75,000,000 in the aggregate or (D) short-term borrowings (including under revolving credit facilities) in an aggregate principal amount not to exceed $1,000,000,000 outstanding at any time for working capital in the ordinary course of business consistent with past practice; provided, that in the case of each of clauses (A)-(D) above, such refinancings, borrowings or incurrences of indebtedness would not be reasonably likely to cause the long-term credit rating of the Company, whether prior to or after giving effect to the Merger, the Subsequent Merger and the other transactions contemplated hereby, as determined by any nationally recognized credit agency, and assuming no changes in the credit profile of Parent, Merger Sub or Merger LLC after the date hereof, other than changes due to the consummation of the transactions contemplated by this Agreement, to fall below investment grade;

(ix) (A) pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise, including by way of settlement in a regulatory proceeding) in an amount in excess of $10,000,000 in the aggregate, other than the payment, discharge or satisfaction, (1) in the ordinary course of business consistent with past practice, (2) in accordance with their terms, or (3) of liabilities reflected or reserved against in, or contemplated by, the most recent Company Financial Statements (in amounts not in excess of the amounts so reflected, reserved or contemplated) or incurred in the ordinary course of business consistent with past practice or (B) cancel any material indebtedness owed to it (individually or in the aggregate) or waive any claims or rights of substantial value, other than in the ordinary course of business consistent with past practice;

(x) make any loans, advances or capital contributions to, or investments in, any other Person (other than any wholly-owned Company Subsidiary) in excess of $20,000,000 in the aggregate;

(xi) except to the extent required by applicable Law or the existing terms of any Company Benefit Plan or any retention program established by the Company in connection with the transactions contemplated by this Agreement consistent with Section 5.1(a)(xi) of the Company Disclosure Letter: (A) other than in the ordinary course of business, increase the compensation or benefits payable or to become payable to its directors, officers or employees; (B) other than in the ordinary course of business, grant any rights to severance or termination pay to, or enter into any employment, change in control or severance agreement with, any director, officer or employee of the Company or any Company Subsidiary, or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, pension, retirement, deferred compensation, employment, change in control, termination, severance or other plan or agreement (other than an equity plan or agreement) for the benefit of any director, officer or employee; or (C) other than payment under the performance cash units granted under the long-term incentive programs at target or based on achievement measured as of the Effective Time as if the Effective Time were the end of the applicable performance period, or as otherwise provided in this Agreement, take any action to amend or waive any performance or vesting criteria or accelerate vesting, exercisability or funding under any Company Benefit Plan;

(xii) make or revoke any material Tax election or settle or compromise any material liability or refund for Taxes; file any material amended Tax Return or claim for refund; request any ruling or enter into any closing agreement with respect to Taxes; or file any Tax Return in a manner materially inconsistent with past practices, in each case except as required by applicable Law;

(xiii) other than as required by GAAP, applicable Law or a Governmental Entity (i) make any change in accounting methods, policies or procedures, or (ii) make any material change in internal accounting controls that would materially reduce the effectiveness of such controls;

(xiv) except as otherwise permitted by the terms of this Agreement, make or commit to make any capital expenditures in the period from the date hereof until December 31, 2011, or in the 12 month period ending December 31, 2012, to the extent that the aggregate capital expenditures of the Company and the Company Subsidiaries would exceed 110% of the amount budgeted for the Company and the Company Subsidiaries during the applicable period, as set forth in Section 5.1(a)(xiv) of the Company Disclosure Letter; provided, however, that notwithstanding the foregoing, the Company and any Company Subsidiary shall be permitted to make emergency capital expenditures in any amount (i) required by Law or a Governmental Entity or (ii) that the Company determines is necessary in its reasonable judgment based on prudent utility practices to maintain or restore the provision of utility service to customers;

(xv) take any action, cause any action to be taken, fail to take any action or fail to cause any action to be taken (including any action or failure to act otherwise permitted by this Section 5.1(a)) that would prevent the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, from constituting a “reorganization” under Section 368(a) and related provisions of the Code;

(xvi) except as required by applicable Law, make any changes or propose any changes in its rates or charges, standards of service or regulatory accounting from those in effect on the date of this Agreement, or make any filing to change its rates on file with the ICC, or any other applicable state utility commission, except for any change or other action (A) which is not reasonably expected to cause the return on equity in respect of the Company's regulated business to be materially lower than the return on equity which the Company is authorized to receive in respect of such regulated business and (B) which would not reasonably be expected to lead to any material delay in obtaining or materially increase the risk of not obtaining any Company Required Governmental Approval (it being understood and agreed that neither the Company nor any Company Subsidiary will submit any new rate application to the ICC, except as otherwise required by applicable Law in which case the Company will provide Parent such application reasonably in advance of filing and will consider Parent's comments in good faith prior to filing such application);

(xvii) terminate or permit any Company Permit to lapse, other than in accordance with the terms and regular expiration of any Company Permit, or fail to apply on a timely basis for any renewal of any renewable Company Permit, except to the extent such termination, lapse or failure to apply for renewal would not reasonably be expected to have a Company Material Adverse Effect;

(xviii) amend or modify in any material respect the Company Trading Guidelines in a manner that results in such Company Trading Guidelines being materially less restrictive than the Company Trading Guidelines in effect on the date hereof taking into account any amendment or modification necessary to reflect increases in trading volume in the ordinary course of business, consistent with past practice, and the gas purchase requirements of the Central Valley storage project, or, other than in the ordinary course of business consistent with past practice, terminate the Company Trading Guidelines; provided, that in the case of any such termination, new Company Trading Guidelines are adopted that are at least as restrictive as the Company Trading Guidelines in effect on the date hereof or take any action that violates the Company Trading Guidelines or cause or permit the Net Company Position to be outside the risk parameters set forth in the Company Trading Guidelines (other than as a result of movement in market prices); and if at any time the Net Company Position becomes outside the risk parameters set forth in the Company Trading Guidelines due to a move in market prices then action will be taken to bring the Net Company Position back inside the parameters as is required by the Company Trading Guidelines;

(xix) enter into any Contract that would materially restrain, limit or impede the Company or any Company Subsidiary with respect to engaging in any line of business or geographic area or take any action (or fail to take any action necessary) that would constitute a material violation of any order or regulation of any Governmental Entity governing the Company's and Company Subsidiaries' operations; or

(xx) enter into any Contract or commit to do or authorize any of the foregoing.

Parent will, promptly following the date hereof, designate two individuals from either of whom the Company may seek approval to undertake any actions not permitted to be taken under this Section 5.1(a), and will ensure that such persons will respond, on behalf of Parent, to the Company's requests as expeditiously as reasonably practicable.

(b) By Parent. Parent agrees that between the date of this Agreement and the Effective Time, except as set forth in Section 5.1(b) of the Parent Disclosure Letter or as contemplated or permitted by any other provision of this Agreement or as required by applicable Law or the regulations or requirements of the NYSE, unless the Company shall otherwise agree in writing (which agreement shall not be unreasonably withheld, delayed or conditioned), Parent will, and will cause each Parent Subsidiary to, (i) conduct its operations only in the ordinary course of business and (ii) use its commercially reasonable efforts to preserve substantially intact its business organization. Without limiting the foregoing, except as set forth in Section 5.1(b) of the Parent Disclosure Letter or as permitted by any other provision of this Agreement or as required by applicable Law or the regulations and requirements of the NYSE, Parent shall not, and Parent shall not permit any Parent Subsidiary to, between the date of this Agreement and the Effective Time, do any of the following without the prior written consent of the Company (which consent shall not be unreasonably withheld, delayed or conditioned):

(i) except as required by Law or as contemplated by the Charter Amendment, amend its articles of incorporation or bylaws or equivalent organizational documents in a manner that would adversely affect the consummation of the Merger or Subsequent Merger, or adversely affect the Company or holders of Company Common Stock whose shares may be converted into Parent Common Stock at the Effective Time;

(ii) issue, deliver, sell, grant or authorize the issuance of any Equity Interests in Parent or any Parent Subsidiary, or securities convertible into, or exchangeable or exercisable for, any such Equity Interests, or any rights of any kind to acquire any such Equity Interests or such convertible or exchangeable securities, other than the issuance of Parent Common Stock or rights to acquire Parent Common Stock to employees or directors of Parent or a Parent Subsidiary in the ordinary course of business, consistent with past practice and in amounts not in excess of the aggregate amounts set forth on Section 5.1(b)(ii) of the Parent Disclosure Letter;

(iii) declare, set aside, make or pay any dividend or other distribution (whether payable in cash, stock, property or a combination thereof) with respect to any of its shares of capital stock (other than (A) regular quarterly cash dividends paid by Parent in a manner and per share amount consistent with past practice (including normal course increases consistent with past practice), with usual declaration, record and payment dates and in a manner consistent with Parent's past dividend policy or (B) dividends paid by a wholly-owned Parent Subsidiary to Parent or another wholly-owned Parent Subsidiary) or enter into any agreement with respect to the voting or registration of its Equity Interests;

(iv) other than (A) in the case of Parent Subsidiaries other than Merger Sub or Merger LLC, or (B) in the case of cashless exercises of options to purchase Parent Common Stock, reclassify, combine, split, subdivide or amend the terms of, or redeem, purchase or otherwise acquire, directly or indirectly, any of its Equity Interests;

(v) subject to Section 5.5, merge or consolidate Parent or any Parent Subsidiary with any Person or adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of Parent or any Parent Subsidiary, or enter into any agreement or understanding that requires Parent or any Parent Subsidiary to abandon or terminate the Merger or Subsequent Merger, or that would reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement, except as permitted pursuant to Section 5.1(b)(vi);

(vi) acquire (including by merger, consolidation, or acquisition of stock or assets) any interest in any Person or any assets, other than acquisitions of assets in the ordinary course of business and other acquisitions for consideration not exceeding, individually or in the aggregate, an amount equal to 10% of the total assets of Parent and Parent Subsidiaries, taken as a whole; as reflected in the most recent balance sheet included in the Parent Financial Statements, provided that such other acquisitions do not conflict with Parent's obligations pursuant to Section 5.6(a) and otherwise would not present a material risk of preventing or materially delaying the consummation of the transactions contemplated by this Agreement;

(vii) incur any indebtedness for borrowed money or issue any debt securities, or assume or guarantee the obligations of any Person (other than a wholly-owned Parent Subsidiary) for borrowed money, except if taking such action would not reasonably be expected to prevent or materially delay the availability of the Financing or any Alternative Financing or the consummation of the Merger or Subsequent Merger or cause the long term credit rating of Parent, whether prior to or after giving effect to the Merger, the Subsequent Merger and the transactions contemplated hereby, as determined by any nationally recognized credit agency, to fall below investment grade;

(viii) make any change in accounting policies or procedures, other than as required by GAAP, applicable Law or a Governmental Entity;

(ix) make any material change in internal accounting controls that would reduce the effectiveness of such controls;

(x) enter into any Contract that would materially restrain, limit or impede, after the Effective Time, Parent and Parent Subsidiaries (including the Surviving Company and its Subsidiaries) with respect to engaging in any line of business or geographic area or take any action (or fail to take any action necessary) that would constitute a material violation of any order or regulation of any Governmental Entity governing Parent's and Parent Subsidiaries' (including the Surviving Company and its Subsidiaries) operations;

(xi) take any action, cause any action to be taken, fail to take any action or fail to cause any action to be taken (including any action or failure to act otherwise permitted by this Section 5.1(b)) that would prevent the Merger and Subsequent Merger, taken together taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, from constituting a "reorganization" under Section 368(a) and related provisions of the Code;

(xii) terminate or permit any Parent Permit to lapse, other than in accordance with the terms and regular expiration of any Parent Permit, or fail to apply on a timely basis for any renewal of any renewable Parent Permit, except to the extent such termination, lapse or failure to apply for renewal would not reasonably be expected to have a Parent Material Adverse Effect;

(xiii) amend or modify in any material respect the Parent Trading Guidelines in a manner that results in such Parent Trading Guidelines being materially less restrictive than the Parent Trading Guidelines in effect on the date hereof taking into account any amendment or modification necessary to reflect increases in trading volume in the ordinary course of business consistent with past practice, and the gas purchase requirements of the Golden Triangle Storage project, or, other than in the ordinary course of business consistent with past practice, terminate the Parent Trading Guidelines; provided, that in the case of any such termination, new Parent Trading Guidelines are adopted that are at least as restrictive as the Parent Trading Guidelines in effect on the date hereof or take any action that violates the Parent Trading Guidelines or cause or permit the Net Parent Position to be outside the risk parameters set forth in the Parent Trading Guidelines; and if at any time the Net Parent Position becomes outside the risk parameters set forth in the Parent Trading Guidelines due to a move in market prices then action will be taken to bring the Net Parent Position back inside the parameters as is required by the Parent Trading Guidelines; and

(xiv) enter into any Contract or commit to do or authorize any of the foregoing.

The Company will, promptly following the date hereof, designate two individuals from either of whom Parent may seek approval to undertake any actions not permitted to be taken under this Section 5.1(b), and will ensure that such persons will respond as expeditiously as reasonably practicable.

5.2 Preparation of the Form S-4 and the Joint Proxy Statement; Shareholder Meetings.

(a) As promptly as reasonably practicable following the date of this Agreement, Parent and the Company shall prepare and file with the SEC the Joint Proxy Statement in preliminary form and Parent shall file with the SEC the Form S-4, in which the Joint Proxy Statement will be included as a prospectus. Subject to Section 5.4, the Joint Proxy Statement shall include the Company Board Recommendation and the Parent Board Recommendation. Each of Parent and the Company shall cooperate in the preparation and filing of the Form S-4 and Joint Proxy Statement and shall provide the other with a reasonable opportunity to review and comment on such documents prior to their filing with the SEC. Each of Parent and the Company shall use their best efforts to have the Form S-4 declared effective under the Securities Act as promptly as reasonably practicable after such filing and to keep the Form S-4 effective as long as necessary to consummate the Merger and the Subsequent Merger. The Company shall use its reasonable best efforts to cause the Joint Proxy Statement to be mailed to the Company's shareholders, and Parent shall use its reasonable best efforts to cause the Joint Proxy Statement to be mailed to Parent's shareholders, in each case, as promptly as practicable after the Form S-4 is declared effective under the Securities Act. Each of Parent and the Company shall use commercially reasonable efforts to cause to be delivered to the other a "comfort letter" of its independent auditors, dated the date that is two (2) Business Days prior to the date on which the Form S-4 becomes effective. No filing of, or amendment or supplement to, the Form S-4 or the Joint Proxy Statement will be made by Parent or the Company, as applicable, without the other's prior written consent (which shall not be unreasonably withheld, conditioned or delayed) and without providing the other the reasonable opportunity to review and comment thereon. Parent or the Company, as applicable, will advise the other promptly after it receives oral or written notice of the time when the Form S-4 has become effective or any supplement or amendment has been filed, the issuance of any stop order, the suspension of the qualification of the Parent Common Stock issuable in connection with the Merger for offering or sale in any jurisdiction, or any oral or written request by the SEC for amendment of the Joint Proxy Statement or the Form S-4 or comments thereon and responses thereto or requests by the SEC for additional information, and will promptly provide the other with copies of any written communication from the SEC or any state securities commission.

(b) If, at any time prior to the Effective Time, any information relating to Parent or the Company, or any of their respective affiliates, officers or directors, is discovered by Parent or the Company that should be set forth in an amendment or supplement to either the Form S-4 or the Joint Proxy Statement so that either such document would not include any misstatement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading, the Party that discovers such information shall as promptly as practicable notify the other Party and an appropriate amendment or supplement describing such information shall be filed with the SEC as promptly as practicable after the other Party has had a reasonable opportunity to review and comment thereon, and, to the extent required by applicable Law, disseminated to the respective shareholders of Parent and the Company, as applicable. The Form S-4 and the Joint Proxy Statement will comply as to form and substance in all material respects with the applicable requirements of the Securities Act, the Exchange Act and other applicable Law, including the regulations and requirements of the NYSE.

(c) In addition to their obligations pursuant to Section 5.2(a) and Section 5.2(b), Parent and the Company shall make all necessary filings with respect to the transactions contemplated hereunder, including the Merger, the Subsequent Merger and the Share Issuance, under the Securities Act, the Exchange Act and applicable Blue Sky Laws, including but not limited to filing of a Form S-8 covering the Parent Common Stock to be held by any Company Benefit Plans following the Effective Time, and each of Parent and the Company shall furnish all information concerning it and its shareholders as may reasonably be requested by the other Party for purposes of making such filings. Each of Parent and the Company shall make available to each other copies of such filings.

(d) The Company shall, as promptly as reasonably practicable following effectiveness of the Form S-4, duly call, give notice of, convene and hold the Company Shareholder Meeting for the purpose of seeking the Company Shareholder Approval. Subject to Section 5.4, the Company Board shall recommend that the Company's shareholders adopt and approve this Agreement and the transactions contemplated hereby, including the Merger (the "Company Board Recommendation"), and the Company shall, unless there has been a Change of Company Board Recommendation, use its reasonable best efforts to solicit from its shareholders proxies in favor of the approval and adoption of this Agreement and the transactions contemplated hereby, including the Merger, and to take all other action necessary or advisable to secure the Company Shareholder Approval.

(e) Parent shall, as promptly as reasonably practicable following effectiveness of the Form S-4, duly call, give notice of, convene and hold a meeting of its shareholders for the purpose of seeking the Parent Shareholder Approval (as such meeting may be validly adjourned or postponed, the "Parent Shareholder Meeting"). Subject to Section 5.5, the Parent Board shall recommend that Parent's shareholders approve the Share Issuance and the Charter Amendment (the "Parent Board Recommendation"), and Parent shall, unless there has been a Change of Parent Board Recommendation, use its reasonable best efforts to solicit from its shareholders proxies in favor of the Share Issuance and the Charter Amendment and take all other action necessary or advisable to secure the Parent Shareholder Approval. Other than as expressly permitted by Section 5.5 in connection with a Parent Superior Proposal, the Parent Board shall not, nor publicly propose to, withhold, withdraw, modify or qualify, or propose publicly to withhold, withdraw, amend, modify or qualify the Parent Board Recommendation in a manner adverse to the Company, or make any public statement in connection with such Parent Board Recommendation that is inconsistent with the Parent Board Recommendation (any such actions and/or actions described in clauses (iv) or (v) of Section 5.5(a) being a "Change of Parent Board Recommendation"). Nothing contained in this Section 5.2(e) shall prohibit the Parent Board from making any disclosure to Parent's shareholders if the Parent Board determines in good faith, after consultation with its outside counsel, that the failure to make such disclosure would reasonably be determined to be inconsistent with applicable Law. Notwithstanding any Change of Parent Board Recommendation, unless this Agreement is terminated in accordance with its terms, the obligations of the Parties hereunder shall continue in full force and effect.

(f) Each of the Company and Parent will work together in an effort to hold the Company Shareholder Meeting and the Parent Shareholder Meeting, respectively, on the same date as the other Party.

5.3 Access to Information; Confidentiality.

(a) From the date of this Agreement to the Effective Time, the Company shall, and shall cause each Company Subsidiary and each of their respective directors, officers, employees, accountants, consultants, legal counsel, advisors, agents and other representatives, (collectively, "Company Representatives") to: (i) provide to Parent, Merger Sub and Merger LLC and their respective directors, officers, employees, accountants, consultants, legal counsel, advisors, agents and other representatives (collectively, the "Parent Representatives") reasonable access during normal business hours in such a manner as not to interfere unreasonably with the operation of any business conducted by the Company or any Company Subsidiary, upon reasonable advance notice to the Company, to the officers, employees, properties, offices and other facilities of the Company and the Company Subsidiaries and to the books, contracts and records thereof (including Tax Returns) and (ii) furnish promptly such information concerning the business, properties, contracts, assets and liabilities of the Company and Company Subsidiaries as Parent or the Parent Representatives may reasonably request; provided, however, that the Company shall not be required to (or to cause any Company Subsidiary to) afford such access or furnish such information to the extent that the Company believes that doing so would: (A) result in the loss of attorney-client privilege (provided that the Company shall use its reasonable efforts to allow for such access or disclosure in a manner that does not result in a loss of attorney-client privilege), (B) result in the disclosure of any trade secrets of third parties or violate any obligations of the Company or any Company Subsidiary with respect to confidentiality to any third party or otherwise breach, contravene or violate any then effective Contract to which the Company or any Company Subsidiary is party, (C) result in a competitor of the Company or any Company Subsidiary receiving information that is competitively sensitive or (D) breach, contravene or violate any applicable Law (including the HSR Act or any other antitrust or competition Law). Parent agrees to indemnify and hold the Company and Company Subsidiaries harmless from any and all claims and liabilities, including related costs and expenses, resulting from the action of any Parent Representative or any information provided to such Parent Representatives pursuant to this Section 5.3(a).

(b) From the date of this Agreement to the Effective Time, Parent shall, and shall cause each Parent Subsidiary and each Parent Representative to: (i) provide to the Company and the Company Representatives reasonable access during normal business hours in such a manner as not to interfere unreasonably with the operation of any business conducted by Parent or any Parent Subsidiary, upon reasonable advance notice to Parent, to the officers, employees, properties, offices and other facilities of Parent and the Parent Subsidiaries and to the books, contracts and records thereof (including Tax Returns) and (ii) furnish promptly such information concerning the business, properties, contracts, assets and liabilities of Parent and Parent Subsidiaries as the Company or the Company Representatives may reasonably request; provided, however, that Parent shall not be required to (or to cause any Parent Subsidiary to) afford such access or furnish such information to the extent that Parent believes that doing so would: (A) result in the loss of attorney-client privilege (provided that Parent shall use its reasonable efforts to allow for such access or disclosure in a manner that does not result in a loss of attorney-client privilege), (B) result in the disclosure of any trade secrets of third parties or violate any obligations of Parent or any Parent Subsidiary with respect to confidentiality to any third party or otherwise breach, contravene or violate any then effective Contract to which Parent or any Parent Subsidiary is party, (C) result in a competitor of Parent or any Parent Subsidiary receiving information that is competitively sensitive or (D) breach, contravene or violate any applicable Law (including the HSR Act or any other antitrust or competition Law). The Company agrees to indemnify and hold Parent and Parent Subsidiaries harmless from any and all claims and liabilities, including related costs and expenses, resulting from the action of any the Company Representative or any information provided to such Company Representatives pursuant to this Section 5.3(b).

(c) With respect to the information disclosed pursuant to Sections 5.3(a) and 5.3(b), Parent shall comply with, and shall cause each Parent Subsidiary and each Parent Representative to comply with and the Company shall comply with and shall cause each Company Representative to comply with, all of their respective obligations under the Confidentiality Agreement dated October 1, 2010 and the Confidentiality Agreement dated November 3, 2010, in each case, by and between the Company and Parent (collectively, the "Confidentiality Agreements").

5.4 No Solicitation of Transactions; Change of Company Board Recommendation.

(a) Subject to Section 5.4(b), from and after the date hereof until the Effective Time or, if earlier, the termination of this Agreement in accordance with Article 7, the Company agrees that neither it nor any of the Company Subsidiaries shall, and shall use its reasonable best efforts to cause the Company Representatives not to (and each shall not authorize or give permission to the Company Representatives to), directly or indirectly: (i) initiate, solicit, seek, induce or intentionally encourage or facilitate, any inquiries or the making of any proposal or offer that constitutes or would reasonably be expected to lead to an Acquisition Proposal involving the Company or any Significant Company Subsidiary, or engage in any discussions or negotiations with respect thereto, (ii) except as expressly permitted by this Agreement, enter into, continue or otherwise participate in any discussions or negotiations with any Person (other than Parent and Merger Sub) with respect to an Acquisition Proposal, (iii) furnish any information regarding the Company or any Significant Company Subsidiaries to, or afford access to the properties, books and records of the Company to, any Person (other than Parent and Merger Sub) in connection with or in response to an Acquisition Proposal, (iv) approve, endorse or recommend, or publicly propose to approve, endorse or recommend, any Acquisition Proposal involving the Company, (v) withhold, withdraw, qualify, amend or modify, in a manner adverse to Parent, or publicly propose to withdraw, qualify, amend or modify, in a manner adverse to Parent, the Company Board Recommendation, (vi) enter into any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar agreement constituting, or relating to, any Acquisition Proposal or requiring it to abandon, terminate or fail to consummate the Merger or any other transactions contemplated by this Agreement, or (vii) resolve or agree to do any of the foregoing (any action set forth in the foregoing clauses (iv)-(v), a "Change of Company Board Recommendation"). Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in this Section 5.4(a) by the Company or any Significant Company Subsidiary shall be deemed to be a breach of this Section 5.4(a) by the Company. The Company shall, and shall cause the Company Subsidiaries and the Company Representatives to, immediately cease and cause to be terminated any and all activities, discussions or negotiations with any Persons conducted prior to the date hereof by the Company, the Company Subsidiaries or any of the Company Representatives with respect to any Acquisition Proposal involving the Company or a Company Subsidiary. Not later than the 45th day after the date hereof, the Company shall request each Person that has heretofore executed a confidentiality agreement in connection with its consideration of any Acquisition Proposal to return or destroy all confidential information furnished prior to the execution of this Agreement to or for the benefit of such Person by or on behalf of the Company or any Company Subsidiary; provided, that if the Company shall have provided Parent the notice specified in Section 5.4(d)(iii)(A) with respect to an Acquisition Proposal prior to the 45th day after the date of this Agreement, the Company shall not be required to request that the Person making the Acquisition Proposal return or destroy all such confidential information during the period that the Company is considering such Acquisition Proposal.

The Company agrees that it will promptly inform the Company Representatives of the obligations undertaken in this Section 5.4.

Nothing in this Section 5.4 shall restrict the Company or any Company Subsidiary from making any acquisition that is otherwise permitted by Section 5.1(a)(vii).

(b) Notwithstanding anything to the contrary contained in Section 5.4(a), if at any time following the date hereof and prior to the Company securing the Company Shareholder Approval (i) the Company has received an unsolicited, bona fide written Acquisition Proposal involving the Company or any Significant Company Subsidiary that did not result from a breach of this Section 5.4 and (ii) the Company Board determines in good faith, after consultation with its financial advisors and outside counsel, that such Acquisition Proposal constitutes or is reasonably likely to result in a Superior Proposal, then the Company may then take the following actions: (A) furnish information with respect to the Company and the Company Subsidiaries to the Person making such Acquisition Proposal and its representatives and (B) participate in discussions or negotiations with the Person making such Acquisition Proposal and its representatives regarding such Acquisition Proposal; provided, that the Company (x) will not, and will not allow the Company Subsidiaries and the Company Representatives to, disclose any information to such Person without first entering into an Acceptable Confidentiality Agreement and (y) will as promptly as practicable provide to Parent any material information concerning the Company or the Company Subsidiaries provided or made available to such other Person (or its representatives) which was not previously provided or made available to Parent.

(c) In addition to the obligations of the Company set forth in Sections 5.4(a), (b) and (d) hereof, as promptly as reasonably practicable (and in any event within 24 hours) after receipt of any Acquisition Proposal or any request for nonpublic information or any request or inquiry relating in any way to, or that would reasonably be expected to lead to, any Acquisition Proposal, the Company shall provide Parent with notice of the material terms and conditions of such Acquisition Proposal, request or inquiry, and the identity of the Person making any such Acquisition Proposal, request or inquiry and a copy of all written materials provided to it in connection with such Acquisition Proposal, request or inquiry. In addition, the Company shall provide Parent as promptly as practicable (and in any event within one Business Day) with all information as is reasonably necessary to keep Parent reasonably informed of all material developments and any changes to the economic or other material terms of, any such Acquisition Proposal, request or inquiry, and shall provide, as promptly as reasonably practicable, to Parent (i) a copy of all material written materials (including material written materials provided by email or otherwise in electronic format) provided by or to the Company, any of the Company Subsidiaries or the Company Representatives making or materially amending, modifying or supplementing such Acquisition Proposal, request or inquiry, or (ii) if oral, a reasonably detailed summary of the terms of such Acquisition Proposal, request or inquiry and any material amendment, modification or supplementation thereof.

(d) Notwithstanding anything to the contrary contained in Section 5.4(a), the Company Board may, in response to a Superior Proposal, terminate this Agreement pursuant to Section 7.1(f)(ii) and concurrently enter into a definitive agreement with respect to such Superior Proposal, if all of the following conditions are met, as applicable: (i) such Superior Proposal has been made and has not been withdrawn and, taking into account any revised terms offered by Parent, continues to constitute a Superior Proposal; (ii) the Company Shareholder Approval has not theretofore been obtained; (iii) the Company has (A) initially provided to Parent five Business Days' prior written notice which shall state expressly (1) that it has received an Acquisition Proposal that it has determined or is prepared to determine constitutes a Superior Proposal, (2) the material terms and conditions of the Superior Proposal (including the consideration offered therein and the identity of the Person making the Superior Proposal), and shall have contemporaneously provided a copy of the relevant proposed transaction agreements making such Superior Proposal and other material documents, including the definitive agreement with respect to such Superior Proposal (the "Alternative Acquisition Agreement") (it being understood and agreed that any amendment to the financial terms or any other material term of such Superior Proposal shall require a notice and a new period of (x) 72 hours, or (y) solely in the event Parent notifies the Company that it has reasonably and in good faith determined that it would be prudent to seek and will seek rating agency review prior to modifying or amending the terms of this Agreement, a total of five Business Days (which, for the avoidance of doubt, is inclusive of, rather than in addition to, the 72 hours set forth in clause (x)) and (3) that it intends to terminate this Agreement, and (B) prior to terminating this Agreement, to the extent requested by Parent, engaged in good faith negotiations with Parent to amend this Agreement in such a manner that the Alternative Acquisition Agreement ceases to constitute a Superior Proposal; (iv) the Company shall not have breached any of the provisions set forth in this Section 5.4 in any material respect; and (v) in advance of or concurrently with such termination, the Company pays the Company Termination Fee.

(e) Notwithstanding anything to the contrary contained in Section 5.4(a), the Company Board may make a Change of Company Board Recommendation (other than in connection with the Company terminating this Agreement to enter into an Alternative Acquisition Agreement pursuant to Section 5.4(d)) if it determines in good faith after consultation with its outside counsel that the failure to effect a Change of Company Board Recommendation would constitute a breach of its fiduciary duties to the shareholders of the Company under applicable Law; provided, that (i) the Company has provided Parent five Business Days' prior written notice advising Parent that it intends to effect a Change of Company Board Recommendation and specifying, in reasonable detail, the reasons for the Change of Company Board Recommendation and (ii) during such five Business Day period, if requested by Parent, the Company engages in good faith negotiations with Parent to amend the terms of this Agreement in a manner that obviates the need for the Change of Company Board Recommendation.

(f) Nothing contained in this Section 5.4 shall prohibit the Company Board from (i) disclosing to the shareholders of the Company a position contemplated by Rule 14e-2(a), Rule 14d-9 or Item 1012(a) of Regulation M-A promulgated under the Exchange Act; or (ii) making any disclosure to the shareholders of the Company if the Company Board determines in good faith, after consultation with outside counsel, that the failure to make such disclosure would constitute a breach of its fiduciary duties to the shareholders of the Company under applicable Law (for the avoidance of doubt, it being agreed that the issuance by the Company or the Company Board of a "stop, look and listen" statement pending disclosure of its position, as contemplated by Rules 14d-9 and 14e-2(a) promulgated under the Exchange Act, shall not constitute a Change of Company Board Recommendation).

5.5 Parent No Solicitation of Transactions; Change of Parent Board Recommendation.

(a) Subject to Section 5.5(b), from and after the date hereof until the Effective Time or, if earlier, the termination of this Agreement in accordance with Article 7, Parent agrees that neither it nor any of the Parent Subsidiaries shall, and shall use its reasonable best efforts to cause the Parent Representatives not to (and each shall not authorize or give permission to the Parent Representatives to), directly or indirectly: (i) initiate, solicit, seek, induce or intentionally encourage or facilitate, any inquiries or the making of any proposal or offer that constitutes or would reasonably be expected to lead to an Acquisition Proposal involving Parent or any Significant Parent Subsidiary, or engage in any discussions or negotiations with respect thereto, (ii) except as expressly permitted by this Agreement, enter into, continue or otherwise participate in any discussions or negotiations with any Person (other than the Company) with respect to an Acquisition Proposal, (iii) furnish any information regarding Parent or any Significant Parent Subsidiaries to, or afford access to the properties, books and records of Parent to, any Person (other than the Company) in connection with or in response to an Acquisition Proposal, (iv) approve, endorse or recommend, or publicly propose to approve, endorse or recommend, any Acquisition Proposal involving Parent, (v) withhold, withdraw, qualify, amend or modify, in a manner adverse to the Company, or publicly propose to withdraw, qualify, amend or modify, in a manner adverse to the Company, the Parent Board Recommendation, (vi) enter into any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar agreement constituting, or relating to, any Acquisition Proposal or requiring it to abandon, terminate or fail to consummate the Merger or any other transactions contemplated by this Agreement, or (vii) resolve or agree to do any of the foregoing. Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in this Section 5.5(a) by Parent or any Significant Parent Subsidiary shall be deemed to be a breach of this Section 5.5(a) by Parent. Parent shall, and shall cause the Parent Subsidiaries and the Parent Representatives to, immediately cease and cause to be terminated any and all activities, discussions or negotiations with any Persons conducted prior to the date hereof by Parent, the Parent Subsidiaries or any of the Parent Representatives with respect to any Acquisition Proposal involving Parent or a Parent Subsidiary.

Parent agrees that it will promptly inform the Parent Representatives of the obligations undertaken in this Section 5.5.

Nothing in this Section 5.5 shall restrict Parent or any Parent Subsidiary from making any acquisition that is otherwise permitted by Section 5.1(b)(vi).

(b) Notwithstanding anything to the contrary contained in Section 5.5(a), if at any time following the date hereof and prior to Parent securing the Parent Shareholder Approval (i) Parent has received an unsolicited, bona fide written Acquisition Proposal involving Parent or any Significant Parent Subsidiary that did not result from a breach of this Section 5.5 and (ii) the Parent Board determines in good faith, after consultation with its financial advisors and outside counsel, that such Acquisition Proposal constitutes or is reasonably likely to result in a Parent Superior Proposal, then Parent may then take the following actions: (A) furnish information with respect to Parent and the Parent Subsidiaries to the Person making such Acquisition Proposal and its representatives and (B) participate in discussions or negotiations with the Person making such Acquisition Proposal and its representatives regarding such Acquisition Proposal; provided, that Parent (x) will not, and will not allow the Parent Subsidiaries and the Parent Representatives to, disclose any information to such Person without first entering into a confidentiality agreement that contains provisions restricting such Person that are no less favorable in the aggregate to Parent than those contained in the Confidentiality Agreement and (y) will as promptly as practicable provide to the Company any material information concerning Parent or the Parent Subsidiaries provided or made available to such other Person (or its representatives) which was not previously provided or made available to the Company.

(c) In addition to the obligations of Parent set forth in Sections 5.5(a), (b) and (d) hereof, as promptly as reasonably practicable (and in any event within 24 hours) after receipt of any Acquisition Proposal or any request for nonpublic information or any request or inquiry relating in any way to, or that would reasonably be expected to lead to, any Acquisition Proposal, Parent shall provide the Company with notice of the material terms and conditions of such Acquisition Proposal, request or inquiry, and the identity of the Person making any such Acquisition Proposal, request or inquiry and a copy of all written materials provided to it in connection with such Acquisition Proposal, request or inquiry. In addition, Parent shall provide the Company as promptly as practicable (and in any event within one Business Day) with all information as is reasonably necessary to keep the Company reasonably informed of all material developments and any changes to the economic or other material terms of, any such Acquisition Proposal, request or inquiry, and shall provide, as promptly as reasonably practicable, to the Company (i) a copy of all material written materials (including material written materials provided by email or otherwise in electronic format) provided by or to Parent, any of the Parent Subsidiaries or the Parent Representatives making or materially amending, modifying or supplementing such Acquisition Proposal, request or inquiry, or (ii) if oral, a reasonably detailed summary of the terms of such Acquisition Proposal, request or inquiry, and any material amendment, modification or supplementation thereof.

(d) Notwithstanding anything to the contrary contained in Section 5.5(a), the Parent Board may, in response to a Parent Superior Proposal, terminate this Agreement pursuant to Section 7.1(e)(ii) and concurrently enter into a definitive agreement with respect to such Parent Superior Proposal, if all of the following conditions are met, as applicable: (i) such Parent Superior Proposal (A) has been made and has not been withdrawn, and (B) continues to constitute a Parent Superior Proposal; (ii) either (A) such Parent Superior Proposal requires or conditions the consummation of the Acquisition Proposal on Parent's termination of this Agreement or (B) after ten Business Days' prior written notice, during which period Parent shall have engaged in good faith negotiations with the Company and the other Person to enable the consummation of both the transactions contemplated by this Agreement and such Acquisition Proposal, (1) the Company and Parent have not reached agreement and amended this Agreement to permit Parent to pursue such Parent Superior Proposal in accordance with its terms, and (2) the Company has not waived those breaches of this Agreement that would result if Parent entered into a Parent Alternative Acquisition Agreement or consummated a Parent Superior Proposal, in order to permit Parent to pursue such Parent Superior Proposal in accordance with its terms, without adverse consequence to Parent, Merger Sub or Merger LLC hereunder; provided that such ten Business Day period shall (x) only be imposed one time with respect to any Person that makes such an Acquisition Proposal, and (y) run concurrently with any other applicable notice period under this Section 5.5(d); (iii) the Parent Shareholder Approval has not theretofore been obtained; (iv) Parent has (A) initially provided to the Company five Business Days' prior written notice which shall state expressly (1) that it has received an Acquisition Proposal that it has determined or is prepared to determine constitutes a Parent Superior Proposal, (2) the material terms and conditions of the Parent Superior Proposal (including the consideration offered therein and the identity of the Person making the Parent Superior Proposal), and shall have contemporaneously provided a copy of the relevant proposed transaction agreements making such Parent Superior Proposal and other material documents, including the definitive agreement with respect to such Parent Superior Proposal (the "Parent Alternative Acquisition Agreement") (it being understood and agreed that any amendment to the financial terms or any other material term of such Parent Superior Proposal shall require a notice and a new period, which shall be 72 hours instead of five Business Days) and (3) that it intends to terminate this Agreement, and (B) prior to terminating this Agreement, to the extent requested by the Company, engaged in good faith negotiations with the Company to amend this Agreement in such a manner that the Parent Alternative Acquisition Agreement ceases to constitute a Parent Superior Proposal or enables the consummation of both the transactions contemplated by this Agreement and such Acquisition Proposal; (v) the Parent Board has determined in good faith, after consultation with its legal counsel, that, in light of such Parent Superior Proposal and taking into account any revised terms offered by the Company, the failure to terminate this Agreement and enter into the Parent Alternative Acquisition Agreement would reasonably be expected to constitute a breach of its fiduciary duties under applicable Law; (vi) Parent shall not have breached any of the provisions set forth in this Section 5.5 in any material respect; and (vii) in advance of or concurrently with such termination, Parent pays the Parent Termination Fee.

(e) Nothing contained in this Section 5.5 shall prohibit the Parent Board from (i) disclosing to the shareholders of Parent a position contemplated by Rule 14e-2(a), Rule 14d-9 or Item 1012(a) of Regulation M-A promulgated under the Exchange Act; or (ii) making any disclosure to the shareholders of Parent if the Parent Board determines in good faith, after consultation with outside counsel, that the failure to make such disclosure would constitute a breach of its fiduciary duties to the shareholders of Parent under applicable Law (for the avoidance of doubt, it being agreed that the issuance by Parent or the Parent Board of a "stop, look and listen" statement pending disclosure of its position, as contemplated by Rules 14d-9 and 14e-2(a) promulgated under the Exchange Act, shall not constitute a Change of Parent Board Recommendation).

5.6 Appropriate Action; Consents; Filings.

(a) Upon the terms and subject to the conditions set forth in this Agreement, the Company and Parent shall cooperate and use their reasonable best efforts (subject to, and in accordance with, applicable Law) to take, or cause to be taken, all appropriate action and do, or cause to be done, and to assist the other Party in doing all things necessary, proper or advisable on its part under applicable Law or otherwise to (i) consummate and make effective, the Merger, the Subsequent Merger and the other transactions contemplated by this Agreement as promptly as practicable, (ii) obtain from any Governmental Entities any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained by Parent or the Company or any of their respective Subsidiaries, or to avoid any action or proceeding by any Governmental Entity (including, those in connection with the HSR Act, the NGA, PUHCA 2005 and the Illinois Statutes), in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, (iii) cause the satisfaction of all conditions set forth in Article 6, (iv) resolve all lawsuits or other legal, regulatory or other governmental proceedings to which it is a party challenging or affecting this Agreement or the consummation of the transactions contemplated by this Agreement, in each case until the issuance of a final, non-appealable order, (v) seek to have lifted or rescinded any injunction or restraining order which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby, in each case until the issuance of a final, non-appealable order, and (vi) as promptly as practicable, and in any event within 60 days after the date hereof, make or cause to be made all necessary applications and filings, and thereafter make any other required submissions, and pay any fees due in connection therewith, with respect to this Agreement and the Merger and Subsequent Merger required under the HSR Act and the Illinois Statutes and any other applicable Law; provided, that the Company and Parent shall cooperate with each other in connection with determining whether any action by or in respect of, or filing with, any Governmental Entity is required in connection with the consummation of the Merger and the Subsequent Merger and seeking any such actions, consents, approvals or waivers or making any such filings. The Company and Parent shall furnish to each other all information required for any application or other filing under the rules and regulations of any applicable Law in connection with the transactions contemplated by this Agreement. No Party to this Agreement shall consent to any voluntary delay of the Closing at the behest of any Governmental Entity without the consent of the other Parties to this Agreement, which consent shall not be unreasonably withheld, delayed or conditioned. Parent shall not, except as may be consented to in writing by the Company, directly or indirectly through one or more of its affiliates, seek to acquire or acquire any regulated gas distribution utility (x) in the State of Illinois or (y) in any other jurisdiction, if such acquisition would present more than a de minimis risk of materially delaying or materially increasing the risk of any of the Parties hereto not obtaining the approval of the ICC with respect to the transactions contemplated by this Agreement. The Company and Parent will consult with each other prior to agreeing to any merger requirements sought by any Governmental Entity, to the extent permitted under applicable Law. Nothing in this Section 5.6 shall obligate Parent or the Company or any of their respective Subsidiaries to take any action that is not conditioned on the Closing.

(b) The Company and Parent shall give (or shall cause their respective Subsidiaries to give) any notices to third parties, and use, and cause their respective Subsidiaries to use, their commercially reasonable efforts to obtain any third party consents (i) necessary, proper or advisable to consummate the Merger, the Subsequent Merger and the other transactions contemplated by this Agreement or (ii) disclosed in the Company Disclosure Letter or the Parent Disclosure Letter, as applicable; provided, however that the Company and Parent shall coordinate and cooperate in determining whether any actions, consents, approvals or waivers are required to be obtained from parties to any Company Real Property Leases and Company Scheduled Contracts in connection with the consummation of the Merger or the Subsequent Merger and in seeking any such actions, consents, approvals or waivers. In the event that either Party shall fail to obtain any third party consent described in this Section 5.6(b), such Party shall use its commercially reasonable efforts, and shall take any such actions reasonably requested by the other Party hereto, to minimize any adverse effect upon the Company and Parent, their respective Subsidiaries, and their respective businesses resulting, or which could reasonably be expected to result, after the Effective Time, as applicable, from the failure to obtain such consent.

(c) Without limiting the generality of anything contained in this Section 5.6, each Party hereto shall: (i) give the other Parties prompt notice of the making or commencement of any request, inquiry, investigation, action or legal proceeding by or before any Governmental Entity with respect to the Merger, the Subsequent Merger or any of the other transactions contemplated by this Agreement; (ii) keep the other Parties informed as to the status of any such request, inquiry, investigation, action or legal proceeding; and (iii) promptly inform the other Parties of any communication to or from the Federal Trade Commission, the Department of Justice, FERC, the ICC or any other Governmental Entity regarding the Merger or the Subsequent Merger. Each Party hereto will consult and cooperate with the other Parties and will consider in good faith the views of the other Parties in connection with any filing, analysis, appearance, presentation, memorandum, brief, argument, opinion or proposal made or submitted in connection with the Merger, the Subsequent Merger or any of the other transactions contemplated by this Agreement. In addition, except as may be prohibited by any Governmental Entity or by any Law, in connection with any such request, inquiry, investigation, action or legal proceeding, each Party hereto will permit authorized representatives of the other Parties to be present at each meeting or conference relating to such request, inquiry, investigation, action or legal proceeding and to have access to and be consulted in connection with any document, opinion or proposal made or submitted to any Governmental Entity in connection with such request, inquiry, investigation, action or legal proceeding.

(d) Nothing contained in this Agreement shall give Parent or Merger Sub, directly or indirectly, the right to control or direct the operations of the Company prior to the Effective Time. Prior to the Effective Time, the Company shall exercise, consistent with the terms and conditions of this Agreement, complete unilateral control and supervision over its business operations.

5.7 Certain Notices. From and after the date of this Agreement until the Effective Time, each Party hereto shall promptly notify the other Party hereto of (a) the occurrence or non-occurrence of any event that would be likely to cause any condition to the obligations of any Party to effect the Merger, the Subsequent Merger or any other transaction contemplated by this Agreement not to be satisfied or (b) the failure of the Company, Parent, Merger Sub or Merger LLC, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it pursuant to this Agreement which would reasonably be expected to result in any condition to the obligations of any Party to effect the Merger, the Subsequent Merger or any other transaction contemplated by this Agreement not to be satisfied; provided, however, that the delivery of any notice pursuant to this Section 5.7 shall not cure any breach of any representation, warranty, covenant or agreement contained in this Agreement or otherwise limit or affect the remedies available hereunder to the Party receiving such notice.

5.8 Public Announcements. Each of the Company, Parent, Merger Sub and Merger LLC agrees that no public release or announcement concerning the transactions contemplated hereby shall be issued by any Party without the prior written consent of the Company and Parent (which consent shall not be unreasonably withheld, conditioned or delayed), except as such release or announcement may be required by applicable Law or the rules or regulations of any applicable United States securities exchange or Governmental Entity to which the relevant Party is subject, in which case the Party required to make the release or announcement shall use its commercially reasonable efforts to allow each other Party reasonable time to comment on such release or announcement in advance of such issuance. The Company, Parent, Merger Sub and Merger LLC agree that the press release announcing the execution and delivery of this Agreement shall be a joint release of, and shall not be issued prior to the approval of each of, the Company and Parent.

5.9 Employee Benefit Matters.

(a) For a period of one year following the Effective Time (the "Benefit Protection Period"), Parent shall either (i) assume and maintain, or cause the Parent Subsidiaries, including the Surviving Company, to assume and maintain, for the benefit of the employees of the Company and Company Subsidiaries immediately prior to the Effective Time (the "Company Employees"), the Company Benefit Plans (other than the Company Equity Plans and the ESPP) at the benefit levels in effect on the date of this Agreement and provide or cause the Parent Subsidiaries, including the Surviving Company, to provide compensation and benefits to each Company Employee under the Company Benefit Plans or other employee benefit plans or compensation arrangements of Parent or any of the Parent Subsidiaries that have a value sufficient to replace the value of the compensation and benefits provided to such Company Employee under the Company Benefit Plans immediately prior to the Effective Time taking into account the value of equity based compensation, or (ii) provide or cause the Parent Subsidiaries, including the Surviving Company, to provide compensation and benefits to each Company Employee that, taken as a whole (including equity based compensation), is not less favorable in the aggregate than the compensation and benefits provided to such Company Employee immediately prior to the Effective Time.

(b) Without limiting the generality of Section 5.9(a), from and after the Effective Time, Parent shall, or shall cause the Parent Subsidiaries, including the Surviving Company, to, assume, honor and continue without amendment during the Benefit Protection Period or, if sooner, until all obligations thereunder have been satisfied, all of the Company's employment, severance, retention and termination plans, policies, programs, agreements and arrangements (including any change in control or severance agreement between the Company and any Company Employee), in each case, as in effect at the Effective Time, including with respect to any payments, benefits or rights arising as a result of the transactions contemplated by this Agreement (either alone or in combination with any other event), without any amendment or modification, other than any amendment or modification required to comply with applicable Law or as consented to by the parties thereto.

(c) Without limiting the generality of Section 5.9(a), the Surviving Company and its Subsidiaries shall be permitted to make payments to Company Employees pursuant to annual cash incentive plans with respect to the annual performance period in which the Effective Time occurs upon the terms and conditions consistent with the terms of the annual cash incentive plans as in effect on the date hereof, or such future plans as may be established by the compensation committee of the Company Board, consistent with the parameters set forth on Section 5.9(c) of the Company Disclosure Letter, for annual performance periods commencing after the date hereof, which such future plans shall be consistent with the Company's and the Company Subsidiaries' business plans and past practice.

(d) With respect to any "employee benefit plan," as defined in Section 3(3) of ERISA, maintained by Parent or any of the Parent Subsidiaries, including the Surviving Company (including any vacation, paid time-off and severance plans), for all purposes, including determining eligibility to participate, level of benefits, vesting, benefit accruals and early retirement subsidies, each Company Employee's service with the Company or any Company Subsidiary (as well as service with any predecessor employer of the Company or any Company Subsidiary, to the extent service with the predecessor employer is recognized by the Company or such Company Subsidiary) shall be treated as service with Parent or any of the Parent Subsidiaries, including the Surviving Company; provided, however, that such service need not be recognized to the extent that such recognition would result in any duplication of benefits.

(e) Parent shall, or shall cause the Parent Subsidiaries, including the Surviving Company, to waive, or cause to be waived, any pre-existing condition limitations, exclusions, actively at work requirements and waiting periods under any welfare benefit plan maintained by Parent or any of the Parent Subsidiaries in which Company Employees (and their eligible dependents) will be eligible to participate from and after the Effective Time, except to the extent that such pre-existing condition limitations, exclusions, actively-at-work requirements and waiting periods would not have been satisfied or waived under the comparable Company Benefit Plan immediately prior to the Effective Time. Parent shall, or shall cause the Parent Subsidiaries, including the Surviving Company, to recognize, or cause to be recognized, the dollar amount of all co-payments, deductibles and similar expenses incurred by each Company Employee (and his or her eligible dependents) during the calendar year in which the Effective Time occurs for purposes of satisfying such year's deductible and co-payment limitations under the relevant welfare benefit plans in which such Company Employee (and dependents) will be eligible to participate from and after the Effective Time.

5.10 Takeover Laws. If any "control share acquisition", "fair price", "business combination" or other state takeover statute or similar Law becomes or is deemed to be applicable to the Merger, including the acquisition of Shares pursuant thereto, the Subsequent Merger or any other transaction contemplated by this Agreement, then the Company Board or the Parent Board, as applicable, shall take all action reasonably available to it (i) to render such Law inapplicable to the foregoing and (ii) to ensure that the transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms required by, or provided for, in this Agreement and otherwise to minimize the effect of such Law on the Merger, the Subsequent Merger or any other transaction contemplated hereby .

5.11 Indemnification of Directors and Officers.

(a) For a period beginning at the Effective Time and ending on the sixth anniversary of the Effective Time, Parent and the Surviving Company shall indemnify and hold harmless all former and current directors, officers and employees of the Company or any Company Subsidiary to the same extent such Persons are indemnified as of the date of this Agreement by the Company pursuant to applicable Law, the Company Charter, the Company Bylaws, the articles of incorporation and bylaws, or equivalent organizational or governing documents, of any Company Subsidiary, and indemnification agreements, if any, in existence on the date of this Agreement with any directors, officers and employees of the Company or any Company Subsidiary, arising out of acts or omissions in their capacity as directors, officers or employees of the Company or any Company Subsidiary occurring at or prior to the Effective Time; provided, however, that Parent agrees, and Parent will cause the Surviving Company to, indemnify and hold harmless such persons to the fullest extent permitted by Law for acts or omissions occurring in connection with the approval of this Agreement and the consummation of the transactions contemplated hereby. Parent and the Surviving Company shall advance expenses (including reasonable legal fees and expenses) incurred in the defense of any claim, action, suit, proceeding or investigation with respect to the matters subject to indemnification pursuant to this Section 5.11 in accordance with the procedures and limitations set forth in the Company Charter, the Company Bylaws, the articles of incorporation and bylaws, or equivalent organizational documents, of any Company Subsidiary, and indemnification agreements, if any, in existence on the date of this Agreement; provided, however, that the director, officer or employee to whom expenses are advanced undertakes to repay such advanced expenses to Parent and the Surviving Company if it is ultimately determined that such director, officer or employee is not entitled to indemnification pursuant to this Section 5.11(a). Notwithstanding anything herein to the contrary, if any claim, action, suit, proceeding or investigation (whether arising before, at or after the Effective Time) is made against such persons with respect to matters subject to indemnification hereunder on or prior to the sixth anniversary of the Effective Time, the provisions of this Section 5.11(a) shall continue in effect until the final disposition of such claim, action, suit, proceeding or investigation.

(b) For not less than six years from and after the Effective Time, the governing documents of the Surviving Company shall contain provisions no less favorable with respect to exculpation, indemnification and advancement of expenses of directors, officers and employees of the Company for periods at or prior to the Effective Time than are currently set forth in the Company Charter and the Company Bylaws. The indemnification agreements, if any, in existence on the date of this Agreement with any of the directors, officers or employees of the Company or any Company Subsidiary shall be assumed by the Surviving Company, without any further action, and shall continue in full force and effect in accordance with their terms following the Effective Time.

(c) For the benefit of the Company's directors and officers, as of the date of this Agreement and as of the Effective Time, the Company shall be permitted, prior to the Effective Time, to obtain and fully pay the premium for an insurance and indemnification policy that provides coverage for a period of six years from and after the Effective Time for events occurring prior to the Effective Time (the "D&O Insurance") that is substantially equivalent to and in any event not less favorable in the aggregate than the Company's existing policy (true and complete copies which have been previously provided to Parent) or, if substantially equivalent insurance coverage is unavailable, the best available coverage; provided, however, that the annual premium payable by the Company for any such policy shall not exceed 250% of the last annual premium paid by the Company for comparable director and officer insurance coverage prior to the date of this Agreement but in such case may purchase as much coverage as is available for such amount. If the Company is unable to purchase such D&O Insurance prior to the Effective Time, the Surviving Company shall, and Parent shall cause the Surviving Company to, as of the Effective Time, obtain and fully pay the premium for D&O Insurance that is substantially equivalent to and in any event not less favorable in the aggregate than the Company's existing policy (true and complete copies which have been previously provided to Parent) or, if substantially equivalent insurance coverage is unavailable, the best available coverage; provided, however, that the Surviving Company shall not be required to pay an annual premium for the D&O Insurance in excess of 250% of the last annual premium paid by the Company for comparable director and officer insurance coverage prior to the date of this Agreement, but in such case shall purchase as much coverage as is available for such amount. The Surviving Company shall maintain such policies in full force and effect, and continue to honor the obligations thereunder for a period of not less than six years from and after the Effective Time.

(d) In the event Parent or the Surviving Company (i) consolidates with or merges into any other Person and shall not be the continuing or surviving company or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then proper provision shall be made so that such continuing or surviving company or entity or transferee of such assets, as the case may be, shall assume the obligations set forth in this Section 5.11.

(e) The obligations under this Section 5.11 shall not be terminated or modified in such a manner as to adversely affect any former or current directors, officers and employees of the Company to whom this Section 5.11 applies without the consent of such affected Person (it being expressly agreed that the persons to whom this Section 5.11 applies are express third party beneficiaries of this Section 5.11).

(f) In the event of any breach by the Surviving Company or Parent of this Section 5.11, the Surviving Company or Parent shall pay all reasonable expenses, including attorneys' fees, that may be incurred by any former or current directors, officers and employees of the Company in enforcing the indemnity and other obligations provided in this Section 5.11 as such fees are incurred upon the written request of such person.

5.12 Parent Agreements Concerning Merger Sub and Merger LLC. Parent hereby guarantees the due, prompt and faithful payment, performance and discharge by Merger Sub and Merger LLC of, and the compliance by Merger Sub and Merger LLC with, all of the covenants, agreements, obligations and undertakings of Merger Sub and Merger LLC under this Agreement in accordance with the terms of this Agreement, and covenants and agrees to take all actions necessary or advisable to ensure such payment, performance and discharge by Merger Sub and Merger LLC hereunder. Parent shall, promptly following execution of this Agreement, approve and adopt this Agreement in its capacity as sole shareholder of Merger Sub and as the sole member of Merger LLC and deliver to the Company evidence of its vote or action by written consent approving and adopting this Agreement in accordance with applicable Law and the articles of incorporation and bylaws of Merger Sub and the articles of organization and operating agreement of Merger LLC.

5.13 Financing.

(a) Each of Parent and Merger Sub shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary, proper or advisable to consummate and obtain the Financing on the terms and conditions described in the Commitment Letter, including (i) taking actions to enforce its rights under the Commitment Letter and (ii) using its reasonable best efforts to (A) negotiate definitive agreements with respect thereto on the terms and conditions contained therein or on other terms no more adverse to the Company in any material respect, (B) satisfy on a timely basis all conditions applicable to Parent and Merger Sub in such definitive agreements and (C) consummate the Financing at or prior to the Effective Time. Parent will furnish correct and complete copies of all such definitive agreements to the Company promptly upon their execution. Parent and Merger Sub shall keep the Company informed on a reasonably current basis in reasonable detail of the status of its efforts to complete the Financing.

(b) Each of Parent and Merger Sub shall not agree to any amendment, replacement, supplement or other modification of, or waive any of its rights under or consent to the assignment of, the Commitment Letter or any definitive agreements related to the Financing, in each case, without the Company's prior written consent, including any such amendment, replacement, supplement or other modification to or assignment or waiver of any provision of the Commitment Letter that amends, supplements or otherwise modifies the conditions precedent to the Financing; provided, however, that (i) Parent may terminate and replace the Commitment Letter with a New Commitment Letter or (ii) Parent may amend the Commitment Letter solely to add lenders, lead arrangers, bookrunners, syndication agents or similar entities who had not executed the Commitment Letter as of the date hereof so long as (x) the addition of such lenders, lead arrangers, bookrunners, syndication agents or similar entities would not reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement and (y) the Arranger (as defined in the Commitment Letter) shall remain obligated and committed to fund its financing commitments under the Commitment Letter (as in effect prior to any such amendment) on the terms and conditions of, and subject to the assignment provisions set forth in, the Commitment Letter (as in effect prior to any such amendment). Upon any such amendment, replacement, supplement or modification of the Commitment Letter in accordance with this Section 5.13(b), the term "Commitment Letter" shall mean the Commitment Letter as so amended, supplemented or modified in accordance with this Section 5.13(b) or any New Commitment Letter in replacement of the Commitment Letter, as the case may be, and, in the event that Parent or Merger Sub obtains Alternative Financing in accordance with Section 5.13(c), the term "Commitment Letter" shall mean the commitment letter (as amended, replaced, supplemented or modified in accordance with this Section 5.13(b)) related to the Alternative Financing. The term "New Commitment Letter" shall mean the instrument replacing the existing Commitment Letter that (A) is on terms no less beneficial to Parent and its Subsidiaries (after giving effect to the Merger and Subsequent Merger) than those set forth in the Commitment Letter, including as to permitted dividends and the impact of the Financing contemplated thereby on Parent's credit rating; (B) does not involve any conditions precedent to funding the Financing that are not contained in the Commitment Letter; and (C) would not reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement.

(c) In the event any portion of the Financing becomes unavailable on the terms and conditions contemplated in the Commitment Letter (as such terms may be modified or adjusted in accordance with the terms of, and within the limits of, the "flex" provisions contained in the Commitment Letter or accompanying fee letter) for any reason, each of Parent and Merger Sub shall use its reasonable best efforts to obtain, as promptly as practicable but no later than the Initial Outside Date (or, if applicable, the Extended Outside Date), financing from alternative sources in an amount sufficient to consummate the transactions contemplated by this Agreement and that would not (i) involve any conditions to funding the Financing that are not contained in the Commitment Letter; (ii) reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement; and (iii) include terms that would be materially adverse when compared to the terms of the Commitment Letter (an alternative financing meeting the foregoing requirements shall be an "Alternative Financing"). In the event that Alternative Financing shall be obtained pursuant to this Section 5.13(c), Parent and Merger Sub shall comply with the covenants in Section 5.13(b) with respect to such Alternative Financing.

(d) Parent and Merger Sub shall give the Company prompt written notice of any material breach by any party of the Commitment Letter (or commitments for any Alternative Financing obtained in accordance with this Section 5.13) of which Parent or Merger Sub becomes aware, any termination of the Commitment Letter (or commitments for any Alternative Financing obtained in accordance with this Section 5.13) or any condition precedent of the Financing (or any Alternative Financing obtained in accordance with this Section 5.13) which Parent and Merger Sub have any reason to believe will not be satisfied at the Effective Time, as applicable.

(e) At Parent's request, the Company shall, and shall cause the Company Subsidiaries and the Company Representatives to, at Parent's sole expense, use its and their reasonable best efforts to (x) cooperate with Parent to complete the Financing (or any Alternative Financing) and any other financing or refinancing transactions undertaken by Parent or any Parent Subsidiary to the extent that information relating to, or the participation by members of management of, the Company is reasonably necessary in connection therewith; and (y) provide all information and assistance that is customarily provided in financings comparable to the proposed Financing or such other financing or refinancing transaction, as the case may be. Without limiting the generality of the foregoing, the Company shall (i) furnish to Parent as promptly as practicable, upon Parent's request from time to time, all Required Financial Information; (ii) use its reasonable best efforts to furnish to Parent, as promptly as reasonably practicable, other information with respect to the Company reasonably requested by Parent in writing so that Parent may satisfy the applicable SEC requirements for a public capital markets offering as set forth on Section 5.13(e) of the Parent Disclosure Letter (to the extent such matters set forth on such Section 5.13(e) of Parent Disclosure Letter are consistent with SEC requirements); (iii) use its reasonable best efforts to furnish to Parent, as promptly as reasonably practicable, information relating to the Company reasonably requested by Parent in writing (including such requests made after the provision of the Required Financial Information) that is customarily used in the preparation of customary offering or information documents or rating agency, lender presentations or road shows relating to such financing, including the Company Financial Statements and budgets; (iv) upon reasonable advance notice (which notice shall not be less than three Business Days in the event of road shows or other sessions requiring out-of-town travel), participate in a reasonable number of investor presentations, road shows, due diligence sessions and rating agency presentations in connection with such financing; (v) assist with the preparation, including upon reasonable advance notice (subject to the parenthetical in clause (iv) above) participating in a reasonable number of drafting sessions, of one confidential information memorandum, offering memorandum or other offering document, (including any amendments or supplements thereto and an additional version of any confidential information memorandum for use by "public-side" lenders) in connection with any such financing; (vi) request required consents of accountants for use of their reports in any materials relating to any such financing where the inclusion of such reports is necessary and the delivery of customary comfort letters and customary representation letters; (vii) use its reasonable best efforts to facilitate pledging collateral in connection with any debt portion of the Financing from and after the Closing as may be reasonably requested by Parent (provided that any obligations contained in such documents shall be effective no earlier than as of the Closing); (viii) take such corporate actions (subject to the occurrence of the Closing) as are reasonably necessary to complete any such financing; (ix) refrain from syndicating or issuing, attempting to syndicate or issue, announcing or authorizing the announcement of the syndication or issuance of, or engaging in discussions concerning the syndication or issuance of, any debt facility or any debt or equity security of the Company or any Company Subsidiaries, except as set forth in Section 5.13(e) of the Company Disclosure Letter and (x) use reasonable best efforts to facilitate the execution and delivery (at the Closing) of definitive documents related to the Financing. Notwithstanding the foregoing, nothing in this Section 5.13(e) shall require the cooperation or participation of the Company to the extent it would unreasonably interfere with the business or operations of the Company or the Company Subsidiaries or otherwise unreasonably interfere with the prompt and timely discharge by the Company's or any Company Subsidiary's employees of their normal duties. Notwithstanding anything in this Agreement to the contrary, neither the Company nor any of the Company Subsidiaries shall (A) be required to bear any cost or expense or to pay any commitment or other similar fee or make any other payment in connection with the Financing or any of the foregoing prior to the Effective Time, and Parent shall, promptly upon request by the Company, reimburse the Company for all reasonable and documented out-of-pocket costs incurred by the Company, the Company Subsidiaries and the Company Representatives in connection with the Financing or any cooperation pursuant to this Section 5.13(e), (B) have any liability or obligation under any loan agreement or any related document or any other agreement or document related to the Financing (or Alternative Financing), unless and until the Closing occurs or (C) incur any other liability in connection with the Financing (or any Alternative Financing) prior to the Effective Time, other than as expressly contemplated by this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall require the Company Board to take any action to approve the Financing, the Alternative Financing or any other financing in connection with the Merger or Subsequent Merger. Parent and Parent Subsidiaries shall indemnify and hold harmless the Company and the Company Subsidiaries and each of their respective officers, directors, employees, agents, representatives, successors and assigns from and against any and all damages, fees, costs and expenses suffered or incurred by them other than those liabilities, damages, fees, costs and expenses arising out of a material misstatement in or failure to state a material fact pertinent to the information provided by or on behalf of the Company pursuant to this Section 5.13(e), in connection with the arrangement of the Financing (or any Alternative Financing) or the use of any offering documents contemplated by this Section 5.13.

(f) All non-public or other confidential information provided by the Company pursuant to Section 5.13(e) shall be kept confidential in accordance with Section 5.3 and the Confidentiality Agreement, except that Parent shall be permitted to disclose such information to potential sources of capital and to rating agencies and prospective lenders and investors in connection with marketing any Financing as reasonably required in connection with the Financing, subject to the requirements of applicable Law and customary confidentiality provisions (including confidentiality provisions necessary for the Company to comply with its obligations under Regulation FD promulgated under the Exchange Act).

5.14 Section 16 Matters. Prior to the Effective Time, the Company Board and the Parent Board, or an appropriate committee of non-employee directors thereof, shall take all such steps as may be required consistent with the interpretive guidance of the SEC so that the disposition by any officer or director of the Company who is a covered person of the Company for purposes of Section 16 of the Exchange Act ("Section 16") of Shares or other Equity Interests in the Company (including Company Options, RSUs or other derivative securities) or acquisitions of Equity Interests in Parent (including derivative securities) pursuant to this Agreement shall be an exempt transaction under Rule 16b-3 promulgated under the Exchange Act. The Company and Parent shall provide copies of such resolutions to counsel to the other Party.

5.15 Transfer of Shares. Prior to the Effective Time or the earlier termination of this Agreement, except as otherwise provided herein, Parent, Merger Sub and Merger LLC shall not: (a) transfer, assign, sell, gift-over, pledge or otherwise dispose of (whether by sale, merger, consolidation, liquidation, dissolution, dividend, distribution or otherwise), or consent to any of the foregoing (each a "Transfer"), any Shares owned, of record or beneficially, by Parent, Merger Sub or Merger LLC or any right or interest therein; (b) enter into any Contract, option or other agreement, arrangement or understanding with respect to any Transfer of such Shares; (c) grant any proxy, power-of-attorney or other authorization or consent with respect to such Shares; (d) deposit such Shares into a voting trust, or enter into a voting agreement or arrangement with respect to such Shares; or (e) take any other action that would in any way restrict, limit or interfere with the performance of Parent's, Merger Sub's or Merger LLC's obligations hereunder or the transactions contemplated hereby.

5.16 Stock Exchange Listing. Parent shall use reasonable best efforts to cause the shares of Parent Common Stock to be issued in the Merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Closing.

5.17 Transfer Taxes. All stock transfer, real estate transfer, documentary, stamp, recording and other similar Taxes (including interest, penalties and additions to any such Taxes) ("Transfer Taxes") incurred in connection with the transactions contemplated by this Agreement, including the Merger, the Subsequent Merger and the Share Issuance, shall be paid by either Merger Sub, the Surviving Corporation or the Surviving Company, and the Company shall cooperate with Merger Sub, the Surviving Corporation, the Surviving Company and Parent in preparing, executing and filing any Tax Returns with respect to such Transfer Taxes.

5.18 Tax Treatment.

(a) The Company, Parent, Merger Sub and Merger LLC intend that the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, be treated, and each of them shall use its best efforts to cause the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, to be treated, for U.S. federal income tax purposes as a "reorganization" under Section 368(a) of the Code (to which each of Parent and the Company are to be parties under Section 368(b) of the Code) in which the Company is to be treated as merging directly with and into Parent, with the Company Common Stock converted in such merger into the right to receive the consideration provided for hereunder, and each shall (i) take no action inconsistent with such treatment, (ii) not fail to take any action necessary to preserve such treatment, (iii) file all Tax Returns consistent with such treatment, and (iv) take no position inconsistent with such treatment, in each case, unless required to do so by applicable Law.

(b) The Company, Parent, Merger Sub and Merger LLC hereby adopt this Agreement as a plan of reorganization within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a).

(c) The Company, Parent, Merger Sub and Merger LLC hereby elect, pursuant to Notice 2010-25, I.R.B. 2010-14, to apply the provisions of the Proposed Treasury Regulations Section 1.368-1T(e)(2) with respect to measuring continuity of interest issued under Section 368. None of the Company, Parent, Merger Sub and Merger LLC shall adopt treatment inconsistent with this election.

(d) The Company shall immediately notify Parent, if, at any time before the Effective Time, the Company becomes aware of any fact or circumstance that could reasonably be expected to prevent or impede the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, from being treated as a "reorganization" under Section 368(a) of the Code. On the date of effectiveness of the Form S-4 and the Closing Date, the Company shall deliver to counsel duly executed certificates containing such representations as may be reasonably requested by counsel for purposes of rendering the opinions described in Sections 6.2(d) and 6.3(d), the "Company Tax Certificates."

(e) Parent shall immediately notify the Company, if, at any time before the Effective Time, Parent becomes aware of any fact or circumstance that could reasonably be expected to prevent or impede the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, from being treated as a "reorganization" under Section 368(a) of the Code. On the date of effectiveness of the Form S-4 and the Closing Date, Parent shall deliver to counsel duly executed certificates containing such representations as may be reasonably requested by counsel for purposes of rendering the opinions described in Sections 6.2(d) and 6.3(d), the "Parent Tax Certificates."

5.19 Company Preferred Stock. The Company agrees to redeem any and all outstanding shares of Company Preferred Stock, pursuant to its terms, prior to the record date for any vote to be held at the Company Shareholder Meeting.

5.20 Parent Board. Parent shall take all actions as may be reasonably necessary to cause, as of the Effective Time, the Parent Board to be comprised of (a) the 12 current directors of the Parent Board and (b) four directors designated by the Company, subject to the approval of Parent, not to be unreasonably withheld or delayed, (each, a "Company Designee"). At the first annual meeting of Parent following the Closing, Parent shall nominate each of the Company Designees, and use reasonable efforts to cause each Company Designee, to be reelected to the Parent Board. Parent shall also take all actions as may be reasonably necessary to cause, as of the Effective Time, at least one Company Designee to serve on each of the Audit Committee, Compensation and Management Development Committee, Executive Committee, Finance and Risk Management Committee and Nominating, Governance and Corporate Responsibility Committee of the Parent Board.

5.21 Post-Merger Operations.

(a) Distribution Company Corporate Offices. (i) The Surviving Company shall maintain its operating headquarters in, and (ii) the operating headquarters of Parent's gas distribution business shall be relocated to, the Chicago, Illinois metropolitan area for a period of not less than five (5) years following the Effective Time (unless required to relocate such headquarters by the ICC).

(b) Corporate Philanthropy. For a period of not less than five years after the Effective Time, the Surviving Company shall maintain philanthropic contributions and community support in the State of Illinois at levels consistent with those provided by the Company and Company Subsidiaries within their service areas.

(c) Headcount. For a period of three years after the Effective Time, the Surviving Company shall maintain the number of full time equivalent employees involved in the operation of the Surviving Company's gas distribution business in the State of Illinois at a level comparable to the current level.

5.22 Dividends. Each of Parent and the Company shall coordinate with the other regarding the declaration and payment of dividends in respect of Parent Common Stock and Company Common Stock and the record dates and payment dates relating thereto, it being the intention of Parent and the Company that no holder of Parent Common Stock or Company Common Stock shall receive two dividends, or fail to receive one dividend, for any single calendar quarter (or portion thereof) with respect to its shares of Parent Common Stock or Company Common Stock, as the case may be, and/or any shares of Parent Common Stock any holder of Company Common Stock receives pursuant to the Merger. For the avoidance of doubt, it is the Parties' intent that (i) the first quarterly dividend paid to the holders of Parent Common Stock (including former holders of Company Common Stock) following the Effective Time shall be paid in accordance with Parent's dividend policy, to be adopted immediately after the Effective Time, and in no event later than the first record date for the payment of dividends after the Closing Date, and (ii) the Parties accordingly shall coordinate their declaration and payment of dividends prior to the Effective Time and Parent shall coordinate the declaration and payment of its dividends after the Effective Time.

5.23 Transition Committee. As promptly as practicable after the date hereof, Parent and the Company shall establish a transition planning committee (the "Transition Committee") consisting of seven individuals, four of whom shall be designated by Parent and three of whom shall be designated by the Company. Parent shall designate the chairman of the Transition Committee who shall be one of the Parent designees to the Transition Committee. The activities of the Transition Committee shall include:

(a) the development of regulatory plans and proposals, corporate organizational and management plans, workforce combination proposals and other matters as the Transition Committee deems appropriate; and

(b) subject to the obligations under Section 5.21, the evaluation of the appropriate manner in which to organize and manage the businesses, operations and assets of Parent and the Surviving Company after the Effective Time.

5.24 Company Notices. Prior to the Closing Date, the Company shall use its reasonable best efforts to provide each notice required, as a consequence of the consummation of the transactions contemplated by this Agreement, by any Contract to which the Company or any Company Subsidiary is a party, where failure to provide such notice would, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

ARTICLE 6

CONDITIONS TO CONSUMMATION OF THE MERGER

6.1 Conditions to Obligations of Each Party to Consummate the Merger. The respective obligations of each Party to consummate the Merger shall be subject to the satisfaction or waiver by a joint action of the Parties hereto at or prior to the Effective Time of each of the following conditions:

(a) Shareholder Approvals. The Company shall have obtained the Company Shareholder Approval and Parent shall have obtained the Parent Shareholder Approval.

(b) Stock Exchange Listing. The shares of Parent Common Stock issuable to the Company's shareholders pursuant to this Agreement and pursuant to the RSUs shall have been approved for listing on the NYSE, subject to official notice of issuance.

(c) No Injunction. No federal or state court of competent jurisdiction or other Governmental Entity shall have enacted, issued, promulgated, enforced or entered any order, decree, judgment, injunction or other ruling (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of the Merger or the Subsequent Merger; provided, however, that the condition in this Section 6.1(c) shall not be available to any party whose failure to fulfill its obligations pursuant to Section 5.2 or Section 5.6 shall have been the cause of, or shall have resulted in, such order, decree, judgment, injunction or other ruling.

(d) Governmental Approvals. The Company Required Governmental Approvals shall have been obtained (including, in each case, the expiration or termination of any applicable waiting period, together with any extensions thereof, under the HSR Act) at or prior to the Effective Time, such approvals shall have become Final Orders and such Final Orders shall not, individually or in the aggregate, include or impose any Material Adverse Term. For purposes of this section, a "Final Order" means an action by the relevant Governmental Entity that has not been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which any waiting period prescribed by Law before the transactions contemplated hereby may be consummated has expired, and as to which all conditions to the consummation of such transactions prescribed by Law have been satisfied.

(e) Form S-4. The Form S-4 shall have become effective under the Securities Act, and no stop order suspending the effectiveness of the Form S-4 shall have been issued and no proceedings for that purpose shall have been initiated by the SEC.

6.2 Additional Conditions to Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to effect the Merger and the other transactions contemplated herein are also subject to the satisfaction (unless waived by Parent or Merger Sub) on or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of the Company contained in this Agreement shall be true and correct as of the date hereof and as of the Effective Time as though made on and as of the Effective Time (except that those representations and warranties that address matters only as of a particular date need only be true and correct as of such date); provided, however, that the condition in this Section 6.2(a) shall be deemed to be satisfied so long as any failure of such representations and warranties to be true and correct has not, individually or in the aggregate, had a Company Material Adverse Effect (without regard to materiality or Company Material Adverse Effect qualifiers contained within such representations and warranties). The representations and warranties of the Company set forth in Sections 3.2(a), 3.2(b), 3.2(c), 3.2(d) and 3.3(a) shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time (except that those representations and warranties that address matters only as of a particular date need only be true and correct in all material respects as of such date). Parent shall have received a certificate signed by the Chief Executive Officer or Chief Financial Officer of the Company to that effect.

(b) Agreements and Covenants. The Company shall have performed or complied in all material respects with all agreements, obligations and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time.

(c) Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Company Material Adverse Effect or any event or development that would, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect.

(d) Tax Opinion. Parent shall have received an opinion of Dewey & LeBoeuf LLP dated as of the Closing Date, to the effect that, for U.S. federal income tax purposes: (i) the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, will constitute a “reorganization” within the meaning of Section 368(a) of the Code and (ii) the Company and Parent will each be a party to that reorganization within the meaning of Section 368(b) of the Code. In rendering such opinion, Dewey & LeBoeuf LLP may rely upon representations contained herein and may receive and rely upon representations from Parent, the Company and others, including representations from Parent in the Parent Tax Certificate and representations from the Company in the Company Tax Certificate, in each case, that are reasonably satisfactory to Dewey & LeBoeuf LLP.

6.3 Additional Conditions to Obligations of the Company. The obligations of the Company to effect the Merger and the other transactions contemplated herein are also subject to the satisfaction (unless waived by the Company) on or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Parent, Merger Sub and Merger LLC contained in this Agreement shall be true and correct as of the date hereof and as of the Effective Time as though made on and as of the Effective Time (except that those representations and warranties that address matters only as of a particular date need only be true and correct as of such date); provided, however, that the condition in this Section 6.3(a) shall be deemed to be satisfied so long as any failure of such representations and warranties to be true and correct has not, individually or in the aggregate, had a Parent Material Adverse Effect (without regard to materiality or Parent Material Adverse Effect qualifiers contained within such representations and warranties). The representations and warranties of Parent set forth in Sections 4.2(a), 4.2(b), 4.2(c), 4.2(d) and 4.3 shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time (except that those representations and warranties that address matters only as of a particular date need only be true and correct in all material respects as of such date). The Company shall have received a certificate signed by the Chief Executive Officer or Chief Financial Officer of Parent to that effect.

(b) Agreements and Covenants. Each of Parent, Merger Sub and Merger LLC shall have performed or complied in all material respects with all agreements, obligations and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time.

(c) Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Parent Material Adverse Effect or any event or development that would, individually or in the aggregate, reasonably be expected to result in a Parent Material Adverse Effect.

(d) Tax Opinion. The Company shall have received an opinion of Latham & Watkins LLP, dated as of the Closing Date, to the effect that, for U.S. federal income tax purposes: (i) the Merger and the Subsequent Merger, taken together as a single integrated transaction for U.S. federal income tax purposes, and along with the other transactions effected pursuant to this Agreement, will constitute a “reorganization” within the meaning of Section 368(a) of the Code and (ii) the Company and Parent will each be a party to that reorganization within the meaning of Section 368(b) of the Code. In rendering such opinion, Latham & Watkins LLP may rely upon the representations contained herein and may receive and rely upon representations from Parent, the Company, and others, including representations from Parent in the Parent Tax Certificate and representations from the Company in the Company Tax Certificate, in each case, that are reasonably satisfactory to Latham & Watkins LLP.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

7.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, and the Merger contemplated hereby may be abandoned by action taken or authorized by the board of directors of the terminating Party or Parties, whether before or after receipt of the Company Shareholder Approval or the Parent Shareholder Approval:

(a) By mutual written consent of Parent and the Company;

(b) By either the Company or Parent, if the Merger shall not have been consummated on or before December 30, 2011 (the "Initial Outside Date"); provided that if the Marketing Period has not been completed on or before December 17, 2011, the Initial Outside Date shall be extended until February 2, 2012; provided, further, that if on the Initial Outside Date the condition to the Closing set forth in Section 6.1(d) shall not have been satisfied, but all other conditions to the Closing shall have been satisfied or waived (or shall be capable of being satisfied at the Closing), then the Initial Outside Date shall be extended to July 2, 2012 (the "Extended Outside Date"); provided further that the right to terminate this Agreement under this Section 7.1(b), shall not be available to any Party whose failure to fulfill any of its obligations under this Agreement shall have proximately contributed to the failure of the Effective Time to occur on or before such date;

(c) By either the Company or Parent, if

(i) the Company Shareholder Approval shall not have been obtained at the duly held Company Shareholder Meeting, including any adjournments thereof; provided, however, that the Company may not terminate this Agreement pursuant to this Section 7.1(c)(i) if the Company has breached in any material respect any of its obligations under this Agreement in any manner that could reasonably have caused the failure to obtain the Company Shareholder Approval; or

(ii) the Parent Shareholder Approval shall not have been obtained at the duly held Parent Shareholder Meeting, including any adjournments thereof; provided, however, that Parent may not terminate this Agreement pursuant to this Section 7.1(c)(ii) if Parent, Merger Sub or Merger LLC have breached in any material respect any of their respective obligations under this Agreement in any manner that could reasonably have caused the failure to obtain the Parent Shareholder Approval;

(d) By either the Company or Parent, if any court of competent jurisdiction or other Governmental Entity shall have issued an order or injunction or taken any other action, in each case, permanently enjoining, restraining or prohibiting the Merger, and such order, injunction or other action shall have become final and nonappealable; provided, however, that the Party seeking to terminate this Agreement under this Section 7.1(d) shall have used its reasonable best efforts to resist, resolve or lift such order, injunction or action, as applicable;

(e) By Parent, (i) at any time prior to the receipt of the Company Shareholder Approval, if (A) the Company Board shall have effected a Change of Company Board Recommendation (whether or not in compliance with Section 5.4) or (B) the Company shall have entered into a merger agreement, letter of intent or other similar agreement relating to an Acquisition Proposal, or (ii) at any time prior to the receipt of the Parent Shareholder Approval, if the Parent Board determines to accept a Parent Superior Proposal in compliance with Section 5.5(d), but only in the case of clause (ii) if Parent shall prior to or concurrently with such termination pay the Parent Termination Fee, to or for the account of the Company;

(f) By the Company, (i) at any time prior to the receipt of the Parent Shareholder Approval, if (A) the Parent Board shall have effected a Change of Parent Board Recommendation (in compliance with Section 5.5), (B) the Parent Board shall have effected a Change of Parent Board Recommendation in breach of Section 5.5 or Parent's obligations set forth in the third sentence of Section 5.2(e), or (C) Parent shall have entered into a merger agreement, letter of intent or other similar agreement relating to an Acquisition Proposal in compliance with Section 5.5, or (ii) at any time prior to the receipt of the Company Shareholder Approval, if the Company Board determines to accept a Superior Proposal in compliance with Section 5.4(d), but only in the case of clause (ii) if the Company shall prior to or concurrently with such termination pay the Company Termination Fee, to or for the account of Parent;

(g) [RESERVED]

(h) By Parent, at any time prior to the Effective Time, if: (i) there has been a breach by the Company of its representations, warranties or covenants contained in this Agreement, in any case, such that the conditions contained in Sections 6.2(a) or 6.2(b) are not reasonably capable of being satisfied, (ii) Parent shall have delivered to the Company written notice of such breach, and (iii) either such breach is not capable of cure or at least 30 days shall have elapsed since the date of delivery of such written notice to the Company and such breach shall not have been cured in all material respects; provided, however, that Parent shall not be permitted to terminate this Agreement pursuant to this Section 7.1(h) if there has been any material breach by either Parent or Merger Sub of its material representations, warranties or covenants contained in this Agreement, and such breach shall not have been cured in all material respects;

(i) By the Company, at any time prior to the Effective Time, if: (i) there has been a breach by Parent or Merger Sub of any of its representations, warranties or covenants contained in this Agreement in any case, such that the conditions contained in Sections 6.3(a) or 6.3(b) are not reasonably capable of being satisfied, (ii) the Company shall have delivered to Parent written notice of such breach, and (iii) either such breach is not capable of cure or at least 30 days shall have elapsed since the date of delivery of such written notice to Parent and such breach shall not have been cured in all material respects; provided, however, that the Company shall not be permitted to terminate this Agreement pursuant to this Section 7.1(i) if there has been any material breach by the Company of its material representations, warranties or covenants contained in this Agreement (other than a breach solely due to a Financing Failure), and such breach shall not have been cured in all material respects; or

(j) By the Company or Parent, if the conditions to Closing set forth in Section 6.1 and (i) Section 6.2 (in the case of the Company) or (ii) Section 6.3 (in the case of Parent) are satisfied (other than those conditions that by their nature are to be satisfied at the Closing, provided that such conditions are reasonably capable of being satisfied) and Parent, Merger Sub or Merger LLC are unable to satisfy their obligation to effect the Closing at such time because of a Financing Failure; provided, however, that the right to terminate this Agreement pursuant to this Section 7.1(j) shall not be available to any Party if there has been any material breach by such Party of its representations, warranties or covenants contained in this Agreement, which was a proximate cause of the Financing Failure.

7.2 Effect of Termination.

(a) In the event of termination of this Agreement as provided in Section 7.1, this Agreement shall forthwith become null and void and there shall be no liability or obligation on the part of Parent, Merger Sub or the Company or their respective Subsidiaries, officers or directors, in either case, except with respect to Section 5.3 (Access to Information; Confidentiality), Section 5.8 (Public Announcements), Section 5.13(e) (Financing), this Section 7.2 and Article 8; provided, however, that no Party shall be relieved or released from any liability or damages arising out of its intentional and material breach of any of its representations, warranties or covenants set forth in this Agreement.

(b) In the event that this Agreement is terminated:

(i) pursuant to Section 7.1(e)(i) or Section 7.1(f)(ii), then the Company shall pay to Parent prior to or concurrently with such termination, in the case of a termination by the Company, or within two Business Days thereafter, in the case of a termination by Parent, a termination fee of $67,000,000 (the “Company Termination Fee”); provided, however, that in the event this Agreement is properly terminated pursuant to Section 7.1(e)(i) or Section 7.1(f)(ii) with respect to an Acquisition Proposal (as the same may be modified, amended or supplemented) from a third party prior to the 45th day after the date of this Agreement (or, if later, terminated on the 3rd Business Day following the date on which Parent’s most recent matching period shall have expired with respect to the Person having made such Acquisition Proposal), then, but only then, the Company Termination Fee shall be $36,000,000;

(ii) pursuant to Section 7.1(h) due to a material breach of Section 5.4, then the Company shall reimburse Parent upon demand for all documented out-of-pocket fees and expenses incurred or paid on or on behalf of Parent in connection with the Merger or the Subsequent Merger or related to the authorization, preparation, negotiation, execution and performance of this Agreement, in each case including all fees and expenses of counsel, financial advisors, accountants, experts and consultants reasonably retained by Parent, and, in the event that within six months after such termination, the Company shall have entered into a definitive agreement or consummated a transaction with respect to an Acquisition Proposal, then the Company shall pay the Company Termination Fee (less any amounts previously paid pursuant to this clause (b)(ii)) to Parent no later than two Business Days after the earlier of the date that the Company enters into such definitive agreement or consummates such transaction with respect to such Acquisition Proposal. For purposes of this Section 7.2(b)(ii), the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 8.4, except that the references to "20%" shall be deemed to be references to "50%" and the references to "Person" shall be deemed to be references to "the Company or Nicor Gas"

(iii) pursuant to Section 7.1(c)(i) or Section 7.1(h) (other than as set forth in Section 7.2(b)(ii)) and (A) prior to the Company Shareholder Meeting or the breach giving rise to Parent's right to terminate under Section 7.1(h), an Acquisition Proposal involving the Company shall have been made to the Company or the Company Board or publicly disclosed and not withdrawn and (B) within twelve months after such termination, the Company shall have entered into a definitive agreement or consummated a transaction with respect to such Acquisition Proposal (or any modification thereof), then the Company shall pay the Company Termination Fee to Parent no later than two Business Days after the earlier of the date that the Company enters into such definitive agreement or consummates such transaction with respect to such Acquisition Proposal. For purposes of this Section 7.2(b)(iii), the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 8.4, except that the references to "20%" shall be deemed to be references to "50%" and the references to "Person" shall be deemed to be references to "the Company or Nicor Gas."

(c) In the event that this Agreement is terminated

(i) pursuant to Section 7.1(e)(ii) or clause (A) or (C) of Section 7.1(f)(i), then Parent shall pay to the Company prior to or concurrently with such termination, in the case of a termination by Parent, or within two Business Days thereafter, in the case of a termination by the Company, a termination fee of $67,000,000 (the "Parent Termination Fee");

(ii) pursuant to Section 7.1(i) due to a material breach of Section 5.5 or Parent's obligations set forth in the third sentence of Section 5.2(e), then Parent shall reimburse the Company upon demand for all documented out-of-pocket fees and expenses incurred or paid on or on behalf of the Company in connection with the Merger or the Subsequent Merger or related to the authorization, preparation, negotiation, execution and performance of this Agreement, in each case including all fees and expenses of counsel, financial advisors, accountants, experts and consultants reasonably retained by the Company, and, in the event that within six months after such termination, Parent shall have entered into a definitive agreement or consummated a transaction with respect to an Acquisition Proposal, then Parent shall pay the Parent Termination Fee (less any amounts previously paid pursuant to this clause (c)(ii)) to the Company no later than two Business Days after the earlier of the date that Parent enters into such definitive agreement or consummates such transaction with respect to such Acquisition Proposal. For purposes of this Section 7.2(c)(ii), the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 8.4, except that the references to "20%" shall be deemed to be references to "50%" and the references to "Person" shall be deemed to be references to "Parent"

(iii) pursuant to Section 7.1(c)(ii) or Section 7.1(i) (other than as set forth in Section 7.2(c)(ii)) and (A) prior to the Parent Shareholder Meeting or the breach giving rise to the Company's right to terminate under Section 7.1(i), an Acquisition Proposal involving Parent shall have been made to Parent or the Parent Board or publicly disclosed and not withdrawn and (B) within twelve months after such termination, Parent shall have entered into a definitive agreement or consummated a transaction with respect to such Acquisition Proposal (or any modification thereof), then Parent shall pay the Parent Termination Fee no later than two Business Days after the earlier of the date that Parent enters into such definitive agreement or consummates such transaction with respect to such Acquisition Proposal. For purposes of this Section 7.2(c)(iii), the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 8.4, except that the references to "20%" shall be deemed to be references to "50%" and the references to "Person" shall be deemed to be references to "Parent"

(iv) pursuant to Section 7.1(j), then Parent shall pay the Company a termination fee of $115,000,000 (the "Financing Failure Fee" and together with the Company Termination Fee and Parent Termination Fee, the "Termination Fees") no later than two Business Days after such termination.

(d) In the event this Agreement is terminated:

(i) pursuant to Section 7.1(c)(i), then the Company shall reimburse Parent upon demand for all documented out-of-pocket fees and expenses incurred or paid on or on behalf of Parent in connection with the Merger or the Subsequent Merger or related to the authorization, preparation, negotiation, execution and performance of this Agreement, in each case including all fees and expenses of counsel, financial advisors, accountants, experts and consultants reasonably retained by Parent and any Termination Fee subsequently paid in respect of such termination shall be reduced by the amount so paid;

(ii) pursuant to Section 7.1(c)(ii), then Parent shall reimburse the Company upon demand for all documented out-of-pocket fees and expenses incurred or paid on or on behalf of the Company in connection with the Merger or the Subsequent Merger or related to the authorization, preparation, negotiation, execution and performance of this Agreement, in each case including all fees and expenses of counsel, financial advisors, accountants, experts and consultants reasonably retained by the Company and any Termination Fee subsequently paid in respect of such termination shall be reduced by the amount so paid.

(e) All payments under this Section 7.2 shall be made by wire transfer of immediately available funds to an account designated in writing by Parent or the Company, as applicable.

(f) Each of the Company, Parent and Merger Sub acknowledges that (i) the agreements contained in this Section 7.2 are an integral part of the transactions contemplated by this Agreement, and (ii) without these agreements, Parent, Merger Sub and the Company would not enter into this Agreement. It is acknowledged and agreed that the Termination Fees are not a penalty, but rather are liquidated damages representing a reasonable estimate of the amount that would compensate the Company or Parent and Merger Sub in the circumstances in which such Termination Fee is payable, absent an intentional breach of this Agreement. In no event shall the Company be required to pay to Parent more than one Company Termination Fee pursuant to Section 7.2(b) and in no event shall Parent be required to pay to the Company more than one Parent Termination Fee pursuant to Section 7.2(c). It is further acknowledged and agreed that, upon payment of a Termination Fee, the paying Party (and in the case of Parent, Merger Sub and Merger LLC) shall have no further liability or obligation with respect to this Agreement or the transactions contemplated hereby and the right to receive such Termination Fee (and only such amount) shall be the sole and exclusive remedy of the other Party; provided, however, in the case of an intentional breach of this Agreement the foregoing limitation shall not apply unless the Company has accepted a Termination Fee that was paid in accordance with the terms of this Agreement.

7.3 Amendment. This Agreement may be amended by the Company, Parent and Merger Sub by action taken by or on behalf of their respective boards of directors at any time prior to the Effective Time; provided, however, that, after receipt of the Company Shareholder Approval, no amendment may be made which, by Law or in accordance with the rules of any relevant stock exchange, requires further approval or authorization by the Company's shareholders without such further approval or authorization. This Agreement may not be amended except by an instrument in writing signed by the Parties hereto.

7.4 Waiver. At any time prior to the Effective Time, Parent and Merger Sub, on the one hand, and the Company, on the other hand, may (a) extend the time for the performance of any of the obligations or other acts of the other, (b) waive any breach of the representations and warranties of the other contained herein or in any document delivered pursuant hereto and (c) waive compliance by the other with any of the covenants or conditions contained herein, to the extent permitted by applicable Law; provided, however, that after receipt of the Company Shareholder Approval, there may not be any extension or waiver of this Agreement which decreases the Merger Consideration or which adversely affects the rights of the Company's shareholders hereunder without the approval of such shareholders at a duly convened meeting of the Company's shareholders called to obtain approval of such extension or waiver. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

ARTICLE 8

GENERAL PROVISIONS

8.1 Non-Survival of Representations and Warranties. None of the representations and warranties contained in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time. Except for any covenant or agreement that by its terms contemplates performance after the Effective Time or otherwise by its terms survives the Effective Time, none of the covenants and agreements of the Parties contained this Agreement shall survive the Effective Time.

8.2 Fees and Expenses. Subject to Section 7.2 and Section 5.13(e) hereof, whether or not the Merger is consummated, all fees and expenses incurred by the Parties hereto shall be borne solely and entirely by the Party which has incurred the same; provided, however, that all fees and expenses associated with filings made pursuant to the HSR Act shall be paid by Parent and all costs and expenses incurred in connection with the printing, filing and mailing of the Joint Proxy Statement and the Form S-4 (including the applicable SEC filing fees) shall be shared equally between Parent and the Company.

8.3 Notices. Any notices or other communications required or permitted under, or otherwise given in connection with, this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered or sent if delivered in Person or sent by facsimile transmission (provided confirmation of facsimile transmission is obtained), (b) on the fifth Business Day after dispatch by registered or certified mail or (c) on the next Business Day if transmitted by national overnight courier, in each case as follows:

If to Parent, Merger Sub or Merger LLC, addressed to it at:

AGL Resources Inc.
Ten Peachtree Place, NE
Atlanta, Georgia 30309

Tel: (404) 584-3000

Fax: (404) 584-3237

Attention: Paul R. Shlanta

with a copy to (for information purposes only):

Dewey & LeBoeuf LLP

1301 Avenue of the Americas

New York, New York 10019

Tel: (212) 259-8000

Fax: (212) 259-6333

Attention: William S. Lamb

Frederick J. Lark

If to the Company, addressed to it at:

Nicor Inc.
1844 Ferry Road
Naperville, Illinois 60563

Tel: (630) 305-9500

Fax: (630) 983-3559

Attention: Paul C. Gracey, Jr.

with a copy to (for information purposes only):

Latham & Watkins LLP

233 South Wacker Drive, Suite 5800

Chicago, Illinois 60606

Tel: (312) 876-7700

Fax: (312) 993-9767

Attention: Mark D. Gerstein

Richard S. Meller

8.4 Certain Definitions. For purposes of this Agreement, the term:

"Acceptable Confidentiality Agreement" means a confidentiality agreement that contains confidentiality provisions restricting the relevant third party that has made an Acquisition Proposal that are no less favorable in the aggregate to the Company than those contained in the Confidentiality Agreements, except that the Company shall be permitted to enter into a less favorable confidentiality agreement, provided that the terms of the Confidentiality Agreements are deemed modified to the same extent.

"Acquisition Proposal" means any offer or proposal concerning (a) a merger, consolidation or other business combination transaction, (b) a sale, lease or other disposition by merger, consolidation, business combination, share exchange, joint venture or otherwise, of assets of a Person (including Equity Interests of a Subsidiary of such Person) or Subsidiaries of such Person representing 20% or more of the consolidated assets of such Person and its Subsidiaries, (c) an issuance (including by way of merger, consolidation, business combination or share exchange) of Equity Interests representing 20% or more of the voting power of such Person, or (d) any combination of the foregoing (in each case, other than the Merger).

"affiliate" means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first-mentioned Person.

"Base Merger Consideration" means the sum of (a) the product of the Cash Consideration multiplied by the Shares (other than Dissenting Shares) plus (b) the amount of cash to be paid in lieu of fractional shares plus (c) the cash payable in respect of Dissenting Shares plus (d) the Total Stock Consideration. For purposes of this calculation, the cash payable in respect of Dissenting Shares shall be deemed to be $53.00.

"Blue Sky Laws" means any state securities, "blue sky" or takeover law.

"Business Day" means any day, other than a Saturday or Sunday or a day on which banks are required or authorized by Law to close in Chicago, Illinois.

"Cash-Out Amount" means the sum of the Cash Consideration and the Stock Consideration Cash Value.

“Charter Amendment” means the amendment to the Amended and Restated Articles of Incorporation of Parent filed with Secretary of State of the State of Georgia to increase the number of directors that may serve on the Parent Board to 16 directors.

“Code” means the Internal Revenue Code of 1986.

“Company Material Adverse Effect” means any change, event or development that is materially adverse to the business, financial condition or results of operations of the Company and the Company Subsidiaries, taken as a whole, except to the extent that such change, event or development results from (and for the avoidance of doubt, any such change, event or development, to the extent resulting from the following, shall not be taken into account in determining whether there has been a Company Material Adverse Effect): (a) general economic or political, regulatory, financial, credit or capital market conditions, including interest rates or exchange rates, or any changes therein; (b) any change affecting any of the industries in which the Company and the Company Subsidiaries operate, including the international, national, regional or local wholesale or retail markets for natural gas or containerized shipping; (c) any change attributable to the execution of this Agreement or the announcement or pendency of the transactions contemplated hereby, including any litigation resulting therefrom; (d) actions taken pursuant to this Agreement or at the request of Parent; (e) acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity; (f) any change in the market price for commodities; (g) any hurricane, earthquake, flood or other natural disasters or acts of God; (h) any change resulting from weather conditions or customer use patterns; (i) any adoptions, proposals, interpretations or changes in Laws after the date hereof or any interpretation thereof by any Governmental Entity; (j) changes in GAAP after the date hereof or any interpretations thereof by any Governmental Entity; (k) any failure by the Company to meet any estimates of revenues, earnings, projections or other economic performance, whether published, internally prepared or provided to Parent and any Parent Representatives; or (l) any change in the price or trading volume of the Company Common Stock on the NYSE or any other market in which such securities are quoted for purchase and sale or any suspension of trading in securities generally on any securities exchange on which any securities of the Company trade; provided, that with respect to clauses (a), (b), (e), (f), (g), (h) and (i), such changes and matters do not have a material and disproportionate adverse impact on the Company and the Company Subsidiaries, taken as a whole, as compared to the adverse impact such changes have generally on other Persons operating in comparable industries (in the case of clauses (a), (b), (e), (f), (g), (h) and (i)) and/or in the comparable geographic region (in the case of clauses (e), (f),(g) and (h)) or in the comparable regulatory jurisdiction (in the case of clause (i)) as the Company or the relevant Company Subsidiaries, and for the avoidance of doubt, for purposes of determining whether a Company Material Adverse Effect has occurred, only the disproportionate adverse impact on the Company and the Company Subsidiaries, taken as a whole shall be considered; provided, further, that with respect to clauses (k) and (l), it is understood that the facts and circumstances giving rise to such failure or change shall not be excluded from the determination of whether there has been a Company Material Adverse Effect if such facts and circumstances are not otherwise described in clauses (a)-(j) of this definition.

“Company Shareholder Meeting” means a duly convened meeting of the Company’s shareholders called to obtain the Company Shareholder Approval, or any valid adjournment or postponement thereof.

“Contracts” means any agreement, contract, lease (whether for real or personal property), power of attorney, note, bond, mortgage, indenture, deed of trust, loan, derivative, hedge, evidence of indebtedness, purchase order, letter of credit, settlement agreement, franchise agreement, covenant not to compete, employment agreement, license, purchase and sales order and other legal commitment to which a Person is a party or to which the properties or assets of such Person are subject.

“control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of stock or as trustee or executor, by Contract or otherwise.

“Environmental Laws” means all applicable Laws which (a) regulate or relate to the protection or clean up of the environment, the use, treatment, storage, transportation, handling, disposal or Release of Hazardous Substances, or the preservation or protection of waterways, groundwater, drinking water, air, wildlife, plants or other natural resources; or (b) impose liability or responsibility with respect to any of the foregoing, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), or any other law of similar effect.

“Environmental Permits” means all Company Permits or Parent Permits, as applicable, required under any applicable Environmental Law.

“Equity Interest” means any share, capital stock, partnership, membership or similar interest in any Person, and any option, warrant, right or security (including debt securities) convertible, exchangeable or exercisable therefore.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Company or any Company Subsidiary or Parent or any Parent Subsidiary, as applicable, 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.

“Exchange Act” means the Securities Exchange Act of 1934.

“FERC” means the Federal Energy Regulatory Commission.

“Financing Failure” means either (i) the Financing and any Alternative Financing are not available or (ii) neither the proceeds of the Financing nor the proceeds of any Alternative Financing have been received by Parent and/or Merger Sub and Parent and Merger Sub are otherwise in compliance with Section 5.13, in each case, by the end of the Marketing Period.

“Financing Sources” means the Persons that have committed to provide or have otherwise entered into agreements in connection with the Commitment Letter or alternative debt financings in connection with the transactions contemplated hereby, including the Lenders and the Arranger (as defined in the Commitment Letter), and any joinder agreements, indentures or credit agreements entered into pursuant thereto or relating thereto, together with their affiliates, and their and their affiliates’ respective officers, directors, employees, agents and representatives involved in the Financing and their successors and assigns.

“GAAP” means generally accepted accounting principles as applied in the United States.

“Governmental Entity” means any national, federal, state, county, municipal or local government, or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory, taxing or administrative functions of or pertaining to government, whether domestic or foreign.

“Hazardous Substances” means any pollutant or contaminant, any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical or chemical compound, or substance, material or waste, whether solid, liquid or gas, that is subject to regulation, control or remediation under any Environmental Laws because of its dangerous, hazardous or deleterious characteristics, including without limitation, any quantity of asbestos in any form, urea formaldehyde, PCBs, radon gas, crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products or derivatives.

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

“Intellectual Property” means all (a) U.S. and foreign patents and patent applications, (b) U.S. and foreign trademarks, service marks, trade dress, logos, trade names and corporate names, whether registered or unregistered, and the goodwill associated therewith, together with any registrations and applications for registration thereof, (c) U.S. and foreign copyrights and rights under copyrights, whether registered or unregistered, and any registrations and applications for registration thereof, and (d) trade secrets and other rights in know-how and confidential or proprietary information.

“IRS” means the United States Internal Revenue Service.

“Joint Proxy Statement” means a proxy statement relating to the adoption and approval of this Agreement by the Company’s shareholders and the approval of the Share Issuance by Parent’s shareholders.

“knowledge” means (i) with respect to the Company, the actual knowledge of the individuals listed in Exhibit A hereto and (ii) with respect to the Parent, the actual knowledge of the individuals listed in Exhibit B hereto.

“Law” means any federal, state, local or foreign law, statute, code, ordinance, rule, regulation, order, judgment, writ, stipulation, award, injunction or decree.

"Lien" means any lien, mortgage, pledge, conditional or installment sale agreement, encumbrance, covenant, restriction, option, right of first refusal, easement, security interest, deed of trust, right-of-way, encroachment, community property interest or other claim or restriction of any nature, whether voluntarily incurred or arising by operation of Law.

"Marketing Period" means the first period of twenty (20) consecutive Business Days after the date hereof throughout which (a) Parent and Merger Sub shall have the Required Financial Information and (b) the conditions set forth in Section 6.1 shall have been satisfied and nothing has occurred and no condition exists that would cause any of the conditions set forth in Section 6.2 to fail to be satisfied assuming the Closing were to be scheduled for any time during such twenty (20) consecutive Business Day period; provided, however, that if the Marketing Period has not ended on or prior to December 17, 2011, the Marketing Period shall not be deemed to have commenced until January 4, 2012 for any purposes hereunder; and provided, further, that the Marketing Period shall not include (x) any black-out period imposed by Parent or by applicable Law or (y) any day from and including (A) December 17, 2010 through and including January 3, 2011, (B) August 19, 2011 through and including September 5, 2011, (C) November 18, 2011 through and including November 28, 2011 or (D) December 16, 2011 through and including January 2, 2012. Without limiting the generality of the foregoing, the Marketing Period shall not be deemed to have commenced if, prior to completion of the Marketing Period, (i) Deloitte & Touche LLP shall have withdrawn its audit opinion with respect to any financial statements contained in the Company SEC Documents, (ii) the Company shall have publicly announced any intention to restate any financial information included in the Required Financial Information or that any such restatement is under consideration, in which case the Marketing Period shall be deemed not to commence at the earliest unless and until such restatement has been completed and the Company SEC Documents have been amended or the Company has determined that no restatement shall be required, (iii) the Company shall not have timely filed any Company SEC Documents, in which case the Marketing Period shall be deemed not to commence at the earliest unless and until such delinquency is cured, or (iv) the financial statements included in the Required Financial Information that is available to Parent on the first day of any such twenty (20) consecutive Business Day period would be required to be updated under Rule 3-12 of Regulation S-X in order to be sufficiently current on any day during such twenty (20) consecutive Business Day period to permit a registration statement using such financial statements to be declared effective by the SEC on the last day of such twenty (20) consecutive Business Day period, in which case the Marketing Period shall not be deemed to commence until the receipt by Parent of updated Required Financial Information that would be required under Rule 3-12 of Regulation S-X to permit a registration statement using such financial statements to be declared effective by the SEC on the last day of such twenty (20) consecutive Business Day period.

"Material Adverse Term" means any term or condition of any Final Order that would, individually or in the aggregate with other such terms and conditions, reasonably be expected to have a Utility Material Adverse Effect, a Company Material Adverse Effect or a Parent Material Adverse Effect; provided that for purposes of determining whether any such term or condition has either a Parent Material Adverse Effect or a Company Material Adverse Effect, Parent and its Subsidiaries, taken as a whole, and the Company and its Subsidiaries, taken as a whole, shall be deemed to be a consolidated group of entities that are qualitatively and quantitatively equivalent to Nicor Gas, determined after giving effect to any such term or condition but before giving effect to the Merger and the Subsequent Merger, and provided, further, that for purposes of determining whether any such term or condition has a Utility Material Adverse Effect, the adverse impact of any term or condition imposed on any of Parent, the Company or any of their respective Subsidiaries (other than Nicor Gas) shall be deemed to have been imposed on Nicor Gas.

“NYSE” means the New York Stock Exchange.

“Parent Closing Share Price” means the Volume-Weighted Average Price, rounded to four decimal points, of one share of Parent Common Stock on the NYSE for the Business Day immediately preceding the Effective Time.

“Parent Material Adverse Effect” means any change, event or development that is materially adverse to the business, financial condition or results of operations of Parent and the Parent Subsidiaries, taken as a whole; except to the extent that such change, event or development results from (and for the avoidance of doubt, any such change, event or development, to the extent resulting from the following, shall not be taken into account in determining whether there has been a Parent Material Adverse Effect): (a) general economic or political, regulatory, financial, credit or capital market conditions, including interest rates or exchange rates, or any changes therein; (b) any change affecting any of the industries in which Parent and the Parent Subsidiaries operate; (c) any change attributable to the execution of this Agreement or the announcement or pendency of the transactions contemplated hereby, including any litigation resulting therefrom; (d) actions taken pursuant to this Agreement or at the request of the Company; (e) acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity; (f) any change in the market price for commodities; (g) any hurricane, earthquake, flood or other natural disasters or acts of God; (h) any change resulting from weather conditions or customer use patterns; (i) any adoptions, proposals, interpretations or changes in Laws after the date hereof or any interpretation thereof by any Governmental Entity; (j) changes in GAAP after the date hereof or any interpretations thereof by any Governmental Entity; (k) any failure by Parent to meet any estimates of revenues, earnings, projections or other economic performance, whether published, internally prepared or provided to the Company and any Company Representatives; or (l) any change in the price or trading volume of the Parent Common Stock on the NYSE or any other market in which such securities are quoted for purchase and sale or any suspension of trading in securities generally on any securities exchange on which any securities of Parent trade; provided, that with respect to clauses (a), (b), (e), (f), (g), (h) and (i), such changes and matters do not have a material and disproportionate adverse impact on Parent and the Parent Subsidiaries, taken as a whole, as compared to the adverse impact such changes have generally on other Persons operating in comparable industries (in the case of clauses (a), (b), (e), (f), (g), (h) and (i)) and/or in the comparable geographic region (in the case of clauses (e), (f), (g) and (h)) or in the comparable regulatory jurisdiction (in the case of clause (i)) as Parent or the relevant Parent Subsidiaries, and for the avoidance of doubt, for purposes of determining whether a Parent Material Adverse Effect has occurred, only the disproportionate adverse impact on Parent and the Parent Subsidiaries, taken as a whole shall be considered; provided, further, that with respect to clauses (k) and (l), it is understood that the facts and circumstances giving rise to such failure or change shall not be excluded from the determination of whether there has been, a Parent Material Adverse Effect if such facts and circumstances are not otherwise described in clauses (a)-(j) of this definition.

“Parent Signing Share Price” means $37.13.

“Parent Superior Proposal” means a bona fide written Acquisition Proposal (except that all references therein to “20%” shall be deemed to be a reference to “50%” and all references therein to “Person” shall be deemed to be a reference to “Parent”) made by a third party which the Parent Board determines in good faith (after consultation with its financial advisors and outside counsel), taking into account all legal, financial, regulatory, timing and other aspects of the proposal and the Person making the proposal, that (a) is reasonably likely to be consummated on the terms proposed, (b) to the extent financing is required, such financing is then fully committed or reasonably capable of being obtained and (c) is otherwise on terms that the Parent Board has determined are more favorable to Parent than the Merger.

“Parties” means Parent, Merger Sub, Merger LLC and the Company.

“Person” means an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization, other entity or group (as defined in Section 13(d) of the Exchange Act).

“Release” means any release, pumping, pouring, emptying, injecting, escaping, leaching, migrating, dumping, leak, seepage, spill, flow, discharge, disposal, or emission.

“Required Financial Information” means, as of any date, (a) the audited consolidated financial statements of the Company for each of the three fiscal years ending at least 95 days prior to the Closing Date, prepared in accordance with Regulation S-X, (b) the unaudited consolidated financial statements for any interim period or periods of the Company and the related unaudited statements of income and cash flows, which shall have been reviewed by the independent accountants of the Company as provided under SAS 100, (c) financial information related to the Company reasonably requested in writing (including such requests made after the provision of the financial statements described in clauses (a) and (b) above) by Parent as promptly as reasonably practicable, which information is reasonably necessary for Parent to produce the pro forma financial statements required under Regulation S-X under the Securities Act for a public capital markets offering, and (d)(i) such other financial data and pertinent information regarding the Company and the Company Subsidiaries required by SEC Regulation S-X and SEC Regulation S-K under the Securities Act (including pro forma financial information, provided that it is understood that assumptions underlying the pro forma adjustments to be made are the responsibility of Parent) in connection with a registered offering of nonconvertible debt securities to consummate the offering of secured or unsecured senior notes and/or senior subordinated notes, made on any date during the relevant period and specified in writing by Parent to the Company, and (ii) such other information and data as are otherwise necessary in order to receive customary “comfort” letters with respect to the financial statements and data referred to in clause (i) of this definition (including “negative assurance” comfort) from the independent auditors of the Company and the Company Subsidiaries on any date during the relevant period; provided, however, that if the Company shall in good faith reasonably believe it has delivered the Required Financial Information, it may deliver to Parent a written notice to that effect (stating when it believes it completed such delivery), in which case the Required Financial Information shall be deemed to have been delivered on the first Business Day after the date of such notice unless Parent in good faith reasonably determines the Company has not completed delivery of the Required Financial Information and, within three Business Days of the delivery of such notice by the Company, delivers a written notice to the Company to that effect (stating with reasonable specificity which Required Financial Information that Parent reasonably believes the Company has not delivered).

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933.

“Share Issuance” means the issuance of Parent Common Stock constituting the Stock Consideration pursuant to the terms and subject to the conditions of this Agreement.

“Significant Company Subsidiaries” means Birdsall, Inc., Nicor Enerchange L.L.C., Nicor Energy Ventures Company, Nicor Gas, Nicor Services Company, Seven Seas Insurance Company, Inc. and Tropical Shipping and Construction Company Limited.

“Significant Parent Subsidiaries” means AGL Capital Corporation, AGL Services Company, Atlanta Gas Light Company, Chattanooga Gas Company, Georgia Natural Gas Company, SouthStar Energy Services LLC, Golden Triangle Storage, Inc., Pivotal Utility Holdings, Inc., Pivotal Jefferson Island Storage & Hub, LLC, Jefferson Island Storage & Hub, LLC, Sequent Energy Management, LP, and Virginia Natural Gas, Inc..

“Stock Consideration Cash Value” means the product of the Exchange Ratio and the Parent Closing Share Price.

“Subsidiary” of Parent, the Company or any other Person means any corporation, partnership, limited liability company, joint venture or other legal entity of which Parent, the Company or such other Person, as the case may be (either alone or through or together with any other Subsidiary), owns, directly or indirectly, a majority of the Equity Interests representing the right to vote for the election of the board of directors or other governing body of such corporation, partnership, limited liability company, joint venture or other legal entity, or any Person that would otherwise be deemed a “subsidiary” under Rule 12b-2 promulgated under the Exchange Act.

"Superior Proposal" means a bona fide written Acquisition Proposal (except that all references therein to "20%" shall be deemed to be a reference to "50%" and all references therein to "Person" shall be deemed to be a reference to "the Company or Nicor Gas") made by a third party which the Company Board determines in good faith (after consultation with its financial advisors and outside counsel) to be more favorable to the Company than the Merger after taking into account, among other things: (i) the financial considerations and financial aspects of the Acquisition Proposal and the Merger, (ii) strategic considerations, including whether such Acquisition Proposal is more favorable from a long-term strategic standpoint, (iii) legal and regulatory considerations of such Acquisition Proposal and the Merger, (iv) the identity of the third party making such Acquisition Proposal, (v) the conditions and likelihood of completion of such Acquisition Proposal as compared to the Merger (taking into account any necessary regulatory approvals), (vi) whether such Acquisition Proposal is likely to impose material obligations on the Company (or the post-closing entity in which the Company's shareholders will hold securities) in connection with obtaining necessary regulatory approvals, and (vii) whether such Acquisition Proposal is subject to a financing condition and the likelihood of such Acquisition Proposal being financed.

"Tax Authority" means any Governmental Entity having jurisdiction over the assessment, determination, collection or imposition of any Tax.

"Tax Return" means any report, return (including information return), claim for refund, election, notice, estimated tax filing, declaration, request, or other statement or document (including any related or supporting information) supplied to or required to be filed with any Tax Authority with respect to Taxes, including any schedule, attachment or supplement thereto, and including any amendments thereof.

"Taxes" means (a) all taxes, charges, fees, duties, customs, tariffs, imposts, payments in lieu, levies, penalties or other assessments or charges in the nature of a tax or any other similar payment imposed by any Tax Authority, whether payable by reason of contract, assumption, transferee liability, operation of Law, closing agreement entered into with a Tax Authority, or otherwise, including, but not limited to, income, license, recording, occupation, environmental, customs duties, single business, margin, unemployment, disability, mortgage, inventory, alternative or add-on minimum, profits, receipts, excise, property, sales, use, transfer, franchise, payroll, withholding, social security, estimated or other taxes or any other similar payment or similar items or fees, and (b) any interest, penalty, fine or addition to any of the foregoing, whether disputed or not.

"Total Stock Consideration" means the product of the Parent Signing Share Price multiplied by the aggregate number of shares of Parent Common Stock to be issued pursuant to this Agreement.

"Utility Material Adverse Effect" means any change, event or development that is materially adverse to the business, financial condition or results of operations of Nicor Gas except to the extent that such change, event or development results from (and for the avoidance of doubt, any such change, event or development, to the extent resulting from the following, shall not be taken into account in determining whether there has been a Utility Material Adverse Effect): (a) general economic or political, regulatory, financial, credit or capital market conditions, including interest rates or exchange rates, or any changes therein; (b) any change affecting any of the industries in which Nicor Gas operates, including the international, national, regional or local wholesale or retail markets for natural gas or containerized shipping; (c) any change attributable to the execution of this Agreement or the announcement or pendency of the transactions contemplated hereby, including any litigation resulting therefrom; (d) actions taken pursuant to this Agreement or at the request of Parent; (e) acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity; (f) any change in the market price for commodities; (g) any hurricane, earthquake, flood or other natural disasters or acts of God; (h) any change resulting from weather conditions or customer use patterns; (i) any adoptions, proposals, interpretations or changes in Laws after the date hereof or any interpretation thereof by any Governmental Entity; (j) changes in GAAP after the date hereof or any interpretations thereof by any Governmental Entity; (k) any failure by Nicor Gas to meet any estimates of revenues, earnings, projections or other economic performance, whether published, internally prepared or provided to Parent and any Parent Representatives; or (l) any change in the price or trading volume of the common stock of Nicor Gas on the NYSE or any other market in which such securities are quoted for purchase and sale or any suspension of trading in securities generally on any securities exchange on which any securities of Nicor Gas trade; provided, that with respect to clauses (a), (b), (e), (f), (g), (h) and (i), such changes and matters do not have a material and disproportionate adverse impact on Nicor Gas, as compared to the adverse impact such changes have generally on other Persons operating in comparable industries (in the case of clauses (a), (b), (e), (g), (h) and (i)) and/or in the comparable geographic region (in the case of clauses (e), (f), (g) and (h)) or in the comparable regulatory jurisdiction (in the case of clause (i)) as Nicor Gas, and for the avoidance of doubt, for purposes of determining whether a Utility Material Adverse Effect has occurred, only the disproportionate adverse impact on Nicor Gas shall be considered; provided, further, that with respect to clauses (k) and (l), it is understood that the facts and circumstances giving rise to such failure or change shall not be excluded from the determination of whether there has been a Utility Material Adverse Effect if such facts and circumstances are not otherwise described in clauses (a)-(j) of this definition.

"Volume-Weighted Average Price" means, for any security as of any date, the dollar volume-weighted average price for such security on the applicable national securities exchange or in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30 a.m., New York City time, and ending at 4:00 p.m., New York City time, on any trading day, as reported by Bloomberg Financial Markets, or any successor thereto, through its "Volume at Price" function, subject to appropriate adjustments for any stock dividend, stock split or other similar transactions that occur during such period. If the Volume-Weighted Average Price cannot be calculated for such security on such date on any of the foregoing bases, the Volume-Weighted Average Price of such security on such date shall be the fair market value as mutually agreed upon by Parent and the Company.

8.5 Terms Defined Elsewhere. The following terms are defined elsewhere in this Agreement, as indicated below:

“Adjustment”	Section 2.1(f)
“Agreement”	Preamble
“Alternative Acquisition Agreement”	Section 5.4(d)
“Alternative Financing”	Section 5.13(c)
“Articles of Merger”	Section 1.2
“Benefit Protection Period”	Section 5.9(a)
“Book-Entry Shares”	Section 2.2(b)
“Cash Consideration”	Section 2.1(a)
“Certificate”	Section 2.1(b)
“Change of Company Board Recommendation”	Section 5.4(a)
“Change of Parent Board Recommendation”	Section 5.2(e)
“Closing”	Section 1.2
“Closing Date”	Section 1.2
“Commitment Letter”	Section 4.18(b)
“Company”	Preamble
“Company Benefit Plan”	Section 3.12(a)
“Company Board”	Recitals
“Company Board Recommendation”	Section 5.2(d)
“Company Bylaws”	Section 3.1(b)
“Company Charter”	Section 3.1(b)
“Company Common Stock”	Section 3.2(a)
“Company Designee”	Section 5.20
“Company Disclosure Letter”	Article 3

“Company Employees”	Section 5.9(a)
“Company Equity Plans”	Section 2.4(a)
“Company Financial Statements”	Section 3.7(b)
“Company Insurance Policies”	Section 3.22
“Company Leased Real Property”	Section 3.16(b)
“Company Options”	Section 2.4(a)
“Company Owned Real Property”	Section 3.16(a)
“Company Permits”	Section 3.6(a)
“Company Preference Stock”	Section 3.2(a)
“Company Preferred Stock”	Section 3.2(a)
“Company Real Property”	Section 3.16(c)
“Company Real Property Lease”	Section 3.16(b)
“Company Real Property Rights”	Section 3.16(c)
“Company Representatives”	Section 5.3(a)
“Company Required Governmental Approvals”	Section 3.5
“Company Scheduled Contract”	Section 3.14(b)
“Company SEC Documents”	Section 3.7(a)
“Company Shareholder Approval”	Section 3.3(c)
“Company Subsidiary”	Section 3.1(c)
“Company Tax Certificates”	Section 5.18(d)
“Company Termination Fee”	Section 7.2(b)(i)
“Company Trading Guidelines”	Section 3.24
“Confidentiality Agreements”	Section 5.3(c)
“CPUC”	Section 3.5(c)
“D&O Insurance”	Section 5.11(b)

“Dissenting Shares”	Section 2.4
“Effective Time”	Section 1.2
“ERISA”	Section 3.12(a)
“ESPP”	Section 2.6
“Exchange Agent”	Section 2.2(a)
“Exchange Fund”	Section 2.2(a)
“Exchange Ratio”	Section 2.1(a)
“Extended Outside Date”	Section 7.1(b)
“FCC”	Section 3.5
“Final Order”	Section 6.1(d)
“Financing”	Section 4.18(b)
“Financing Failure Fee”	Section 7.2(c)(iii)
“Form S-4”	Section 3.11
“IBCA”	Recitals
“ICC”	Section 3.5
“Illinois Statutes”	Section 3.5
“Initial Outside Date”	Section 7.1(b)
“Lenders”	Section 4.18(b)
“LLC Act”	Recitals
“Merger”	Recitals
“Merger Consideration”	Section 2.1(b)
“Merger LLC”	Preamble
“Merger Sub”	Preamble
“Multiemployer Plan”	Section 3.12(f)
“Net Commitment Letter”	Section 5.13(b)

“Net Company Position”	Section 3.24
“Net Parent Position”	Section 4.23
“New Price Date”	Section 2.5
“NGA”	Section 3.25(a)
“Nicor Gas”	Section 3.5
“Nicor Gas SEC Documents”	Section 3.7(a)
“Option Payments”	Section 2.4(a)
“Parent”	Preamble
“Parent Alternative Acquisition Agreement”	Section 5.5(d)
“Parent Benefit Plan”	Section 4.12(a)
“Parent Board”	Recitals
“Parent Board Recommendation”	Section 5.2(e)
“Parent Common Stock”	Section 4.2(a)
“Parent Disclosure Letter”	Article 4
“Parent Financial Statements”	Section 4.7(b)
“Parent Permits”	Section 4.6(a)
“Parent Preferred Stock”	Section 4.2(a)
“Parent Representatives”	Section 5.3(a)
“Parent Shareholder Meeting”	Section 5.2(e)
“Parent SEC Documents”	Section 4.7(a)
“Parent Shareholder Approval”	Section 4.3(b)
“Parent Subsidiary”	Section 4.2(c)
“Parent Subsidiary Issuers”	Section 4.7(a)
“Parent Subsidiary SEC Documents”	Section 4.7(a)
“Parent Tax Certificates”	Section 5.18(e)

“Parent Termination Fee”	Section 7.2(c)(i)
“Parent Trading Guidelines”	Section 4.23
“PBGC”	Section 3.12(e)
“PUHCA 2005”	Section 3.25(a)
“Restricted Stock”	Section 2.5(b)
“RSU”	Section 2.5(c)
“Sarbanes-Oxley Act”	Section 3.7(a)
“Section 16”	Section 5.14
“Shares”	Section 2.1(a)
“Stock Consideration”	Section 2.1(a)
“Subsequent Merger”	Recitals
“Surviving Company”	Section 1.3(a)
“Surviving Corporation”	Section 1.1(a)
“Termination Fees”	Section 7.2(c)(iii)
“Transfer”	Section 5.15
“Transfer Taxes”	Section 5.17
“Transition Committee”	Section 5.23

8.6 Headings. The headings and table of contents contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

8.8 Entire Agreement. This Agreement (together with the Exhibits, Parent Disclosure Letter and Company Disclosure Letter and the other documents delivered pursuant hereto) and the Confidentiality Agreements constitute the entire agreement of the Parties and supersede all prior agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and, except as otherwise expressly provided herein, are not intended to confer upon any other Person any rights or remedies hereunder.

8.9 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by any of the Parties hereto without the prior written consent of the other Parties. Any assignment in violation of the preceding sentence shall be void.

8.10 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their respective successors and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than any Persons entitled to indemnification under the provisions of Section 5.11 (Indemnification of Directors and Officers), with respect to such provisions, who shall be entitled to enforce their rights under this Agreement as third-party beneficiaries. Notwithstanding the foregoing, (i) following the Effective Time, the provisions of Article 2 shall be enforceable by the holders of Certificates; and (ii) the Financing Sources are hereby made third party beneficiaries of Sections 8.12(b), 8.12(c) and 8.15. Sections 8.12(b), 8.12(c) and 8.15 of this Agreement (and the related definitions and other provisions of this Agreement to the extent a modification or waiver or termination would serve to modify the substance or provisions of such Sections) may not be modified, waived or terminated in a manner that impacts or is adverse in any material respect to the Financing Sources without the prior written consent of the Arranger (as defined in the Commitment Letter), on behalf of the Financing Sources, and shall survive any termination of this Agreement.

8.11 Mutual Drafting; Interpretation. Each Party hereto has participated in the drafting of this Agreement, which each Party acknowledges is the result of extensive negotiations between the Parties. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision. For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include masculine and feminine genders. As used in this Agreement, the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.” Except as otherwise indicated, all references in this Agreement to “Sections,” “Exhibits,” “Annexes” and “Schedules” are intended to refer to Sections of this Agreement and Exhibits, Annexes and Schedules to this Agreement. All references in this Agreement to “$” are intended to refer to U.S. dollars. Unless otherwise specifically provided for herein, the term “or” shall not be deemed to be exclusive. Disclosure of any item on the Company Disclosure Letter or the Parent Disclosure Letter by reference to any particular Section or Subsection of this Agreement shall be deemed to constitute disclosure with respect to any other Section or Subsection of this Agreement if the relevance of such disclosure to such other Section or Subsection is reasonably apparent from such disclosure or the context in which such disclosure is made. The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement. References in this Agreement to any agreement, instrument, statute, rule or regulation are to the agreement, instrument, statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under said statutes) and to any section of any statute, rule or regulation including any successor to said section. References to a Person are also to its successors and permitted assigns. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

8.12 Governing Law; Consent to Jurisdiction; Waiver of Trial by Jury.

(a) Except to the extent the IBCA is mandatorily applicable to the Merger and the Subsequent Merger, this Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to Laws that may be applicable under conflicts of laws principles (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

(b) Each of the Parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Delaware Court of Chancery and any appellate court from thereof in the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware and any appellate court from any thereof), in any action or proceeding arising out of or relating to this Agreement or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each of the Parties hereby irrevocably and unconditionally (i) agrees not to commence any such action or proceeding except in such court, (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in such court, (iii) 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 such action or proceeding in such court, and (iv) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court located in Delaware. 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. Each Party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.3. Nothing in this Agreement will affect the right of any Party to this Agreement to serve process in any other manner permitted by Law. Notwithstanding the foregoing, each of the parties hereto agrees that it will not bring or support any action, cause of action, claim, cross-claim or third-party claim or any kind of description, whether in law or in equity, whether in contract or in tort or otherwise, against any Financing Source (including, without limitation, the Arranger (as defined in the Commitment Letter)) in any way relating to this Agreement or any of the transactions contemplated by this Agreement or the Financing, including but not limited to any dispute arising out of relating in any way to the Commitment Letter or the performance thereof, in any forum other than the Supreme Court of the State of New York, County of New York, or, if under applicable law exclusive jurisdiction is vested in the federal courts, the United States District Court for the Southern District of New York (and appellate courts thereof); provided, however, that for purposes of any action or claim referred to in this sentence, the interpretation of the definition of Acquired Business Material Adverse Effect and Company Material Adverse Effect (each, as defined in the Commitment Letter), in each case, as set forth the Commitment Letter, shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

(c) EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY INCLUDING BUT NOT LIMITED TO ANY DISPUTE ARISING OUT OF OR RELATING TO THE COMMITMENT LETTER OR THE FINANCING OR THE PERFORMANCE THEREOF. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) 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 EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12(c).

8.13 Counterparts. This Agreement may be executed in two or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The exchange of a fully executed Agreement (in counterparts or otherwise) by facsimile or by electronic delivery in .pdf format shall be sufficient to bind the Parties to the terms and conditions of this Agreement.

8.14 Specific Performance.

(a) The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the Parties hereto do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder in order to consummate this Agreement) in accordance with its specified terms or otherwise breach such provisions. The Parties acknowledge and agree that each Party hereto shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, without proof of actual damages (and each Party hereby waives any requirement for the securing or posting of any bond or other undertaking in connection with such remedy), this being in addition to, and not exclusive of, any other remedy to which they are entitled at law or in equity. Without limitation of the foregoing and notwithstanding anything in this Agreement to the contrary, the Parties hereby further acknowledge and agree that prior to the Closing, each Party shall be entitled to seek specific performance (i) to enforce specifically the terms and provisions of, and to prevent or cure breaches of, Section 5.6 and Section 5.13; (ii) if (A) all conditions in Sections 6.1 and 6.2 (other than those conditions that by their nature are to be satisfied at the Closing) have been satisfied or waived and (B) Parent and Merger Sub fail to complete the Closing by the date the Closing is required to have occurred pursuant to Section 1.2, to cause Parent and/or Merger Sub to draw down the full amount of the Financing and (iii) to prevent or cure breaches of this Agreement by the other Party and/or to enforce specifically the terms and provisions of this Agreement, including to cause the other Party to consummate the transactions contemplated hereby, including to effect the Closing in accordance with Section 1.2, on the terms and subject to the conditions in this Agreement. Each Party hereto agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that (x) the other Party has an adequate remedy at law or (y) an award of specific performance is not an appropriate remedy for any reason at law or equity.

(b) The Parties further agree that (x) the seeking of the remedies provided for in Section 8.14(a) shall not in any respect constitute a waiver by any Party seeking such remedies of its respective right to seek any other form of relief that may be available to it under this Agreement, including under Section 7.2, in the event that this Agreement has been terminated or in the event that the remedies provided for in Section 8.14(a) are not available or otherwise are not granted, and (y) nothing set forth in this Agreement shall require a Party to institute any proceeding for (or limit a Party's right to institute any proceeding for) specific performance under Section 8.14(a) prior or as a condition to exercising any termination right under Article 7 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding pursuant to Section 8.14(a) or anything set forth in this Section 8.14(b) restrict or limit a Party's right to terminate this Agreement in accordance with the terms of Article 7 or pursue any other remedies under this Agreement that may be available then or thereafter.

8.15 Sole and Exclusive Remedy. Notwithstanding anything in this Agreement to the contrary, the sole and exclusive remedy of the Company (whether at law, in equity, in contract, in tort or otherwise) against the Financing Sources for any Financing Failure shall be to terminate this Agreement as provided in Section 7.1(j) and receive payment of the Financing Failure Fee and upon payment of the Financing Failure Fee none of the Financing Sources will have any liability to the Company, its affiliates or any other Person relating to or arising out of this Agreement, the Commitment Letter or otherwise, whether at law, or equity, in contract, in tort or otherwise, and no Person will have any rights or claims against any of the Financing Sources hereunder or thereunder. In no event shall the Company be entitled to seek the remedy of specific performance of this Agreement against the Financing Sources, and in no event shall any Financing Source be liable for or obligated to pay consequential, special, multiple, punitive or exemplary damages including, but not limited to, damages arising from loss of profits, business opportunities or goodwill in respect of any breach or failure to comply with this Agreement or in respect of any of the transactions contemplated hereby (including the Financing and the Commitment Letter).

IN WITNESS WHEREOF, Parent, Merger Sub, Merger LLC and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

AGL Resources Inc.

By: /s/ John W. Somerhalder, II
John W. Somerhalder, II
Chairman, President and Chief Executive Officer

Apollo Acquisition Corp.

By: /s/ John W. Somerhalder, II
John W. Somerhalder, II
President

Ottawa Acquisition LLC

By: /s/ Anderw W. Evans
Andrew W. Evans
Manager

Nicor Inc.

By: /s/ Russ M. Strobel
Russ M. Strobel
Chairman, President and Chief Executive Officer

* Schedules omitted pursuant to Item 601(b)(2) of Regulation S-K under the Securities Exchange Act of 1934, as amended. AGL Resources, Inc. agrees to furnish a supplemental copy of any omitted schedule to the Securities and Exchange Commission upon request.

Exhibit A

List of Knowledge Persons – Company

Russ M. Strobel

Richard L. Hawley

Daniel R. Dodge

Neil J. Maloney

Rocco J. D'Alessandro

Rick Murrell

Douglas M. Ruschau

Jill Kelley

Exhibit B

List of Knowledge Persons – Parent

John Somerhalder

Andrew Evans

Melanie Platt

Henry Linginfelter

Ralph Cleveland

Peter Tuminello

Steve Cave

David Slovensky

William Palmer

GOLDMAN SACHS BANK USA
200 West Street
New York, New York 10282-2198

PERSONAL AND CONFIDENTIAL

December 6, 2010

AGL Capital Corporation
Ten Peachtree Place NE
Atlanta Georgia 30309

Attention: Andrew W. Evans

Commitment Letter

Ladies and Gentlemen:

Goldman Sachs Bank USA ("**GS Bank**") is pleased to confirm the arrangements under which (i) GS Bank is exclusively authorized by AGL Capital Corporation, a Nevada corporation (the "**Company**" or "**you**") to act as sole lead arranger and sole bookrunner in connection with, (ii) GS Bank is exclusively authorized by the Company to act as administrative agent in connection with, and (iii) GS Bank commits to provide financing for, certain transactions described herein, in each case on the terms and subject to the conditions set forth in this letter and the attached Annexes A, B and C hereto (collectively, the "**Commitment Letter**").

You have informed us that AGL Resources Inc., a Georgia corporation ("**HoldCo**"), of which the Company is a direct wholly-owned financing subsidiary, intends to acquire through a newly formed, direct wholly-owned domestic subsidiary (the "**Acquisition**") all of the outstanding common stock of Nicor Inc. (**"Nicor"**, together with its subsidiaries, the "**Acquired Business**"). You have also informed us that the Acquisition will be financed from the following sources:

- the issuance by the Borrower (as defined in Annex B) of $1,050.0 million of debt securities to fund, in part, the Acquisition Cash Consideration (the "**Notes**") pursuant to a registered public offering or Rule 144A or other private placement (the "**Notes Offering**") or, in the event some or all of the Notes are unable to be issued at the time the Acquisition is consummated, borrowings by the Borrower of unsecured senior increasing rate bridge loans (the "**Bridge Loans**") under a 364-day senior bridge term loan facility in an aggregate principal amount of $1,050.0 million (the "**Bridge Facility**") having the terms set forth on Annex B; and

- the Acquisition Equity Consideration (as defined in Annex B);

provided that the amount of our commitments available to the Company under the Bridge Facility shall automatically be reduced on a dollar-for-dollar basis by, and on the date of receipt of, the net proceeds to HoldCo or any of its subsidiaries (but, in the case of proceeds received by a regulated subsidiary of HoldCo, solely to the extent such proceeds are distributed to HoldCo, the Company or another unregulated subsidiary of HoldCo (and, in the case of joint ventures with unaffiliated third parties, to the extent of HoldCo's direct or indirect equity interest therein)) from:

(1) (A) any direct or indirect public offering or private placement of any equity securities or (B) any direct or indirect public offering or private placement of debt securities or other incurrence of debt (whether funded or unfunded) or bank borrowings, including, in the case of each of clause (A) and (B), any Permanent Financing (as defined in the Fee Letter) but excluding (i) indebtedness set forth in the "Debt Schedule" delivered to GS Bank prior to the date hereof and indicated as "Exclusions to Commitment Reductions and Mandatory Prepayment", (ii) the refinancing of certain commercial paper or Permitted Letters of Credit (as defined below) of HoldCo and its subsidiaries with new commercial paper or Permitted Letters of Credit or, with the prior written consent of GS Bank, other indebtedness satisfactory to GS Bank, (iii) any Permitted Borrower Debt (as defined in Annex B), (iv) any permitted intercompany investments and (v) (1) any issuances of equity pursuant to employee stock plans and (2) the Acquisition Equity Consideration; and

(2) any non-ordinary course asset sale or other non-ordinary course disposition (including proceeds from the receipt of insurance or condemnation proceeds) of properties or assets of HoldCo or its subsidiaries (in each case, subject to certain customary exceptions to be agreed including a reinvestment right within six (6) months after the receipt by HoldCo or its applicable subsidiary in long-term capital assets used or useful in the business of HoldCo or such subsidiary) that, individually or in the aggregate following the date hereof, generate net proceeds in excess of $25.0 million (such threshold amount, the "**Asset Sale Proceeds Threshold**");

provided, further that HoldCo and its subsidiaries shall use commercially reasonable efforts to cause any such proceeds described in the foregoing clauses (1) and (2) (but, in the case of clause (2), only such proceeds (without giving effect to the Asset Sale Proceeds Threshold) that are in excess of an aggregate principal amount of $100.0 million following the date hereof) to be distributed as soon as practicable to HoldCo, the Company or another wholly-owned unregulated subsidiary of HoldCo; provided further that in the event that one or more of the regulatory approvals described in paragraph 5 of Annex C to this Commitment Letter requires any asset sale or other disposition as a condition to such approval, the use of "commercially reasonable efforts" required pursuant to the foregoing proviso shall include HoldCo and its subsidiaries requesting the approval of such regulator to distribute the proceeds of such asset sale or other disposition practicable to HoldCo, the Company or another wholly-owned unregulated subsidiary of HoldCo as soon as practicable.

"**Permitted Letters of Credit**" means letters of credit or letter of credit facilities of any of HoldCo and its subsidiaries not exceeding $25,000,000 in the aggregate.

1. Commitments; Titles and Roles.

GS Bank is pleased to confirm its agreement to act, and you hereby appoint GS Bank to act, as sole lead arranger and sole bookrunner in connection with the Bridge Facility. GS Bank is pleased to confirm its agreement to act, and you hereby appoint GS Bank to act, as administrative agent for the Bridge Facility. GS Bank is pleased to commit to provide the full $1,050.0 million of the Bridge Facility on the terms and subject to the conditions contained in this Commitment Letter and the Fee Letter (referred to below). You further agree that no other titles will be awarded and no compensation (other than that expressly contemplated by this Commitment Letter and the Fee Letter referred to below) will be paid in connection with the Bridge Facility unless you and we shall so agree; *provided* that GS Bank may appoint up to four financial institutions identified by us and reasonably acceptable to you to act as syndication agent or documentation agent (or co-agents as applicable) in connection with the Bridge Facility.

Our fees for our commitments and for services related to the Bridge Facility are set forth in a separate fee letter (the "**Fee Letter**") entered into by the Company and GS Bank on the date hereof. For purposes of this Commitment Letter, "**Goldman Sachs**" means GS Bank and any of its affiliates that may provide services or perform obligations under this Commitment Letter or the Fee Letter.

2. Conditions Precedent.

Goldman Sachs' commitments and agreements hereunder are subject solely to (i) except (A) as disclosed in the Acquired Business SEC Documents (as defined below) filed with the SEC since January 1, 2008 but prior to the date hereof (excluding any risk factor disclosures contained under the heading "Risk Factors", any disclosure of risk included in any "forward-looking statements" disclaimer or any other statements that are similarly predictive or forward-looking in nature) and (B) as disclosed in the Company Disclosure Letter (as defined in the Acquisition Agreement as in effect on the date hereof), there not having occurred, since December 31, 2009 (the date of the most recent annual audited financial statements for the Acquired Business furnished by the Company to Goldman Sachs), any change, event or development which has had, or would reasonably be expected to have, an Acquired Business Material Adverse Effect (as defined below), (ii) except (A) as disclosed in the Company SEC Documents (as defined below) filed with the SEC since January 1, 2008 but prior to the date hereof (excluding any risk factor disclosures contained under the heading "Risk Factors", any disclosure of risk included in any "forward-looking statements" disclaimer or any other statements that are similarly predictive or forward-looking in nature) and (B) as disclosed in the Parent Disclosure Letter (as defined in the Acquisition Agreement as in effect on the date hereof), there not having occurred, since December 31, 2009 (the date of the most recent annual audited financial statements for HoldCo furnished by the Company to Goldman Sachs), any change, event or development which has had, or would reasonably be expected to have, a Company Material Adverse Effect, (iii) execution and delivery of definitive loan documents relating to the Bridge Facility including, without limitation, a bridge loan agreement and a guarantee from HoldCo (collectively, the "**Loan Documents**"), which Loan Documents shall be on terms consistent with the terms set forth on Annex B of this Commitment Letter and otherwise mutually acceptable to the parties hereto, (iv) the accuracy of the Acquisition Agreement Representations and the Specified Representations and (v) as set forth on Annex C.

"**Company SEC Documents**" means all annual, quarterly and current reports on Form 10-K, Form 10-Q and Form 8-K, respectively, required to be filed with or furnished by HoldCo to the SEC pursuant to the Securities Act of 1933 or the Exchange Act of 1934, as the case may be, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (together with any supplements, modifications and amendments thereto since the time of filing through the date hereof).

"**Acquired Business SEC Documents**" means all annual, quarterly and current reports on Form 10-K, Form 10-Q and Form 8-K, respectively, required to be filed with or furnished by the Acquired Business to the SEC pursuant to the Securities Act of 1933 or the Exchange Act of 1934, as the case may be, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (together with any supplements, modifications and amendments thereto since the time of filing through the date hereof).

"**Company Material Adverse Effect**" means any change, event or development that is materially adverse to the business, financial condition or results of operations of HoldCo and its subsidiaries, taken as a whole, except to the extent that such change, event or development results from (and for the avoidance of doubt, any such change, event or development, to the extent resulting from the following, shall not be taken into account in determining whether there has been a Company Material Adverse Effect): (a) general economic or political, regulatory, financial, credit or capital market conditions, including interest rates or exchange rates, or any changes therein; (b) any change affecting any of the industries in which HoldCo and its subsidiaries operate; (c) any change attributable to the execution of the Acquisition Agreement or the announcement or pendency of the transactions contemplated hereby, including any litigation resulting therefrom; (d) actions taken pursuant to the Acquisition Agreement or at the request of the Acquired Business, in each case, with the consent of the Arranger; (e) acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity; (f) any change in the market price for commodities; (g) any hurricane, earthquake, flood or other natural disasters or acts of God; (h) any change resulting from weather conditions or customer use patterns; (i) any adoptions, proposals, interpretations or changes in laws after the date hereof or any interpretation thereof by any governmental entity; (j) changes in GAAP after the date hereof or any interpretations thereof by any governmental entity; (k) any failure by HoldCo to meet any estimates of revenues, earnings, projections or other economic performance, whether published, internally prepared or provided to the Acquired Business and its subsidiaries and each of their respective advisors, employees, officers, agents and other representatives; or (l) any change in the price or trading volume of the common stock of HoldCo on the NYSE or any other market in which such securities are quoted for purchase and sale or any suspension of trading in securities generally on any securities exchange on which any securities of HoldCo trade; provided, that with respect to clauses (a), (b), (e), (f), (g), (h) and (i), such changes and matters do not have a material and disproportionate adverse impact on HoldCo and its subsidiaries, taken as a whole, as compared to the adverse impact such changes have generally on other persons operating in comparable industries (in the case of clauses (a), (b), (e), (f), (g), (h) and (i)) and/or in the comparable geographic region (in the case of clauses (e), (f),(g) and (h)) or in the comparable regulatory jurisdiction (in the case of clause (i)) as HoldCo or its relevant subsidiaries, and for the avoidance of doubt, for purposes of determining whether a Company Material Adverse Effect has occurred, only the disproportionate adverse impact on HoldCo and its subsidiaries, taken as a whole shall be considered; provided, further, that with respect to clauses (k) and (l), it is understood that the facts and circumstances giving rise to such failure or change shall not be excluded from the determination of whether there has been a Company Material Adverse Effect if such facts and circumstances are not otherwise described in clauses (a)-(j) of this definition.

"**Acquired Business Material Adverse Effect**" means any change, event or development that is materially adverse to the business, financial condition or results of operations of the Acquired Business and its subsidiaries, taken as a whole, except to the extent that such change, event or development results from (and for the avoidance of doubt, any such change, event or development, to the extent resulting from the following, shall not be taken into account in determining whether there has been an Acquired Business Material Adverse Effect): (a) general economic or political, regulatory, financial, credit or capital market conditions, including interest rates or exchange rates, or any changes therein; (b) any change affecting any of the industries in which the Acquired Business and its subsidiaries operate, including the international, national, regional or local wholesale or retail markets for natural gas or containerized shipping; (c) any change attributable to the execution of the Acquisition Agreement or the announcement or pendency of the transactions contemplated hereby, including any litigation resulting therefrom; (d) actions taken pursuant to the Acquisition Agreement or at the request of HoldCo, in each case, with the consent of the Arranger; (e) acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity; (f) any change in the market price for commodities; (g) any hurricane, earthquake, flood or other natural disasters or acts of God; (h) any change resulting from weather conditions or customer use patterns; (i) any adoptions, proposals, interpretations or changes in laws after the date hereof or any interpretation thereof by any governmental entity; (j) changes in GAAP after the date hereof or any interpretations thereof by any governmental entity; (k) any failure by the Acquired Business to meet any estimates of revenues, earnings, projections or other economic performance, whether published, internally prepared or provided to the Acquired Business and its subsidiaries and each of their respective advisors, employees, officers, agents and other representatives; or (l) any change in the price or trading volume of the common stock of the Acquired Business on the NYSE or any other market in which such securities are quoted for purchase and sale or any suspension of trading in securities generally on any securities exchange on which any securities of the Acquired Business trade; provided, that with respect to clauses (a), (b), (e), (f), (g), (h) and (i), such changes and matters do not have a material and disproportionate adverse impact on the Acquired Business and its subsidiaries, taken as a whole, as compared to the adverse impact such changes have generally on other persons operating in comparable industries (in the case of clauses (a), (b), (e), (f), (g), (h) and (i)) and/or in the comparable geographic region (in the case of clauses (e), (f),(g) and (h)) or in the comparable regulatory jurisdiction (in the case of clause (i)) as HoldCo or its relevant subsidiaries, and for the avoidance of doubt, for purposes of determining whether an Acquired Business Material Adverse Effect has occurred, only the disproportionate adverse impact on the Acquired Business and its subsidiaries, taken as a whole shall be considered; provided, further, that with respect to clauses (k) and (l), it is understood that the facts and circumstances giving rise to such failure or change shall not be excluded from the determination of whether there has been an Acquired Business Material Adverse Effect if such facts and circumstances are not otherwise described in clauses (a)-(j) of this definition.

Notwithstanding anything in this Commitment Letter to the contrary, (a) the only representations relating to HoldCo, the Acquired Business and their respective subsidiaries, the accuracy of which will be a condition to the availability of the Bridge Facility on the Closing Date, will be (i) those representations and warranties regarding (x) the Acquired Business and its subsidiaries set forth in Article 3 of the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that you or one of your affiliates has the right (determined without regard to any notice requirement) to terminate your or its obligations or decline to consummate the Acquisition as a result of a breach of such representations in the Acquisition Agreement and (y) HoldCo and its subsidiaries set forth in Article 4 of the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that the Acquired Business has the right (determined without regard to any notice requirement) to terminate its obligations or decline to consummate the Acquisition as a result of a breach of such representations in the Acquisition Agreement (such representations in clause (i), collectively, the "**Acquisition Agreement Representations"**) and (ii) the Specified Representations (as defined below), and (b) the terms of the documentation for the Bridge Facility will be such that they do not impair the availability of the Bridge Facility on the Closing Date if the conditions set forth in this Section 2 (including by way of express references herein) and in Annex C hereto are satisfied; *provided* that nothing in the preceding clause (a) will be construed to limit the applicability of the individual conditions set forth herein or in Annex C). As used herein, "**Specified Representations**" means representations relating to corporate existence; organizational power and authority to enter into the documentation relating to the Bridge Facility; due execution, delivery and enforceability of such documentation; solvency (of HoldCo and its subsidiaries on a consolidated basis after giving effect to the Transactions); no conflicts with laws, regulations or charter documents; Federal Reserve margin regulations; the Investment Company Act; and Patriot Act. The parties hereto acknowledge and agree that the agreements and commitments of GS Bank hereunder are, except as expressly referenced in this Section 2 and Annex C, not subject to any additional conditions precedent under the terms and conditions of this Commitment Letter, the Fee Letter or any other document entered into between the parties hereto. This paragraph, and the provisions herein, shall be referred to as the "**Certain Funds Provision**".

Each of the parties hereto agrees that this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, including an agreement to negotiate in good faith the Loan Documents by the parties hereto in a manner consistent with this Commitment Letter, it being acknowledged and agreed that the commitments provided hereunder are subject to conditions precedent as provided herein.

3. Syndication.

GS Bank intends and reserves the right to syndicate the Bridge Facility to the Lenders (as defined in Annex B), and you acknowledge and agree that the commencement of syndication shall occur in the discretion of GS Bank. GS Bank will select the Lenders after consultation with you. GS Bank will lead the syndication, including determining the timing of all offers to potential Lenders, any title of agent or similar designations or roles awarded to any Lender and the acceptance of commitments, the amounts offered and the compensation provided to each Lender from the amounts to be paid to GS Bank pursuant to the terms of this Commitment Letter and the Fee Letter. GS Bank will determine the final commitment allocations and will notify the Company of such determinations. To assist with the general syndication of the Bridge Facility, the parties hereto agree to use commercially reasonable efforts to execute and deliver the Loan Documents as soon as reasonably practicable following the date hereof and to cooperate in good faith in the preparation and negotiation of the Loan Documents pursuant to such timing as is consistent with the syndication requirements of the Bridge Facility as determined by GS Bank in its reasonable judgment. You further agree that the commitments and agreements of GS Bank hereunder are conditioned upon GS Bank having a period of at least thirty (30) consecutive days following the Company's delivery of the Initial Marketing Package (as defined below) to syndicate the Bridge Facility prior to the Closing Date (such period, the "**Bridge Syndication Period**"); *provided*, that such Bridge Syndication Period will not include any day from and including December 17, 2010 through and including January 3, 2011. The Company agrees to use commercially reasonable efforts to ensure that GS Bank's syndication efforts benefit from the existing lending relationships of HoldCo, the Company, the Acquired Business and their respective subsidiaries. To facilitate an orderly and successful syndication of the Bridge Facility, you agree that, until the earlier of Successful Syndication (as defined in the Fee Letter) and 90 days following the Closing Date, the Company will not, and will ensure that HoldCo and any subsidiary thereof will not, will use commercially reasonable efforts to obtain contractual undertakings from the Acquired Business that it will not, syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of, any debt facility or any debt or equity security of HoldCo, the Company, the Acquired Business or any of their respective subsidiaries (other than (a)(i) the Bridge Facility, (ii) the Notes and/or any other Permanent Financing, (iii) the refinancing of certain commercial paper of HoldCo and its subsidiaries with new commercial paper or, with the prior written consent of GS Bank, other indebtedness satisfactory to GS Bank, (iv) any Permitted Borrower Debt (as defined in Annex B) and (v) indebtedness set forth in the "Debt Schedule" delivered to GS Bank prior to the date hereof and indicated as "Exclusions to Clear Market", and (b)(i) the issuance of equity pursuant to employee stock plans and other similar arrangements to be agreed and (ii) the Acquisition Equity Consideration), including any renewals, refinancings, amendments, consents or other modifications of any existing debt facility or debt security, without the prior written consent of GS Bank.

You agree to actively assist, and to use commercially reasonable efforts to obtain contractual undertakings from the Acquired Business to actively assist, GS Bank in connection with the syndication of the Bridge Facility, which assistance shall include, without limitation (i) upon the request of GS Bank, in its discretion, cooperating with GS Bank in connection with the preparation of one or more information packages for the Bridge Facility regarding the business, operations, financial projections and prospects of HoldCo, the Company and the Acquired Business (collectively, the "**Confidential Information Memorandum**") including, without limitation, all information relating to the Transactions (as defined in Annex B) contemplated hereunder prepared by or on behalf of HoldCo or the Company deemed reasonably necessary by GS Bank to complete the syndication of the Bridge Facility, (ii) using commercially reasonable efforts to obtain promptly after the date hereof (a) an updated public corporate family rating from Moody's Investor Services, Inc. ("**Moody's**"), and (b) an updated public corporate credit rating from Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation ("**S&P**"), in the case of each of clause (a) and (b), which rating is pro forma for the Transactions, (iii) the presentation of one or more information packages reasonably acceptable in format to GS Bank (collectively, the "**Lender Presentation**" and, together with such marketing materials of the type referred to below in clauses (iv) and (v) requested by GS Bank prior to the date hereof, the "**Initial Marketing Package**") in meetings and other communications with prospective Lenders or agents in connection with the syndication of the Bridge Facility (including, without limitation, direct contact between senior management and representatives, with appropriate seniority and expertise, of HoldCo, the Company and the Acquired Business with prospective Lenders and participation of such persons in meetings), (iv) the historical financial statements referenced in clauses (i), (ii) and (iii) of paragraph 2 on Annex C hereto, (v) pro forma financial statements and information (including, without limitation, a pro forma balance sheet and pro forma financial projections) for HoldCo and its subsidiaries (including without limitation the Company, and the Acquired Business) and (vi) such other marketing materials in form reasonably satisfactory to GS Bank as GS Bank determines are consistent with the syndication requirements of the Bridge Facility. You will be solely responsible for the contents of any such Confidential Information Memorandum and the Initial Marketing Package and all other information, documentation or materials delivered to GS Bank in connection therewith (collectively, the "**Information**") and acknowledge that Goldman Sachs will be using and relying upon the Information without independent verification thereof. You agree that Information regarding the Transactions and Information provided by HoldCo, the Company or your representatives to Goldman Sachs in connection with the Bridge Facility (including, without limitation, draft and execution versions of the Loan Documents, the Confidential Information Memorandum (including any Public-Side CIMs (as defined below)), the Initial Marketing Package, financial statements, projections and draft or final offering materials relating to contemporaneous or prior securities issuances by HoldCo, the Company or the Acquired Business) may be disseminated to potential Lenders and other persons through one or more internet sites (including an IntraLinks, SyndTrak or other electronic workspace (the "**Platform**")) created for purposes of syndicating the Bridge Facility or otherwise, in accordance with GS Bank's standard syndication practices, and you acknowledge that neither Goldman Sachs nor any of its affiliates will be responsible or liable to you or any other person or entity for damages arising from the use by others of any Information or other materials obtained on the Platform.

You acknowledge that certain of the Lenders may be "public side" Lenders (i.e. Lenders that do not wish to receive material non-public information with respect to HoldCo, the Company, the Acquired Business or their respective affiliates or securities) (each, a "**Public Lender**"). At the request of GS Bank, you agree to prepare additional versions of the Confidential Information Memorandum and the Initial Marketing Package for the Bridge Facility to be used by Public Lenders that do not contain material non-public information concerning HoldCo, the Company, the Acquired Business or their respective affiliates or securities (the "**Public-Side CIMs**"). The information to be included in the Public-Side CIMs will be substantially consistent with the information included in any offering memorandum or private placement memorandum for the offering for the Notes and/or any other Permanent Financing except to the extent GS Bank may otherwise agree. It is understood that in connection with your assistance described above, you will provide, and use commercially reasonable efforts to cause all other applicable persons to provide, authorization letters to GS Bank authorizing the distribution of the Information to prospective Lenders, containing a representation to GS Bank that no Public-Side CIM includes material non-public information about HoldCo, the Company, the Acquired Business or their respective affiliates or its or their respective securities. In addition, you will clearly designate as such all Information provided to Goldman Sachs by or on behalf of HoldCo or the Company or the Acquired Business which is suitable to make available to Public Lenders. You acknowledge and agree that the following documents may be distributed to Public Lenders: (a) drafts and final versions of the Loan Documents; (b) customary administrative materials prepared by GS Bank for prospective Lenders (such as a lender meeting invitation, allocations and funding and closing memoranda); and (c) term sheets and notification of changes in the terms of the Bridge Facility.

4. Information.

You represent and covenant (in the case of Information relating to the Acquired Business, to the best of your knowledge) that (i) all Information (other than financial projections) provided directly or indirectly by or on behalf of HoldCo or the Company to Goldman Sachs or the Lenders in connection with the Transactions contemplated hereunder, when taken as a whole, is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading and (ii) the financial projections that have been or will be made available to Goldman Sachs or the Lenders by or on behalf of HoldCo or the Company in connection with the Transactions contemplated hereunder have been and will be prepared in good faith based upon assumptions that are or will be believed by the preparer thereof to be reasonable at the time such financial projections were or will be furnished to Goldman Sachs or the Lenders, it being understood and agreed that financial projections are not a guarantee of financial performance and actual results may differ from financial projections and such differences may be material. You agree that if at any time prior to the later of (i) the Closing Date and (ii) Successful Syndication, any of the representations in the preceding sentence would be incorrect in any respect if the Information and financial projections were being furnished, and such representations were being made, at such time, then you will promptly supplement, or cause to be supplemented, the Information and financial projections so that such representations will be correct in all respects under those circumstances.

5. Indemnification and Related Matters.

In connection with arrangements such as this, it is our firm's policy to receive indemnification. You agree to the provisions with respect to our indemnity and other matters set forth in Annex A, which is incorporated by reference into this Commitment Letter.

6. Assignments.

This Commitment Letter may not be assigned by you without the prior written consent of GS Bank (and any purported assignment without such consent will be null and void), is intended to be solely for the benefit of Goldman Sachs and the other parties hereto and, except as set forth in Annex A hereto, is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto. Goldman Sachs may assign its commitments and other agreements hereunder, in whole or in part, to any of its affiliates and, as provided under Section 3 above, to any Lender prior to the Closing Date. In addition, until the earlier of Successful Syndication and the Closing Date, Goldman Sachs may, in consultation with the Company, assign its commitments and other agreements hereunder, in whole or in part, to other Lenders. Notwithstanding the foregoing, no such assignment shall relieve Goldman Sachs of its obligations set forth herein to fund that portion of the commitments under the Bridge Facility so assigned, except to the extent (x) that you have identified such Lender on the "Permitted Assignee Schedule" set forth on Schedule 1 to the Fee Letter including, for the avoidance of doubt, the lenders under the Existing AGL Credit Agreement as of the date hereof (each, a "**Permitted Assignee**") or (y) you have consented to such assignment (such consent not to be unreasonably withheld or delayed and provided that such consent shall be deemed to have been given if you have not responded within ten (10) business days of a request for such consent) and such assignment is evidenced by (1) an amendment or joinder, among such Lender, Goldman Sachs and you have, with respect to this Commitment Letter pursuant to which such Lender shall commit to provide a portion of the Bridge Facility or (2) the Loan Documents, whereupon, in the case of each of clause (x) and (y), Goldman Sachs' commitments hereunder with respect to the Bridge Facility shall be reduced at such time by an amount equal to the commitment assumed by such Lender. Neither this Commitment Letter nor the Fee Letter may be amended or any term or provision hereof or thereof waived or otherwise modified except by an instrument in writing signed by each of the parties hereto or thereto, as applicable, and any term or provision hereof or thereof may be amended or waived only by a written agreement executed and delivered by all parties hereto or thereto.

7. Confidentiality.

Please note that this Commitment Letter, the Fee Letter and any written communications provided by, or oral discussions with, Goldman Sachs in connection with this arrangement are exclusively for the information of the Company and may not be disclosed to any third party or circulated or referred to publicly without our prior written consent except, after providing written notice to Goldman Sachs (to the extent not expressly prohibited by law from doing so), pursuant to a subpoena or order issued by a court of competent jurisdiction or by a judicial, administrative or legislative body or committee; *provided* that we hereby consent to your disclosure of (i) this Commitment Letter, the Fee Letter and such communications and discussions to the Company's officers, directors, agents and advisors who are directly involved in the consideration of the Bridge Facility and who have been informed by you of the confidential nature of such advice and the Commitment Letter and Fee Letter and who have agreed to treat such information confidentially, (ii) this Commitment Letter or the information contained herein (and, to the extent portions thereof have been redacted in a manner satisfactory to GS Bank after review by GS Bank thereof, the Fee Letter and the information contained therein) to the Acquired Business to the extent you notify such person of its obligations to keep such material confidential and such person agrees to hold the same in confidence, and to the Acquired Business' officers, directors, agents and advisors who are directly involved in the consideration of the Bridge Facility to the extent such persons agree to hold the same in confidence, (iii) this Commitment Letter and the Fee Letter as required by applicable law or compulsory legal process (in which case you agree to inform us promptly thereof), (iv) the information contained in Annex B, in any prospectus, offering memorandum or private placement memorandum relating to the Notes and/or any other Permanent Financing in a form customary for offerings of such type, (v) the information contained in Annex B to Moody's and S&P; *provided* that such information is supplied to Moody's and S&P only on a confidential basis after consultation with Goldman Sachs and (vi) the aggregate of the fee amounts contained in the Fee Letter as part of the Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in the offering and marketing materials for the Bridge Facility and/or the Permanent Financing or in any public filing relating to the Transactions.

8. Absence of Fiduciary Relationship; Affiliates; Etc.

As you know, Goldman Sachs, together with its affiliates (collectively, "**GS**"), is a full service financial services firm engaged, either directly or through affiliates, in various activities, including securities trading, investment banking and financial advisory, investment management, principal investment, hedging, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, GS may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and/or financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and/or instruments. Such investment and other activities may involve securities and instruments of HoldCo and its subsidiaries, as well as of other entities and persons and their affiliates which may (i) be involved in transactions arising from or relating to the engagement contemplated by this Commitment Letter, (ii) be customers or competitors of HoldCo and its subsidiaries, or (iii) have other relationships with HoldCo and its subsidiaries. In addition, GS may provide investment banking, underwriting and financial advisory services to such other entities and persons. GS may also co-invest with, make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities of HoldCo and its subsidiaries or such other entities. The transactions contemplated by this Commitment Letter may have a direct or indirect impact on the investments, securities or instruments referred to in this paragraph. Although GS Bank in the course of such other activities and relationships may acquire information about the transaction contemplated by this Commitment Letter or other entities and persons which may be the subject of the transactions contemplated by this Commitment Letter, GS shall have no obligation to disclose such information, or the fact that GS is in possession of such information, to the Company or to use such information on the Company's behalf.

Consistent with GS's policy to hold in confidence the affairs of its customers, GS will not furnish confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter to any of its other customers. Furthermore, you acknowledge that GS has no obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained or that may be obtained by them from any other person.

GS may have economic interests that conflict with those of the Company, its equity holders and/or its affiliates. You agree that GS will act under this Commitment Letter as an independent contractor and that nothing in this Commitment Letter or the Fee Letter or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between GS and the Company, its equity holders or its affiliates. You acknowledge and agree that the transactions contemplated by this Commitment Letter and the Fee Letter (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between GS, on the one hand, and the Company, on the other, and in connection therewith and with the process leading thereto, (i) GS has not assumed an advisory or fiduciary responsibility in favor of the Company, its equity holders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether GS has advised, is currently advising or will advise the Company, its equity holders or its affiliates on other matters) or any other obligation to the Company except the obligations expressly set forth in this Commitment Letter and the Fee Letter and (ii) GS is acting solely as a principal and not as the agent or fiduciary of the Company, its management, equity holders, affiliates, creditors or any other person. You acknowledge and agree that the Company has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. You agree that the Company will not claim that GS has rendered advisory services of any nature or respect, including without limitation with respect to the financing transactions contemplated hereby, or owes a fiduciary or similar duty to the Company, in connection with such transactions or the process leading thereto. In addition, GS Bank may employ the services of its affiliates in providing services and/or performing their obligations hereunder and may exchange with such affiliates information concerning HoldCo, the Company, the Acquired Business and other companies that may be the subject of this arrangement, and such affiliates will be entitled to the benefits afforded to GS Bank hereunder.

In addition, please note that GS does not provide accounting, tax or legal advice. Notwithstanding anything herein to the contrary, the Company (and each employee, representative or other agent of the Company) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Bridge Facility and all materials of any kind (including opinions or other tax analyses) that are provided to the Company relating to such tax treatment and tax structure. However, any information relating to the tax treatment or tax structure will remain subject to the confidentiality provisions hereof (and the foregoing sentence will not apply) to the extent reasonably necessary to enable the parties hereto, their respective affiliates, and their and their respective affiliates' directors and employees to comply with applicable securities laws. For this purpose, "tax treatment" means U.S. federal or state income tax treatment, and "tax structure" is limited to any facts relevant to the U.S. federal income tax treatment of the transactions contemplated by this Commitment Letter but does not include information relating to the identity of the parties hereto or any of their respective affiliates.

9. Miscellaneous.

Goldman Sachs' commitments and agreements hereunder will terminate upon the earliest to occur of (i) the consummation of the Acquisition, (ii) the termination of the definitive Agreement and Plan of Merger, dated as of December 6, 2010, among HoldCo, Apollo Acquisition Corp., Ottawa Acquisition LLC and Nicor (the "**Acquisition Agreement**") in accordance with its terms and (iii) December 30, 2011 or if the Marketing Period (as defined in the Acquisition Agreement as in effect on the date hereof) has not been completed on or before December 17, 2011, February 2, 2012 (but only to the extent the Initial Outside Date (as defined in the Acquisition Agreement as in effect on the date hereof) has been so extended); *provided* that if the Initial Outside Date has been extended to the Extended Outside Date (as defined in the Acquisition Agreement as in effect on the date hereof) pursuant to Section 7.1(b) of the Acquisition Agreement as in effect on the date hereof, to a date not beyond July 2, 2012, then the date applicable under this clause (iii) shall be extended to such Extended Outside Date, unless the closing of the Bridge Loans on the terms and subject to the conditions contained herein, has been consummated on or before such date. In addition, upon the reduction of all commitments under the Bridge Facility as set forth in Annex B under the heading "Mandatory Prepayments" or the proviso in the second paragraph of this Commitment Letter (including in connection with the issuance of the Notes or any other Permanent Financing (in escrow or otherwise)), Goldman Sachs' commitment hereunder to provide and arrange Bridge Loans will terminate.

The provisions set forth under Sections 3,4, 5 (including Annex A) and 7 hereof and this Section 9 hereof will remain in full force and effect regardless of whether definitive Loan Documents are executed and delivered. The provisions set forth under Sections 5 (including Annex A) and 7 hereof and this Section 9 will remain in full force and effect notwithstanding the expiration or termination of this Commitment Letter or Goldman Sachs' commitments and agreements hereunder.

The Company for itself and its affiliates agrees that any suit or proceeding arising in respect to this Commitment Letter or Goldman Sachs' commitments or agreements hereunder or the Fee Letter will be tried exclusively in any Federal court of the United States of America sitting in the Borough of Manhattan or, if that court does not have subject matter jurisdiction, in any state court located in the City and County of New York, and the Company for itself and its affiliates agrees to submit to the exclusive jurisdiction of, and to venue in, such court. Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of Goldman Sachs' commitments or agreements or any matter referred to in this Commitment Letter or the Fee Letter is hereby waived by the parties hereto. The Company for itself and its affiliates 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. Service of any process, summons, notice or document by registered mail or overnight courier addressed to any of the parties hereto at the addresses above shall be effective service of process against such party for any suit, action or proceeding brought in any such court. This Commitment Letter and the Fee Letter will be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws; *provided, however*, that the interpretation of the definition of Acquired Business Material Adverse Effect and Company Material Adverse Effect, in each case, as set forth herein, shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Goldman Sachs hereby notifies the Company and the Acquired Business that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), GS Bank and each Lender may be required to obtain, verify and record information that identifies the Borrower and the Guarantor (as defined in Annex B), which information includes the name and address of, the Borrower and the Guarantor and other information that will allow GS Bank and each Lender to identify the Borrower and the Guarantor in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for Goldman Sachs and each Lender.

This Commitment Letter may be executed in any number of counterparts, each of which when executed will be an original, and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or electronic transmission (in pdf format) will be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letter are the only agreements that have been entered into among the parties hereto with respect to the Bridge Facility and set forth the entire understanding of the parties with respect thereto and supersede any prior written or oral agreements among the parties hereto with respect to the Bridge Facility.

[Remainder of page intentionally left blank**]**

Please confirm that the foregoing is in accordance with your understanding by signing and returning to GS Bank the enclosed copy of this Commitment Letter, together, if not previously executed and delivered, with the Fee Letter, on December 6, 2010 whereupon this Commitment Letter and the Fee Letter will become binding agreements between us. If the Commitment Letter and Fee Letter have not been signed and returned as described in the preceding sentence by such date, this offer will terminate on such date. We look forward to working with you on this transaction.

Very truly yours,

GOLDMAN SACHS BANK USA

By: /s/ Anna Ostrovsky

Authorized Signatory

ACCEPTED AND AGREED AS OF DECEMBER 6, 2010:

AGL CAPITAL CORPORATION

By: /s/ Paul R. Shlanta

Name: Paul R. Shlanta

Title: Executive Vice President, General Counsel and Chief Ethics and Compliance Officer

ANNEX A

In the event that Goldman Sachs becomes involved in any capacity in any action, proceeding or investigation brought by or against any person, including shareholders, partners, members or other equity holders of HoldCo, the Company or the Acquired Business in connection with or as a result of either this arrangement or any matter referred to in this Commitment Letter or the Fee Letter (together, the "Letters"), the Company agrees to periodically reimburse on demand Goldman Sachs for its reasonable legal and other expenses (including, without limitation, the cost of any investigation and preparation) incurred in connection therewith. The Company also agrees to indemnify and hold Goldman Sachs harmless against any and all losses, claims, damages or liabilities to any such person in connection with or as a result of either this arrangement or any matter referred to in the Letters (whether or not such investigation, litigation, claim or proceeding is brought by you, your equity holders or creditors or an indemnified person and whether or not any such indemnified person is otherwise a party thereto), except to the extent that such loss, claim, damage or liability has been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of Goldman Sachs in performing the services that are the subject of the Letters. If for any reason the foregoing indemnification is unavailable to Goldman Sachs or insufficient to hold it harmless, then the Company will contribute to the amount paid or payable by Goldman Sachs as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of (i) HoldCo, the Company and the Acquired Business and their respective affiliates, shareholders, partners, members or other equity holders on the one hand and (ii) Goldman Sachs on the other hand in the matters contemplated by the Letters as well as the relative fault of (i) HoldCo, the Company and the Acquired Business and their respective affiliates, shareholders, partners, members or other equity holders on the one hand and (ii) Goldman Sachs on the other hand with respect to such loss, claim, damage or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution obligations of the Company under this paragraph will be in addition to any liability which the Company may otherwise have, will extend upon the same terms and conditions to any affiliate of Goldman Sachs and the partners, members, directors, agents, employees and controlling persons (if any), as the case may be, of Goldman Sachs and any such affiliate, and will be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, Goldman Sachs, any such affiliate and any such person. The Company also agrees that neither any indemnified party nor any of such affiliates, partners, members, directors, agents, employees or controlling persons will have any liability to the Company or any person asserting claims on behalf of or in right of the Company or any other person in connection with or as a result of either this arrangement or any matter referred to in the Letters, except in the case of the Company to the extent that any losses, claims, damages, liabilities or expenses incurred by the Company or its affiliates, shareholders, partners or other equity holders have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such indemnified party in performing the services that are the subject of the Letters; provided, however, *that in no event will such indemnified party or such other parties have any liability for any indirect, consequential, special or punitive damages in connection with or as a result of such indemnified party's or such other parties' activities related to the Letters.* ***The provisions of this Annex A will survive any termination or completion of the arrangement provided by the Letters.***

ANNEX B

AGL Capital Corporation

Summary of the Bridge Loans

Reference is made to the Commitment Letter, of which this Annex B is a part. Certain capitalized terms used herein are defined in the Commitment Letter.

Borrower:	AGL Capital Corporation, a Nevada corporation (the "**Borrower**").
Guarantor:	AGL Resources Inc., a Georgia corporation ("**HoldCo**" or the "**Guarantor**") will guarantee (the "**Guarantee**") all obligations under the Bridge Loans. The Bridge Loans and the Guarantee will rank pari passu in right of payment with all other senior indebtedness and guarantees of such indebtedness of the Borrower and HoldCo.
Transactions:	The Borrower intends to acquire the Acquired Business on the terms and conditions set forth in the Acquisition Agreement, including all exhibits and schedules attached thereto, the Company Disclosure Letter (as defined in the Acquisition Agreement as in effect on the date hereof) and the Parent Disclosure Letter (as defined in the Acquisition Agreement as in effect on the date hereof) (collectively, the "**Acquisition Documents**"), pursuant to which the equity holders of the Acquired Business will receive an aggregate amount of $976.0 million in cash (the "**Acquisition Cash Consideration**") and $1,435 million of common stock of the Borrower (the "**Acquisition Equity Consideration**" and, together with the Acquisition Cash Consideration, the "**Acquisition Consideration**"). In connection with the Acquisition, the Borrower intends to (i) obtain the Bridge Facility (provided that it is anticipated that some or all of the Bridge Facility will be replaced or repaid by the issuance of Permanent Financing (as defined in the Fee Letter)), (ii) terminate and repay or refinance certain existing indebtedness of the Acquired Business and (iii) pay the fees and expenses incurred in connection with the foregoing (the "**Transaction Costs**"). The transactions described in this paragraph are collectively referred to as the "**Transactions**".
Purpose/Use of Proceeds:	The proceeds of the Bridge Facility will be used on the Closing Date to fund, in part, the Acquisition Cash Consideration and to pay the Transaction Costs.
Sole Lead Arranger and Sole Bookrunner:	Goldman Sachs Bank USA ("**GS Bank**" and, in its capacities as Sole Lead Arranger and Sole Bookrunner, the "**Arranger**").
Co-Syndication Agents:	Up to two financial institutions selected by the Arranger and reasonably acceptable to the Borrower.
Co-Documentation Agents:	Up to two financial institutions selected by the Arranger and reasonably acceptable to the Borrower.

Administrative Agent: **GS Bank** (in its capacity as Administrative Agent, the "**Administrative Agent**").

Lenders: **GS Bank** and/or other financial institutions selected by the Arranger (each, a "**Lender**" and, collectively, the "**Lenders**").

Amount of Bridge Loans: $1,050.0 million in aggregate principal amount of senior unsecured increasing rate loans, less the amount of any reduction to the commitments under the Bridge Facility on or prior to the Closing Date as set forth under the heading "Mandatory Prepayments" below, including, without limitation, in connection with the issuance of any Notes or Permanent Financing (the "**Bridge Loans**").

Closing Date: The date on or before December 30, 2011 (or if the Marketing Period (as defined in the Acquisition Agreement as in effect on the date hereof) has not been completed on or before December 17, 2011, February 2, 2012 (but only to the extent the Initial Outside Date (as defined in the Acquisition Agreement as in effect on the date hereof) has been so extended); *provided* that if the Initial Outside Date has been extended to the Extended Outside Date (as defined in the Acquisition Agreement as in effect on the date hereof) pursuant to Section 7.1(b) of the Acquisition Agreement as in effect on the date hereof, to a date not beyond July 2, 2012, then the date applicable under this paragraph shall be extended to such Extended Outside Date) on which the borrowings under the Bridge Facility are made and the Acquisition is consummated (the "**Closing Date**").

Maturity: The Bridge Loans will mature on the date that is 364 days after the Closing Date.

Amortization: No amortization will be required with respect to the Bridge Facility.

Interest Rate: All amounts outstanding under the Bridge Facility will bear interest, at the Borrower's option, at a floating per annum rate equal to (i) the reserve adjusted Eurodollar Rate plus the Applicable Margin (as defined below) or (ii) at the Base Rate plus the Applicable Margin minus 1.00%.

As used herein, "**Applicable Margin**" means a percentage determined in accordance with the pricing grid (the "**Pricing Grid**") below, subject to an increase of 0.25% as of the last day of each 90-day period after the Closing Date; *provided* that at any time HoldCo or any of its subsidiaries (including, without limitation, the Company and the Acquired Business) has any obligations outstanding (whether funded or unfunded) under the Existing AGL Credit Facility (as may be amended from time to time after the date hereof) or any other bank, bridge or similar debt facility, the interest rates applicable to the Bridge Facility shall be increased to be at least equal to the highest corresponding interest rates then in effect for the Existing AGL Credit Facility, Existing Nicor Credit Facilities and such other bank, bridge or similar debt facility.

CFR/CCR Rating (Moody's/S&P)	Applicable Margin
A2/A or higher	1.50%
A3/A-	1.75%
Baa1/BBB+	2.00%
Baa2/BBB	2.25%
Baa3/BBB- or lower	2.50%

For purposes of the foregoing, "**CFR/CCR Rating**" means, as of any date of determination, and taking into account the Transactions, the Borrower's public corporate family rating or public corporate credit rating, as determined by Moody's or S&P, respectively; *provided* that

if a CFR/CCR Rating is issued by each of Moody's and S&P, then the higher of such CFR/CCR Ratings shall apply unless there is a split in the CFR/CCR Ratings of more than one level, in which case the level which is the midpoint shall apply, and if there is no midpoint, then the level that is one level below the higher CFR/CCR Rating shall apply. The CFR/CCR Ratings shall be determined from the most recent public announcement or publication of any changes in the CFR/CCR Ratings. If neither Moody's nor S&P shall publish such a rating for the Borrower, the ratings of such ratings agencies shall be deemed to be the lowest rating level under the Pricing Grid.

As used herein, the terms "**reserve adjusted Eurodollar Rate**" and **"Base Rate"** will have the meaning customary and appropriate for bridge financings of this type, and the basis for calculating accrued interest and the interest periods for loans bearing interest at the reserve adjusted Eurodollar Rate will be customary and appropriate for bridge financings of this type. After the occurrence and during the continuance of a payment or bankruptcy default, interest on all overdue amounts will accrue at a rate equal to the applicable rate set forth above, plus an additional two percentage points (2.00%) *per annum* and will be payable on demand.

Duration Fees: The Borrower shall pay a duration fee for the ratable benefit of each Lender under the Bridge Facility, on the dates set forth below, equal to a percentage determined in accordance with the grid below (the "**Duration Fee Percentage**") times the aggregate principal amount of Bridge Loans outstanding as of such date.

Baa1 and BBB+ or better (the "**Ratings Threshold**")		In the event the Ratings Threshold is not achieved	
90 days after the Closing Date	0.50%	90 days after the Closing Date	0.75%
180 days after the Closing Date	1.00%	180 days after the Closing Date	1.25%
270 days after the Closing Date	1.50%	270 days after the Closing Date	1.75%

Funding Protection: Customary for transactions of this type, including breakage costs, gross-up for withholding, compensation for increased costs and compliance with capital adequacy and other regulatory restrictions.

Mandatory Prepayments/

Commitment Reductions: On and after the Closing Date, the Bridge Loans shall be prepaid at 100% of the principal amount of the Bridge Loans being prepaid plus accrued interest to the date of prepayment (and, after December 6, 2010, but prior to the Closing Date, the aggregate commitments in respect of the Bridge Facility under the Commitment Letter shall be permanently reduced on a dollar-for-dollar basis) by the amount of net proceeds to HoldCo or any of its subsidiaries (including, without limitation, the Company and, on and after the Closing Date, the Acquired Business), but, in the case of proceeds received by a regulated subsidiary of HoldCo, solely to the extent such proceeds are distributed to HoldCo, the Company or another unregulated subsidiary of HoldCo (and, in the case of joint ventures with unaffiliated third parties, to the extent of HoldCo's direct or indirect equity interest therein) from:

(1) (A) any direct or indirect public offering or private placement of any equity securities or (B) any direct or indirect public offering or private placement of any debt securities or any other incurrence of debt (whether funded or unfunded) or bank borrowings, including, without limitation, in the case of each of clause (A) and (B), any Permanent Financing, but excluding (i) any funded or unfunded debt incurred in the ordinary course under the Existing AGL Credit Agreement as in effect on the date of the Commitment Letter (as may be amended in accordance with the terms set forth in Annex C), (ii) any Permitted Borrower Debt (as defined below), (iii) indebtedness set forth in the "Debt Schedule" delivered to the Arranger prior to the date hereof and indicated as "Exclusions to Commitment Reductions and Mandatory Prepayment", (iv) permitted intercompany investments, (v) the refinancing of certain commercial paper or Permitted Letters of Credit (as defined below) of HoldCo and its subsidiaries with new commercial paper or Permitted Letters of Credit or, with the prior written consent of the Arranger, other indebtedness satisfactory to the Arranger, and (iv) (1) any issuances of equity pursuant to employee stock plans and (2) the Acquisition Equity Consideration; and

(2) any non-ordinary course asset sale or other non-ordinary course disposition (including the receipt of insurance or condemnation proceeds) of properties or assets of HoldCo or its subsidiaries (including the Company and, on and after the Closing Date, the Acquired Business and in each case, subject to certain customary exceptions to be agreed including a reinvestment right within six (6) months after the receipt by HoldCo or its applicable subsidiary in long-term capital assets used or useful in the business of HoldCo or such subsidiary) that, individually or in the aggregate following the date hereof, generate net proceeds in excess of $25.0 million (such threshold amount, the "**Asset Sale Proceeds Threshold**");

provided, that HoldCo and its subsidiaries shall use commercially reasonable efforts to cause any such proceeds described in the foregoing clauses (1) and (2) above (but, in the case of clause (2), only such proceeds (without giving effect to the Asset Sale Proceeds Threshold) that are in excess of an aggregate principal amount of $100.0 million following the date of the Commitment Letter) to be distributed as soon as practicable to HoldCo, the Company or another unregulated wholly-owned subsidiary of HoldCo; *provided further* that in the event that one or more of the regulatory approvals described in paragraph 5 of Annex C to the Commitment Letter requires any asset sale or other disposition as a condition to such approval, (i) no later than 2 business days following the Closing Date, the Bridge Loans shall be prepaid plus accrued interest to the date of prepayment in an amount equal to the amount of net proceeds resulting from any required asset sale or other disposition with respect to the Acquired Business prior to the Closing Date, which are held by Holdco, the Company or another wholly-owned unregulated subsidiary of Holdco (including the Acquired Business) on the Closing Date and (ii) the use of "commercially reasonable efforts" required pursuant to the foregoing proviso shall include HoldCo and its subsidiaries requesting the approval of such regulator to distribute the proceeds of such asset sale or other disposition to HoldCo, the Company or another wholly-owned unregulated subsidiary of HoldCo as soon as practicable.

Any proceeds from the sale of Permanent Financing (as defined in the Fee Letter) funded or purchased by a Lender or one or more of its affiliates will be applied, first, to refinance the Bridge Loans held at that time by such Lender, and second, in accordance with the *pro rata* provisions otherwise applicable to prepayments.

"**Permitted Letters of Credit**" means letters of credit or letter of credit facilities of any of HoldCo and its subsidiaries not exceeding $25,00,000 in the aggregate.

Permitted Borrower Debt: Certain senior unsecured debt securities and credit facilities (collectively, the **"Permitted Borrower Debt"**) of the Borrower consisting solely of:

(i) Any debt securities (and expressly not loans) of the Borrower issued either (x) on or prior to January 14, 2011 or (y) on or after February 4, 2011 but prior to May 31, 2011, in exchange for, or the net proceeds of which are directly and immediately used solely (except to the extent otherwise expressly agreed in advance in writing by the Arranger in its sole discretion) to refinance, either (A) the 7.125% Notes due 2011 of the Borrower or (B) the Permitted Delayed Draw Facility referred to below, as applicable, which refinancing debt shall have terms and conditions customary for such debt; *provided*, that the Borrower shall have engaged one or more investment and/or commercial banks satisfactory to GS Bank on terms and conditions satisfactory to GS Bank to act as a sole or joint bookrunner in connection with the public sale or private placement of such refinancing debt securities; *provided*, *further*, that neither HoldCo nor any of its subsidiaries shall syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of such refinancing debt prior to the date that is two (2) weeks following the date of the Commitment Letter (such debt securities, as used herein and in the Commitment Letter, the "**Permitted 2011 Notes Refinancing**");

(ii) solely in the event that the Company determines in good faith that the debt securities under the Permitted 2011 Notes Refinancing cannot be offered or sold prior to January 14, 2011 for any reason, a short-term credit facility of the Borrower consummated on or prior to January 14, 2011, the net proceeds of which are directly and immediately used to solely refinance the 7.125% Notes due 2011 of the Borrower, which credit facility shall have customary terms and conditions to be agreed; *provided*, that the Borrower shall have engaged GS Bank on terms and conditions to be agreed to act as a sole or joint lead arranger and bookrunner in connection with the syndication of such credit facility (such short-term facility, as used herein and in the Commitment Letter, "**Permitted Delayed Draw Facility**");

(iii) an incremental revolving facility under the Existing AGL Credit Agreement (as may be amended in accordance with the terms set forth in Annex C) in an amount not to exceed, together with any Permitted Nicor Revolver Refinancing pursuant to clause (iv) below, $750.0 million, to be entered into in accordance with the terms and conditions of the Existing AGL Credit Agreement (as may be amended in accordance with the terms set forth in Annex C); *provided*, that the Borrower shall have engaged one or more financial institutions satisfactory to GS Bank to act as lead arranger of such incremental facility; *provided*, *further*, that neither HoldCo nor any of its subsidiaries shall syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of such incremental facility prior to the earlier of (x) Successful Syndication of the Bridge Facility and (y) 90 days after the announcement of the Transactions and the commencement of the Bridge Syndication Period (as defined in the Commitment Letter) (*provided* that if Successful Syndication shall not have occurred, such actions shall only be taken to the extent reasonable prior notice thereof shall have been given to the Arranger and, to the extent requested by the Arranger, taken in co-ordination with the Arranger) (such incremental facility, as used herein and in the Commitment Letter, "**Permitted Incremental Facility**");

(iv) any revolving credit facility of the Borrower in an amount not to exceed, together with any Permitted Incremental Facility pursuant to clause (iii) above, $750.0 million, on terms and conditions customary for debt financings of this kind and the net proceeds of which are directly and immediately used solely to refinance or replace the Existing Nicor Credit Facilities (including to repay loans, and terminate commitments, under the Existing Nicor Credit Facilities), and pursuant to a syndication process satisfactory to GS Bank; *provided* that neither HoldCo nor any of its subsidiaries shall syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of such refinancing debt prior to the earlier of (x) Successful Syndication of the Bridge Facility and (y) 90 days after the announcement of the Transactions and the commencement of the Bridge Syndication Period (*provided* that if Successful Syndication shall not have occurred, such actions shall only be taken to the extent done so in co-ordination with the Arranger); *provided, further,* that any such refinancing debt pursuant to this sub-clause (iv) shall only become effective following the Closing Date (such revolving credit facility, as used herein and in the Commitment Letter, "**Permitted Nicor Revolver Refinancing**"); and

(v) in lieu of the Permitted Incremental Facility and the Permitted Nicor Revolver Refinancing, any revolving credit facility of the Borrower in an amount not to exceed $1,750.0 million, on terms and conditions customary for debt financings of this kind and the net proceeds of which are directly and immediately used solely to refinance or replace the Existing Nicor Credit Facilities and the Existing AGL Credit Agreement (including to repay loans, and terminate commitments, under the Existing Nicor Credit Facilities and the Existing AGL Credit Agreement), and pursuant to a syndication process satisfactory to GS Bank; *provided* that neither HoldCo nor any of its subsidiaries shall syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of such refinancing debt prior to the earlier of (x) Successful Syndication of the Bridge Facility and (y) 90 days after the Closing Date (provided that if Successful Syndication shall not have occurred, such actions shall only be taken to the extent done so in co-ordination with the Arranger); *provided, further,* that any such refinancing debt pursuant to this sub-clause (v) shall only become effective following the Closing Date (such revolving credit facility, as used herein and in the Commitment Letter, "**Permitted Combined Revolver Refinancing**").

As used herein, "**Existing Nicor Credit Facilities**" means, collectively, the credit facilities established pursuant to (i) that certain 3-Year Credit Agreement, dated as of April 23, 2010, among Nicor Gas Company and Nicor Inc., as Borrowers, JPMorgan Cash Bank, N.A., as Administrative Agent, and the other parties thereto from time to time, as amended, amended and restated, supplemented or otherwise modified from time to time through the date hereof, and (ii) that certain 364-Day Credit Agreement, dated as of April 23, 2010, among Nicor Gas Company, as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent and the other parties thereto from time to time, as amended, amended and restated, supplemented or otherwise modified from time to time through the date hereof (the "**364-Day Nicor Credit Agreement**").

Voluntary Prepayment: Bridge Loans may be prepaid, in whole or in part, at the option of the Borrower, at any time without premium or penalty, upon five (5) business days' written notice, such prepayment to be made at par plus accrued interest.

Loan Documentation: The definitive Loan Documents for the Bridge Facility will contain only those representations, warranties, covenants and events of default as are expressly set forth below in this Annex B, together with other customary loan document provisions to be negotiated in good faith and based upon and consistent with the terms set forth in the Commitment Letter, in each case, applicable to HoldCo and its subsidiaries (including, without limitation, the Company and the Acquired Business), with exceptions, baskets, materiality thresholds and grace periods to be mutually agreed, but giving due regard to (i) that certain Credit Agreement, dated as of September 15, 2010, among the Borrower, HoldCo, Inc., as Guarantor, Wells Fargo Bank, National Association, as Administrative Agent, and the other parties thereto from time to time (as amended, amended and restated, supplemented or otherwise modified from time to time through the date hereof, the "**Existing AGL Credit Agreement**"), (ii) the operational requirements of HoldCo and its subsidiaries, and (iii) the syndication requirements of, current market conditions for, and the differences in nature of, the Bridge Facility, which representations, warranties, covenants and events of default shall be limited to:

- representations and warranties: organizational status and good standing; requisite power and authority; qualification; equity interests and ownership; due authorization, execution, delivery and enforceability of the Loan Documents; no conflicts; governmental and third-party consents; historical and projected financial condition; no material adverse change; absence of material litigation; payment of taxes; title to properties; intellectual property; environmental matters; no defaults under material agreements; Investment Company Act and margin stock matters; ERISA and other employee matters; absence of brokers or finders fees; consolidated Closing Date solvency of the HoldCo and its subsidiaries taken as a whole; compliance with laws; full disclosure; and Patriot Act and other related matters;

- financial covenant:	maximum consolidated total debt to consolidated total capitalization (the "**Total Debt to Capitalization Ratio**") of HoldCo and its subsidiaries not to exceed 0.70:1.00 at any time**;**
- affirmative covenants:	delivery of financial statements and other reports (including the identification of information as suitable for distribution to Public Lenders or Non-Public Lenders); maintenance of existence; payment of taxes and claims; maintenance of properties; maintenance of insurance; books and records; inspections; compliance with laws; environmental matters; maintenance of CFR/CCR Ratings; ranking as senior debt; use of proceeds; compliance with the Commitment Letter, the Fee Letter and the engagement letter of even date herewith (the "**Engagement Letter**") between the Borrower and the Financial Institutions (as defined in the Fee Letter) and to use all commercially reasonable efforts to refinance the Bridge Loans as promptly as practicable following the Closing Date;
- negative covenants:	limitations with respect to debt (including guarantees of indebtedness); liens (other than, among other exceptions to be mutually agreed, liens granted pursuant to the terms of that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, supplemented or otherwise modified from time to time through the date hereof); sale and leasebacks; restrictions on subsidiary distributions; restricted payments (other than ordinary cash dividends economically equivalent (on a per share basis after giving effect to the Acquisition) to the ordinary cash dividends historically paid by the Borrower plus any increase to such dividends that is consistent with historical practice); share repurchases; mergers and consolidations; change in operations and hedging; sale of assets (including subsidiary interests); investments; transactions with affiliates; and
- events of default:	failure to make payments when due, default under other material indebtedness (including, without limitation, the Existing AGL Credit Agreement), noncompliance with covenants, breaches of representations and warranties, bankruptcy, judgments in excess of specified amounts, ERISA, invalidity of guarantees, failure to comply with the Commitment Letter, the Fee Letter and the Engagement Letter, or to comply with mandatory prepayment provisions; and "change of control" (to be defined in a mutually agreed upon manner).

Conditions Precedent to Borrowing: The several obligations of the Lenders to make, or cause one of their respective affiliates to make, the Bridge Loans will be subject only to the conditions precedent referred to in Section 2 of the Commitment Letter and in Annex C (in each case including by way of express references provided for therein). In addition, all representations and warranties in the Loan Documents shall be made and be accurate on the Closing Date, but shall be subject to the Certain Funds Provision as defined in the Commitment Letter.

Assignments and Participations: Prior to the Closing Date, each of the Lenders may assign all or (subject to minimum assignment amount requirements) any part of its commitments under the Bridge Facility, in whole or in part, to other Lenders provided that no such assignment shall relieve such Lender of its obligations to fund that portion of the commitments under the Bridge Facility so assigned, except to the extent each of the Borrower and the Administrative Agent has consented to such assignment (such consent not to be unreasonably withheld or delayed) and provided that such consent shall be deemed to have been given if the Borrower has not responded within ten (10) business days of a request for such consent, and such assignee is evidenced by such assignee Lender becoming a party to the Loan Documents, whereupon, in the case of each of clause (x) and (y), such assigning Lender's commitments hereunder with respect to the Bridge Facility shall be reduced at such time by an amount equal to the commitment assumed by such Lender. From the Closing Date, each of the Lenders may assign all or (subject to minimum assignment amount requirements) any part of its Bridge Loans to its affiliates (other than natural persons) or one or more banks, financial institutions or other entities that are "Eligible Assignees," as defined in the Bridge Loan Agreement. Upon such assignment, such Eligible Assignee will become a Lender for all purposes under the Loan Documents; *provided* that assignments made to Lender affiliates and other Lenders will not be subject to the above described minimum assignment amount requirements. A $3,500 processing fee will be required in connection with any such assignment (except in the case of assignments made by or to Goldman Sachs). The Lenders will also have the right to sell participations, subject to customary limitations on voting rights, in their respective Bridge Loans.

Requisite Lenders: Amendments and waivers will require the approval of Lenders holding more than 50% of the Bridge Loans then outstanding, except that no amendment may (i) extend the maturity of any Bridge Loan or change the time of payment of interest on any Bridge Loan, (ii) reduce the rate of interest or the principal amount of any Bridge Loan, (iii) alter the prepayment provisions of any Bridge Loan, or (iv) reduce the percentage of holders necessary to modify or change the Bridge Loans, in each case without the consent of each Lender affected thereby.

Taxes:	The Bridge Facility will provide that all payments are to be made free and clear of any taxes (other than franchise taxes and taxes on overall net income), imposts, assessments, withholdings or other deductions whatsoever. Lenders will furnish to the Administrative Agent appropriate certificates or other evidence of exemption from U.S. federal tax withholding.
Indemnity:	The Bridge Facility will provide customary and appropriate provisions relating to indemnity and related matters in a form reasonably satisfactory to the Arranger, the Administrative Agent and the Lenders.
Governing Law and Jurisdiction:	The Bridge Loan Agreement will provide that the Borrower will submit to the exclusive jurisdiction and venue of the federal and state courts of the State of New York. The parties to the Loan Documents will waive any right to trial by jury. New York law will govern the Loan Documents.
Counsel to the Arranger and Administrative Agent:	Milbank Tweed Hadley & McCloy LLP.

. ANNEX C

AGL Capital Corporation

Summary of Conditions Precedent to the Bridge Facility

Reference is made to the Commitment Letter, of which this Annex C is a part. Certain capitalized terms used herein are defined in the Commitment Letter.

A. CONDITIONS PRECEDENT TO THE BRIDGE FACILITY

1. Concurrent Transactions: The Acquisition Equity Consideration, together with (x) the proceeds from borrowings made on the Closing Date pursuant to the Notes and/or any other Permanent Financing (or in lieu thereof, the Bridge Loans) and (y) cash on the balance sheets of the Company and the Acquired Business on the Closing Date, will be the sole and sufficient sources of funds to consummate the Acquisition, refinance certain existing indebtedness of the Acquired Business and pay all related fees, commissions and expenses. The terms, conditions and other provisions of the Acquisition Documents (including, without limitation, the form and structure of the Acquisition) will be reasonably satisfactory to the Arranger (it being agreed that the terms, conditions and other provisions of the Acquisition Documents (as in effect on the date hereof), including the form and structure of the Acquisition, are reasonably satisfactory to the Arranger) and the Acquisition shall have been consummated substantially concurrently with the closing of the Bridge Facility and in accordance with all applicable laws and the terms of the Acquisition Documents without giving effect to any amendments, supplements, extensions, waivers or other modifications by any party (other than waivers or modifications solely by the Acquired Business with respect to breaches of representations and warranties made by HoldCo or one of its subsidiaries) thereto which are material and adverse to the Lenders or the Arranger (including, without limitation, with respect to the conditions precedent referred to therein), or consents thereunder, without the consent of the Arranger (it being understood that (x) any increase or reduction in the purchase price in excess of $150.0 million in the aggregate since the date hereof, or any change in the percentage of the Acquisition Consideration constituting the Acquisition Cash Consideration, shall be deemed to be material and adverse and (y) any increase or reduction in the purchase price equal to or less than $150.0 million in the aggregate since the date hereof shall not be deemed to be material and adverse). There shall not have occurred and be continuing (pro forma for the Acquisition and the financing thereof) (x) a financial covenant default under any of the Loan Documents with respect to the Total Debt to Capitalization Ratio or (y) any default or event of default under any other indebtedness of HoldCo or any of its subsidiaries (including the Company and the Acquired Business) having an aggregate principal amount outstanding in excess of $100,000,000 except, in the case of this clause (y), to the extent resulting solely from the consummation of the Transactions and to the extent such indebtedness is not outstanding after the Closing Date; *provided* that the Company shall not be permitted to repay (for the avoidance of doubt, prior to, on or after the Closing Date) more than $25,000,000 in aggregate principal amount of any such defaulted indebtedness in order to cure the default or defaults thereunder. Without limiting the generality of the foregoing, an amendment to each of the Existing AGL Credit Agreement and the Existing LC Reimbursement Agreements (as defined below) (such amendments, the "**Permitted Existing Debt Amendments**") on terms previously disclosed in writing to the Arranger, shall have become effective in accordance with its terms. Substantially concurrently with the consummation of the Acquisition, all pre-existing indebtedness of the Acquired Business and its subsidiaries shall have been repaid or repurchased in full, all commitments relating thereto shall have been terminated, and all liens or security interests related thereto shall have been terminated or released, such that after giving effect to the Transactions, HoldCo and its subsidiaries (including the Company and the Acquired Business) shall have no outstanding indebtedness or preferred stock other than (a) loans under the Bridge Facility, (b) any Notes or any other Permanent Financing, (c) indebtedness set forth in the "Debt Schedule" delivered to GS Bank prior to the date hereof and indicated as "Surviving Indebtedness", (d) certain commercial paper or Permitted Letters of Credit of HoldCo and its subsidiaries (but expressly not the Acquired Business) with new commercial paper or Permitted Letters of Credit or, with the prior written consent of GS Bank, other indebtedness satisfactory to GS Bank and (e) any Permitted Borrower Debt. Notwithstanding any provision to the contrary in this Commitment Letter, the commitments in respect of the Bridge Facility shall be automatically reduced on a dollar-for-dollar basis by the amount of any reduction to the Acquisition Consideration.

"Existing LC Reimbursement Agreements" means, collectively, (i) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT), (ii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005, (iii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996 A and (iv) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005.

2. Financial Statements. The Arranger shall have received (i) at least 30 days prior to the Closing Date, audited consolidated financial statements of each of HoldCo and the Acquired Business for each of the three fiscal years ending at least ninety-five (95) days prior to the Closing Date and meeting the requirements of Regulation S-X; (ii) as soon as available, and in any event at least 30 days prior to the Closing Date, unaudited consolidated financial statements for any interim period or periods of each of HoldCo and the Acquired Business ended after the date of the most recent audited financial statements and more than 45 days prior to the Closing Date; (iii) additional audited (if available) and unaudited financial statements for all recent, probable or pending acquisitions (other than the Acquired Business) meeting the requirements of Regulation S-X occurring at least 30 days prior to the Closing Date; and (iv) pro forma financial statements giving effect to the Transactions and, to the extent applicable, any probable or pending acquisitions or divestitures, meeting the requirements of Regulation S-X.

3. Performance of Obligations. All costs, fees, expenses (including, without limitation, legal fees and expenses) and other compensation contemplated by the Commitment Letter and the Fee Letter payable to GS Bank, the Arranger, the Administrative Agent or the Lenders shall have been paid to the extent due and invoiced in reasonable detail and the Company shall have complied in all material respects with all of its other obligations under the Commitment Letter and the Fee Letter.

4. Minimum Liquidity. After giving effect to the Transactions, including the funding of the Bridge Facility, the Company shall have (A) (x) unfunded commitments available for borrowing under the Existing AGL Credit Facility, any Permitted Incremental Facility, any Permitted Nicor Revolver Refinancing and any Permitted Combined Revolver Refinancing less (y) the aggregate amount of any outstanding commercial paper of HoldCo and its subsidiaries, plus (B) unrestricted cash and cash equivalents at HoldCo or the Company in an aggregate amount, in the case of (A) plus (B), equal to not less than $200.0 million.

5. Customary Closing Documents. The Arranger shall have received: (i) customary (A) notice of borrowing, (B) legal opinions, (C) corporate records and (D) documents from public officials and officer's certificates; (ii) customary evidence of authority; (iii) evidence of (A) clearance from the Securities Exchange Commission of the joint proxy statement and requisite approvals from the shareholders of HoldCo and Nicor, (B) state regulatory approvals from each of the Illinois Commerce Commission and the California Public Utilities Commission), (C) requisite approval of the Federal Communications Commission and compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended), and the rules and regulations promulgated thereunder, and other applicable foreign or supranational antitrust and competition laws; (iv) absence of injunction with respect to the Transactions and absence of injunction or litigation (including any pending or existing action, suit or proceeding by any governmental or regulatory authority or any other person in any jurisdiction) affecting the Bridge Facility; (v) customary evidence of insurance; and (vi) a solvency certificate from the chief financial officer of HoldCo with respect to HoldCo and its subsidiaries taken as a whole in the form set forth in Exhibit 1 to this Annex C. The Arranger will have received at least 10 days prior to the Closing Date all documentation and other information required by bank regulatory authorities and requested at least 15 days prior to the Closing Date under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act.

6. Prior Marketing of Notes. The Company shall have used commercially reasonable efforts to cause the Notes to be issued or placed on or prior to the Closing Date, which efforts will include, without limitation, (A) the completion and delivery to the Financial Institutions (as defined in the Fee Letter) at least twenty (20) consecutive business days prior to the Closing Date (the period between such delivery and the Closing Date, the "**Notes Marketing Period**"), of a preliminary prospectus, preliminary offering memorandum or preliminary private placement memorandum (each, an "**Offering Memorandum**") for the offer and sale of the Notes pursuant to a registration statement, Rule 144A or other private placement, in each case, under the Securities Act of 1933, as amended (the "**Securities Act**"), containing such disclosures as may be required by applicable laws, as are customary for such a document (including, to the extent applicable, all audited, unaudited, pro forma and other financial statements and schedules of HoldCo and the Company as would be required in a registered public offering of Notes by the Company), which Offering Memorandum will be in a form that will enable the independent registered public accountants of the Company to render a customary "comfort letter" (including customary "negative assurances"), and (B) delivery by such independent registered public accountants of draft customary "comfort letters" in the form that such accountants are prepared to issue upon completion of customary procedures at pricing and closing of such Notes (such drafts shall be delivered for review and comment by the Financial Institutions within a reasonable time prior to their issuance); *provided*, that such Notes Marketing Period shall not include (i) any period during which the Notes cannot be offered or sold because of a black-out period imposed by the Company for any reason or by applicable securities law or (ii) any day from and including (A) December 17, 2010 through and including January 3, 2011, (B) August 19, 2011 through and including September 5, 2011, (C) November 18, 2011 through and including November 28, 2011 or (D) December 16, 2011 through and including January 2, 2012.

7. Minimum Rating. On or prior to the Closing Date, the Company shall have been assigned an updated public corporate family rating of at least Baa3 by Moody's and an updated public corporate credit rating of no less than BBB- by S&P, in each case pro forma for the Transactions and with stable or better outlook. All such ratings shall be determined from the most recent public announcement or publication of any changes in such ratings and shall have continued through the Closing Date.

Exhibit 1 to
Annex C

Form of Solvency Certificate

SOLVENCY CERTIFICATE
OF
AGL RESOURCES INC. AND ITS SUBSIDIARIES

I, the chief financial officer of AGL Resources Inc., a Georgia corporation ("**Holdings**"), in that capacity only and not in my individual capacity (and without personal liability) **DO HEREBY CERTIFY AS FOLLOWS:**

1. Reference is made to that certain Bridge Loan Credit Agreement, dated as of December **[__]**, 2010 (as it may be amended, supplemented or otherwise modified, the "**Credit Agreement**" the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among AGL Capital Corporation, a Nevada corporation, AGL Resources Inc., as Guarantor, the Lenders party thereto from time to time, Goldman Sachs Bank USA, as Administrative Agent, **[_____]**, as Syndication Agent, and **[]**, as Documentation Agent.

2. I have reviewed the terms of the Credit Agreement and the definitions and provisions contained in the Credit Agreement relating thereto, together with each of the Related Agreements, and, in my opinion, have made, or have caused to be made under my supervision, such examination or investigation as is necessary to enable me to express an informed opinion as to the matters referred to herein.

3. Based upon my review and examination described in paragraph 3 above, I certify that as of the date hereof, after giving effect to the consummation of the Transactions:

(a) the present fair saleable value of all present assets of Holdings and its subsidiaries, taken as a whole, is greater than the debt (including contingent liabilities) of Holdings and its subsidiaries, taken as a whole;

(b) the capital of Holdings and its subsidiaries, taken as a whole, is not unreasonably small in relation to their business as contemplated on the Closing Date and reflected in the Projections or with respect to any transaction contemplated to be undertaken after the Closing Date;

(c) Holdings and its subsidiaries, taken as a whole, have not incurred and do not intend to incur, or believe (nor should they reasonably believe) that they will incur, debts beyond their ability to pay such debts as they mature in the ordinary course of business; and

(d) the sum of the debts of Holdings and its subsidiaries, taken as a whole, is less than all of the property, at fair valuation, of Holdings and its subsidiaries, taken as a whole, exclusive of property transferred, concealed or removed with intent to hinder, delay or defraud the creditors of Holdings and its subsidiaries and (ii) property that may be exempted from the bankruptcy estate of Holdings and its subsidiaries.

provided, that, for purposes of the foregoing clauses (a) through (d), the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No.5).

The foregoing certifications are made and delivered as of **[ ]**.

_____
Name:
Title: Chief Financial Officer

Project Ottawa Debt Schedule

Debt Instrument	Exclusions to Clear Market	Exclusions to Commitment Reductions and Mandatory Prepayment	Survives Closing Date
AGL Resources Inc. and its Subsidiaries			
1. Credit Agreement, dated as of September 15, 2010, among AGL Resources Inc., AGL Capital Corporation, the Lenders party thereto, Wells Fargo Bank, National Association as Administrative Agent, and the other agents party thereto	Yes, to the extent constituting Permitted Existing Debt Amendments, Permitted Incremental Facility and/or Permitted Combined Revolver Refinancing	Yes, to the extent constituting Permitted Existing Debt Amendments, Permitted Incremental Facility and/or Permitted Combined Revolver Refinancing	Yes
2. AGL Letter of Credit Facilities			
(i) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT)	Yes, to the extent constituting Permitted Existing Debt Amendments	No	Yes
(ii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005	Yes, to the extent constituting Permitted Existing Debt Amendments	No	Yes
(iii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996 A	Yes, to the extent constituting Permitted Existing Debt Amendments	No	Yes
(iv) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005	Yes, to the extent constituting Permitted Existing Debt Amendments	No	Yes
3. AGL Loan Agreements (Revenue Bonds)			
(i) Loan Agreement, dated June 1, 1996, between NUI Utilities, Inc. (f/k/a NUI Corporation) and New Jersey Economic Development Authority pursuant to which Pivotal Utility Holdings Inc. (f/k/a NUI Utilities, Inc.) issued $39.0 million bonds, due June 1, 2026, as amended by that certain First Amendment to Loan Agreement, dated September 1, 2010	No	No	Yes
(ii) Loan Agreement, dated December 1, 1998, between NUI Utilities, Inc. (f/k/a NUI Corporation) and New Jersey Economic Development Authority, pursuant to which NUI Utilities issued $40.0 million 5.25% bonds due November 1, 2033	No	No	Yes
(iii) Loan Agreement, dated April 1, 2005, between Pivotal Utility Holdings, Inc. and Brevard County, FL, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, as further amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which Pivotal Utility Holdings, Inc. issued $20 million bonds due October 1, 2024	No	No	Yes
(iv) Loan Agreement, dated May 1, 2005, between Pivotal Utility Holdings, Inc. and New Jersey Economic Development Authority, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, as further amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which Pivotal Utility Holdings, Inc. issued $46.5 million bonds due October 1, 2022	No	No	Yes
(v) Loan Agreement, dated May 1, 2007, between Pivotal Utility Holdings, Inc. (f/k/a NUI Utilities, Inc. and NUI Corporation) and New Jersey Economic Development Authority, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, as further amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which NUI Utilities issued $54.6 million bonds due June 1, 2032.	No	No	Yes
4. AGL Medium Term Notes issued pursuant to that certain Indenture, dated as of December 1, 1989, between Atlanta Gas Light Company and Bankers Trust Company, as the Trustee.			
(i) $5 million aggregate principal amount of 8.4% medium term notes issued by Atlanta Gas Light Company maturing June 5, 2012	No	No	Yes
(ii) $5 million aggregate principal amount of 8.3% medium term notes issued by Atlanta Gas Light Company maturing June 19, 2012	No	No	Yes

(iii) $5 million aggregate principal amount of 8.3% medium term notes issued by Atlanta Gas Light Company maturing July 1, 2012	No	No	Yes
(iv) $22 million aggregate principal amount of 7.2% medium term notes issued by Atlanta Gas Light Company due 2017	No	No	Yes
(v) $30 million aggregate principal amount of 9.1% medium term notes issued by Atlanta Gas Light Company due 2021	No	No	Yes
(vi) $5 million aggregate principal amount of 8.55% medium term notes issued by Atlanta Gas Light Company due 2022	No	No	Yes
(vii) $25 million aggregate principal amount of 8.7% medium term notes issued by Atlanta Gas Light Company due 2022	No	No	Yes
(viii) $6 million aggregate principal amount of 8.55% medium term notes issued by Atlanta Gas Light Company due 2022	No	No	Yes
(ix) $10 million aggregate principal amount of 8.55% medium term notes issued by Atlanta Gas Light Company due 2022	No	No	Yes
(x) $30 million aggregate principal amount of 6.55% medium term notes issued by Atlanta Gas Light Company due 2026	No	No	Yes
(xi) $53.5 million aggregate principal amount of 7.3% medium term notes issued by Atlanta Gas Light Company due 2027.	No	No	Yes
5. AGL Senior Notes (issued pursuant to that certain Indenture, dated as of February 20, 2001, among AGL Capital Corporation, as Issuer, AGL Resources Inc., as Guarantor, and The Bank of New York, as Trustee)			
(i) $300 million aggregate principal amount of 7.125% Senior Notes issued by AGL Capital Corporation due 2011	Yes, to the extent constituting Permitted Delayed Draw Facility or Permitted 2011 Notes Refinancing	Yes, to the extent constituting Permitted Delayed Draw Facility or Permitted 2011 Notes Refinancing	Yes
(ii) $225 million aggregate principal amount of 4.45% Senior Notes issued by AGL Capital Corporation due 2013	No	No	Yes
(iii) $200 million aggregate principal amount of 4.95% Senior Notes issued by AGL Capital Corporation due 2015	No	No	Yes
(iv) $300 million aggregate principal amount of 6.375% Senior Notes issued by AGL Capital Corporation due 2016	No	No	Yes
(v) $300 million aggregate principal amount of 5.25% Senior Notes issued by AGL Capital Corporation due 2019	No	No	Yes
(vi) $250 million aggregate principal amount of 6.00% Senior Notes issued by AGL Capital Corporation due 2034	No	No	Yes
6. Credit Agreement, dated as of November 2, 2006, among Southstar Energy Services LLC, as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer and the other Lenders party thereto from time to time, as amended, restated, modified, renewed, refunded, replaced or refinanced	Yes, provided such refinancing will not commence prior to July 1, 2011	Yes, provided such refinancing will not commence prior to July 1, 2011	Yes
7. Florida Capital Leases to the extent existing as of December 06, 2010	No	No	Yes
Nicor Inc. and its Subsidiaries			
1. 364-Day Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company, as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent and the other parties thereto from time to time, as amended, amended and restated, supplemented or otherwise modified from time to time through the date hereof.	Yes	Yes	No
2. Three Year Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company and Nicor Inc., as Borrowers, JPMorgan Cash Bank, N.A., as Administrative Agent, and the other parties thereto from time to time, as amended, amended and restated, supplemented or otherwise modified from time to time through the date hereof.	Yes, to the extent constituting Permitted Nicor Revolver Refinancing or Permitted Combined Revolver Refinancing	Yes, to the extent constituting Permitted Nicor Revolver Refinancing or Permitted Combined Revolver Refinancing	No
3. Nicor First Mortgage Bonds (issued pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continential Illinois National Bank and Trust Company of Chicago)			
(i) 6.625% first mortgage bonds issued by Northern Illinois Gas Company maturing February 1, 2011	Yes, provided that such financing (x) does not exceed an amount equal to	Yes, provided that such financing (x) does not exceed an amount equal to $75.0 million, and (y) will commence	Yes

	$75.0 million, and (y) will commence on or after the date that is six months prior to the stated maturity thereof (as in effect on the date hereof) or at a lower cost of funds (calculating such cost on an aggregate after-tax basis)	on or after the date that is six months prior to the stated maturity thereof (as in effect on the date hereof) or at a lower cost of funds (calculating such cost on an aggregate after-tax basis)	
(ii) $50 million of 7.20% first mortgage bonds issued by Northern Illinois Gas Company due 2016	No	No	Yes
(iii) $50 million of 4.70% first mortgage bonds issued by Northern Illinois Gas Company due 2019	No	No	Yes
(iv) $50 million of 5.80% first mortgage bonds issued by Northern Illinois Gas Company due 2023	No	No	Yes
(v) $50 million of 6.58% first mortgage bonds issued by Northern Illinois Gas Company due 2028	No	No	Yes
(vi) $50 million of 5.90% first mortgage bonds issued by Northern Illinois Gas Company due 2032	No	No	Yes
(vii) $50 million of 5.90% first mortgage bonds issued by Northern Illinois Gas Company due 2033	No	No	Yes
(viii) $50 million of 5.85% first mortgage bonds issued by Northern Illinois Gas Company due 2036	No	No	Yes
(ix) $75 million of 6.25% first mortgage bonds issued by Northern Illinois Gas Company due 2038	No	No	Yes
4. Refinancing of 6.79% Senior Secured Notes issued pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced	Yes, provided that such refinancing will (x) not exceed $49.8 million and (y) commence on or after the date that is six months prior to the stated maturity thereof (as in effect on the date hereof) or at a lower cost of funds (calculating such cost on an aggregate after-tax basis)	Yes, provided that such refinancing will (x) not exceed $49.8 million and (y) commence on or after the date that is six months prior to the stated maturity thereof (as in effect on the date hereof) or at a lower cost of funds (calculating such cost on an aggregate after-tax basis)	Yes
5. $120 MM Central Valley debt financing - March 2012	Yes, provided that such financing will not commence prior to September 30, 2011 and such financing will be done in consultation with AGL Resources Inc. as to structure, terms and conditions thereof	Yes, provided that such financing will not commence prior to September 30, 2011 and such financing will be done in consultation with AGL Resources Inc.as to structure, terms and conditions thereof	Yes

New Document

AGL RESOURCES INC (AGL)

8-K

Current report filing
Filed on 12/07/2010
Filed Period 12/07/2010

THOMSON REUTERS

Westlaw BUSINESS

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 7, 2010

AGL RESOURCES INC.

(Exact name of registrant as specified in its charter)

Georgia	**1-14174**	**58-2210952**
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

Ten Peachtree Place NE Atlanta, Georgia 30309
(Address and zip code of principal executive offices)

404-584-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

☑ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

On December 7, 2010, AGL Resources Inc. and Nicor Inc. issued a joint press release announcing the approval of an Agreement and Plan of Merger (the "Merger Agreement"), dated as of December 6, 2010, by and among AGL Resources Inc., Apollo Acquisition Corp., Ottawa Acquisition LLC and Nicor Inc. A copy of the joint press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Attached hereto as Exhibit 99.2, and incorporated by reference herein, is a slide presentation to be presented by AGL Resources Inc. in connection with a conference call and live internet webcast to be held on December 7, 2010 at 8:30 a.m. ET to discuss the transactions contemplated by the Merger Agreement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	**Description**
99.1	Joint press release of AGL Resources Inc. and Nicor Inc., dated December 7, 2010.
99.2	Slide presentation.

SIGNATURES

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

AGL RESOURCES INC.

By: /s/ Paul R. Shlanta
Name: Paul R. Shlanta
Title: Executive Vice President, General Counsel and Chief Ethics and Compliance Officer

Dated: December 7, 2010

EXHIBIT INDEX

Exhibit No.	Description
99.1	Joint press release of AGL Resources Inc. and Nicor Inc., dated December 7, 2010.
99.2	Slide presentation

FOR IMMEDIATE RELEASE

AGL RESOURCES AND NICOR TO COMBINE IN $8.6 BILLION TRANSACTION

Nicor Shareholders to Receive Cash and Stock Valued at $53.00 per Share

Creates a New U.S. Leader in Natural Gas with 4.5 Million Distribution Customers

Neutral to AGL Resources' EPS in First Full Year Following Transaction Close and Accretive Thereafter; Enhances EPS Growth and Maintains Credit Quality

Complementary Unregulated Businesses with Enhanced Opportunities

Low Rates Expected to Continue for Customers; Continued Commitment to Safe, Reliable Cost-Effective Service

Maintains Corporate Headquarters in Atlanta and Establishes Gas Distribution Headquarters in Naperville, Illinois

ATLANTA and NAPERVILLE, Ill., December 7, 2010 – AGL Resources (NYSE: AGL) and Nicor Inc. (NYSE: GAS) today announced that the Boards of Directors of both companies have approved a definitive merger agreement to create a leading U.S. natural gas distribution company. Pursuant to the agreement, Nicor will merge with a subsidiary of AGL Resources in a transaction with an enterprise value of $3.1 billion, including a total equity value of $2.4 billion. The combined entity will have an enterprise value of $8.6 billion. Following the merger, AGL Resources, expected to become a Fortune 500 company, will maintain its corporate headquarters in Atlanta, Georgia and locate its newly expanded gas distribution headquarters in Naperville, Illinois, a suburb of Chicago.

Under the terms of the agreement, Nicor shareholders will be entitled to receive for each share of Nicor common stock, $21.20 in cash and 0.8382 shares of AGL Resources common stock, which together represent a value of $53.00 based on the volume-weighted average price for AGL Resources common stock for the 20 trading days ended December 1, 2010 (the last unaffected Nicor trading day). Following the completion of the merger, it is anticipated that AGL Resources shareholders will own approximately 67 percent and Nicor shareholders will own approximately 33 percent of the combined company.

The transaction is anticipated to be neutral to AGL Resources' earnings per share (EPS) in the first full year following the close and accretive thereafter. The transaction is anticipated to enhance EPS growth and maintain credit quality. The companies expect to complete the transaction in the second half of 2011.

The consideration of $53.00 per share for Nicor shareholders represents a premium of approximately 22 percent to the unaffected closing stock price of Nicor on December 1, 2010, and an approximately 17 percent premium to the average stock price of Nicor over the last 20 days ending December 1, 2010.

The combination creates a leading U.S. natural gas distribution company with:

- Approximately $5.1 billion in annual revenues and EBITDA of $1.1 billion (combined figures as of September 30, 2010);
- Seven regulated natural gas distribution companies providing natural gas service to approximately 4.5 million customers in Illinois, Georgia, New Jersey, Virginia, Florida, Tennessee and Maryland, with a rate base of $3.8 billion;
- Over 1 million retail customers in the unregulated businesses;
- Physical wholesale gas business delivering approximately 4.7 billion cubic feet (Bcf) per day to gas customers; and
- Expertise and facilities across the natural gas storage value chain that will provide 31 Bcf of storage in 2012 with expansion potential up to 90 Bcf.

"This is an exciting transaction for both AGL Resources and Nicor. Together we will establish a platform for growth that is superior to what either company could achieve on its own," said John W. Somerhalder II, AGL Resources' chairman, president and chief executive officer. "AGL Resources has a proven track record of successful acquisitions and integrations spanning the last decade. Our prudent acquisitions have allowed us to improve and provide services to our customers at a much lower cost, while taking an active role in supporting the communities we serve. Georgia has supported our growth strategy and we are proud that we can enhance our corporate presence in Georgia while expanding gas operations in Illinois. By combining with Nicor, we will be able to enhance earnings growth while maintaining a strong balance sheet and improving cost-effectiveness."

"As a result of this transaction, we will have increased scale and greater diversity in both our regulated operations and unregulated businesses," Mr. Somerhalder continued. "We will effectively double the number of utility customers we serve, and by sharing best practices, and through the benefits of greater scale, we will be able to serve those customers better and more efficiently. We also will be establishing our gas distribution headquarters in Naperville, Illinois, a suburb of Chicago. In addition, AGL Resources and Nicor have complementary unregulated businesses, which will be a source of significant incremental growth opportunities and savings."

"This transaction provides our shareholders with a significant premium for their shares, the opportunity for ownership in a combined company with upside potential for growth and a substantial dividend uplift immediately following closing," said Russ M. Strobel, Nicor's chairman, president and chief executive officer. "Equally as important, I'm delighted to be able to assure Nicor's 2.2 million natural gas utility customers that they can continue to rely on the same local gas company with a well-deserved reputation for providing safe, reliable, cost-effective service, and the same people whom they've come to know and trust."

"On behalf of Nicor's Board and management team, I would like to express our deep appreciation to our employees, whose dedication and hard work have been instrumental in making Nicor the outstanding company it is today," continued Mr. Strobel. "We've found a strong partner in AGL Resources with its complementary businesses, excellent reputation and shared values. AGL Resources has committed to maintaining job levels across the Nicor Gas service territory, continuing our strong tradition of community and philanthropic support and exceptional service to customers. We look forward to working with AGL Resources to ensure a smooth transition and complete the transaction as expeditiously as possible."

Strategic and Financial Benefits of Transaction

- Accelerates AGL Resources' EPS growth while maintaining a strong financial profile with an investment grade credit rating.
  - The transaction is anticipated to be neutral to AGL Resources' EPS in the first full year following the close and accretive thereafter. The transaction is expected to enhance EPS growth and maintain credit quality.
  - Solid balance sheet that supports pro-growth dividend policy.
- Establishes strong operating cash flows to fund growth with expected spend of approximately $450 million per year on gas utility infrastructure.
- Enhances diversification, scale, and geographic reach of regulated gas utility operations.
- Provides wider market opportunities for AGL Resources' and Nicor's complementary unregulated retail, wholesale and storage businesses.
- New revenue opportunities and cost synergies expected across unregulated wholesale and retail businesses, with minimal cost to achieve, in addition to the elimination of duplicate public company costs.
- Customers will continue to experience the same high quality, reliable and cost-effective service.
  - Future investment will be spread across a larger customer base.
  - AGL Resources and Nicor will share and implement best practices across all businesses.
- Expands investor base and broadens research and institutional coverage.
- Recent rate cases provide earnings transparency.

Structure and Organization

The combined company will be known as AGL Resources. Following the merger, AGL Resources will maintain its corporate headquarters in Atlanta, Georgia and locate its newly expanded gas distribution headquarters in Naperville, Illinois. The combined company's customers will continue to be served by their current gas utility companies.

Mr. Somerhalder will continue to serve as chairman, president and chief executive officer of AGL Resources. The AGL Resources Board of Directors will include four directors from Nicor. A transition team comprised of senior executives from both companies will lead the integration.

Financing

AGL Resources will pay for the transaction through an exchange of stock with Nicor shareholders in addition to approximately $1 billion of cash. AGL Resources has committed financing from Goldman Sachs Bank USA, and plans to put long-term financing in place, consisting exclusively of bonds, prior to the closing of the transaction.

Approvals and Timing

The merger is conditioned upon, among other things, the approval of shareholders of both companies, approval by the Illinois Commerce Commission, the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and approval by the Federal Communications Commission. The companies expect to complete the transaction in the second half of 2011.

Advisors

Goldman, Sachs & Co. is acting as exclusive financial advisor and Dewey & LeBoeuf LLP is acting as legal counsel to AGL Resources. J.P. Morgan is acting as exclusive financial advisor, Latham & Watkins LLP is acting as legal counsel to Nicor and Sidley Austin LLP is acting as legal counsel to Nicor's Board of Directors.

Conference Call and Webcast

AGL Resources and Nicor will host a conference call and a live Internet webcast along with a slide presentation today at 8:30 a.m. ET to discuss this combination. The dial-in number to participate on this call is (800) 821-1449, confirmation code 30174896. International callers should dial (973) 935-2840, confirmation code 30174896.

A replay will be available for one week following the live webcast through December 14, 2010. The live webcast of the conference call may be accessed through the investor relations section on AGL Resources' web site at www.aglresources.com and Nicor's web site at www.nicor.com. Participants should allow approximately five to ten minutes prior to the presentation's start time to visit the site and download any streaming media software needed to listen and view to the Internet webcast.

About AGL Resources
AGL Resources (NYSE:AGL), an Atlanta-based energy services company, serves approximately 2.3 million customers in six states. The company also owns Houston-based Sequent Energy Management, an asset manager serving natural gas wholesale customers throughout North America. As an 85-percent owner in the SouthStar partnership, AGL Resources markets natural gas to consumers in Georgia under the Georgia Natural Gas brand. The company also owns and operates two high-deliverability natural gas storage facilities: Jefferson Island Storage & Hub near the Henry Hub in Louisiana and Golden Triangle Storage in Texas. For more information, visit www.aglresources.com.

About Nicor Inc.
Nicor Inc. (NYSE:GAS) is a holding company and is a member of the Standard & Poor's 500 Index. Its primary business is Nicor Gas, one of the nation's largest natural gas distribution companies. Nicor owns Tropical Shipping, a containerized shipping business serving the Caribbean region and the Bahamas. In addition, the company owns and/or has an equity interest in several energy-related businesses. For more information, visit the Nicor website at www.nicor.com.

Forward Looking Statements

To the extent any statements made in this document contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (collectively, "forward-looking statements").

These forward-looking statements relate to, among other things, the expected benefits of the proposed merger such as efficiencies, cost savings, tax benefits, enhanced revenues and cash flow, growth potential, market profile and financial strength; the competitive ability and position of the combined company; and the expected timing of the completion of the transaction. Forward-looking statements can generally be identified by the use of words such as "believe",

“anticipate”, “expect”, “estimate”, “intend”, “continue”, “plan”, “project”, “will”, “may”, “should”, “could”, “would”, “target”, “potential” and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Although certain of these statements set out herein are indicated above, all of the statements in this release that contain forward-looking statements are qualified by these cautionary statements. Although AGL Resources and Nicor believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including, but not limited to, factors and assumptions regarding the items outlined above. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following: the failure to receive, on a timely basis or otherwise, the required approvals by AGL Resources and Nicor stockholders and government or regulatory agencies (including the terms of such approvals); the risk that a condition to closing of the merger may not be satisfied; the possibility that the anticipated benefits and synergies from the proposed merger cannot be fully realized or may take longer to realize than expected; the possibility that costs or difficulties related to the integration of AGL Resources and Nicor operations will be greater than expected; the ability of the combined company to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners; the impact of legislative, regulatory, competitive and technological changes; the risk that the credit ratings of the combined company may be different from what the companies expect; and other risk factors relating to the energy industry, as detailed from time to time in each of AGL Resources’ and Nicor’s reports filed with the Securities and Exchange Commission (“SEC”). There can be no assurance that the proposed merger will in fact be consummated.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in the body of this release, as well as under Item 1.A. in each of AGL Resources’ and Nicor’s Annual Report on Form 10-K for the fiscal year December 31, 2009, and Item 1.A in each of AGL Resources’ and Nicor’s most recent Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010. AGL Resources and Nicor caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to AGL Resources and Nicor, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to AGL Resources and Nicor or any other person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. The forward-looking statements contained herein speak only as of the date of this presentation. Neither AGL Resources nor Nicor undertakes any obligation to update or revise any forward-looking statement, except as may be required by law.

Additional Information

In connection with the proposed merger, AGL Resources plans to file with the SEC a Registration Statement on Form S-4 that will include a joint proxy statement of AGL Resources and Nicor that also constitutes a prospectus of AGL Resources. AGL Resources and Nicor will mail the joint proxy statement/prospectus to their respective stockholders. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. You will be able to obtain the joint proxy statement/prospectus, as well as other filings containing information about AGL Resources and Nicor, free of charge, at the website maintained by the SEC at www.sec.gov. You may also obtain these documents, free of charge, from AGL Resources’ website (www.aglresources.com) under the tab Investor Relations/SEC Filings or by directing a request to AGL Resources, P.O. Box 4569, Atlanta, GA, 30302-4569. You may also obtain these documents, free of charge, from Nicor’s website (www.nicor.com) under the tab Investor Information/SEC Filings or by directing a request to Nicor, P.O. Box 3014, Naperville, IL 60566-7014.

The respective directors and executive officers of AGL Resources and Nicor, and other persons, may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding AGL Resources’ directors and executive officers is available in its definitive proxy statement filed with the SEC by AGL Resources on March 15, 2010, and information regarding Nicor directors and executive officers is available in its definitive proxy statement filed with the SEC by Nicor on March 10, 2010. These documents can be obtained free of charge from the sources indicated above. Other information regarding the interests of the participants in the proxy solicitation will be included in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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Media:
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AGL Resources

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December 2010

Safe Harbor Pages

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Forward Looking Statements

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These forward-looking statements relate to, among other things, the expected benefits of the proposed merger such as efficiencies, cost savings, tax benefits, enhanced revenues and cash flow, growth potential, market profile and financial strength; the competitive ability and position of the combined company; and the expected timing of the completion of the transaction. Forward-looking statements can generally be identified by the use of words such as "believe", "anticipate", "expect", "estimate", "intend", "continue", "plan", "project", "will", "may", "should", "could", "would", "target", "potential" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Although certain of these statements set out herein are indicated above, all of the statements in this presentation that contain forward-looking statements are qualified by these cautionary statements. Although AGL Resources and Nicor believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including, but not limited to, factors and assumptions regarding the items outlined above. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following: the failure to receive, on a timely basis or otherwise, the required approvals by AGL Resources and Nicor stockholders and government or regulatory agencies (including the terms of such approvals); the risk that a condition to closing of the merger may not be satisfied; the possibility that the anticipated benefits and synergies from the proposed merger cannot be fully realized or may take longer to realize than expected; the possibility that costs or difficulties related to the integration of AGL Resources and Nicor operations will be greater than expected; the ability of the combined company to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners; the impact of legislative, regulatory, competitive and technological changes; the risk that the credit ratings of the combined company may be different from what the companies expect; and other risk factors relating to the energy industry, as detailed from time to time in each of AGL Resources' and

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Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in AGL Resources' and Nicor's release regarding the merger, as well as under Item 1.A. in each of AGL Resources' and Nicor's Annual Report on Form 10-K for the fiscal year ended 2009, and Item 1.A in each of AGL Resources' and Nicor's most recent Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010. AGL Resources and Nicor caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on forward- looking statements to make decisions with respect to AGL Resources and Nicor, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent written and oral forward looking statements concerning the proposed merger or other matters attributable to AGL Resources or Nicor or persons acting on their behalf are expressly qualified by the cautionary statements referenced above. The forward-looking statements contained herein speak only as of the date of this presentation. Neither AGL Resources nor Nicor undertakes any obligation to update or revise any forward- looking statement, except as may be required by law.

Additional Information About the Merger and Where to Find It

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In connection with the proposed merger, AGL Resources plans to file with the SEC a Registration Statement on Form S-4 that will include a joint proxy statement of AGL Resources and Nicor that also constitutes a prospectus of AGL Resources. AGL Resources and Nicor will mail the joint proxy statement/ prospectus to their respective stockholders. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. You will be able to obtain the joint proxy statement/prospectus, as well as other filings containing information about AGL Resources and Nicor, free of charge, at the website maintained by the SEC at www.sec.gov. You may also obtain these documents, free of charge, from AGL Resources' website (www.aglresources.com) under the tab Investor Relations/SEC Filings or by directing a request to AGL Resources, P.O. Box 4569, Atlanta, GA, 30302-4569. You may also obtain these documents, free of charge, from Nicor's website (www.nicor.com) under the tab Investor Information/SEC Filings or by directing a request to Nicor, P.O. Box 3014, Naperville, IL 60566-7014.

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AGL Resources

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Transaction Overview

- AGL Resources to acquire Nicor Inc. for $3.1 billion based on $53.00 per Nicor share
  - 40% cash, funded by long-term bonds prior to closing
  - 60% stock
- Implied transaction premium of ~22% to unaffected closing price on December 1, 2010
- Implied transaction premium of ~17% based on the average volume-weighted Nicor closing price over the last 20 trading days ending December 1, 2010
- Pro forma ownership: 67% AGL Resources / 33% Nicor

- John Somerhalder to serve as Chairman, President and CEO of combined company
- Four Nicor board members to join AGL Resources board of directors
- Corporate headquarters in Atlanta, GA
- Distribution headquarters in Naperville, IL (Chicago suburb)

- Nicor and AGL Resources shareholder votes
- Primary required regulatory approvals
  - Illinois Commerce Commission

- Hart-Scott-Rodino
- Federal Communications Commission
- Closing expected in the second half of 2011

- Dividend maintained for AGL Resources shareholders
- Implied 32% increase for stock portion of Nicor merger consideration

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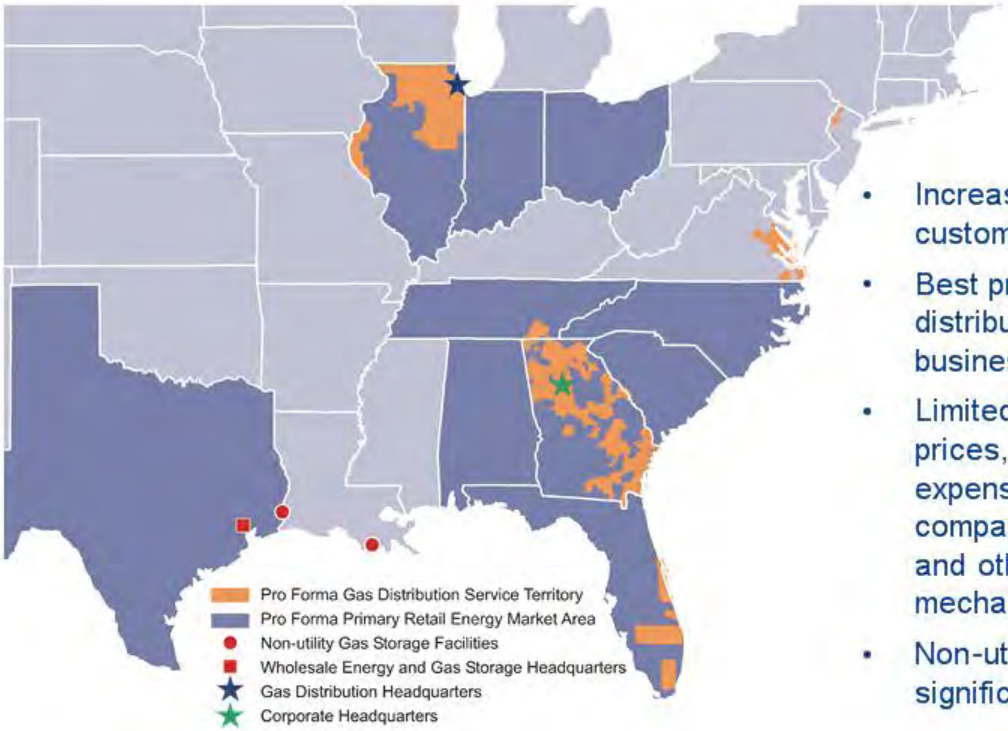
- Visible and achievable financial and operational benefits driven by increased scale and scope
- Creates one of the lowest cost, most diversified natural gas utilities
- Combination of complementary unregulated businesses enhances platform for growth
- Leverages AGL Resources' transaction integration expertise
- Enhances earnings profile through expected EPS accretion and increased growth rate

- Combined company expected to maintain solid investment-grade credit ratings

AGL Resources Combination Rationale



- Increased scale benefits customers over time
- Best practices shared across distribution territories and retail businesses
- Limited exposure to commodity prices, weather and bad debt expense for the combined company (through cost recovery and other regulatory mechanisms)
- Non-utility storage capabilities significantly increased

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Combination Creates a Leading Gas Distribution Business

Note: Map excludes Nicor Tropical Shipping business and Central Valley natural gas storage facility under construction in California.

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Scale Enhancing Transaction

Market Capitalization ($bn)

Last Reported FY Distribution Customers (mm)

Market Cap ($bn)[1]	$4.4
LTM Revenue ($bn)	$5.1
LTM EBITDA ($bn)	$1.1
Utility Customers (mm)	4.5
2009 Rate Base ($bn)	$3.8
Regulated States	7
Total Employees	6,400
Retail Customers (mm)	1.1
Wholesale Gas Delivery (Bcf/d)	4.7
2012E Non Utility Storage (Bcf)	31

Source: SEC filings and Bloomberg as of 01-Dec-2010

[1] Illustrative AGL Resources pro forma market capitalization based on AGL Resources share price as of 01-Dec-2010 and pro forma share count of 116.9 AGL Resources shares.

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- Creates incremental revenue opportunities
- Integration of non-utility businesses enhances leadership position across natural gas value chain
  - Leverages retail experience of both companies, including unique Nicor service offerings
  - Combined company will have experience with salt dome, reservoir, aquifer and market area LNG storage
  - Synergies expected from expanded geographic scope for Sequent and consolidation of middle and back-office functions

- Both companies have effectively run asset optimization businesses
- Additional cost and revenue opportunities expected as we grow the business

Complementary Unregulated Businesses

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Unregulated Asset Overview

- Markets gas commodities to retail customers in GA & other states

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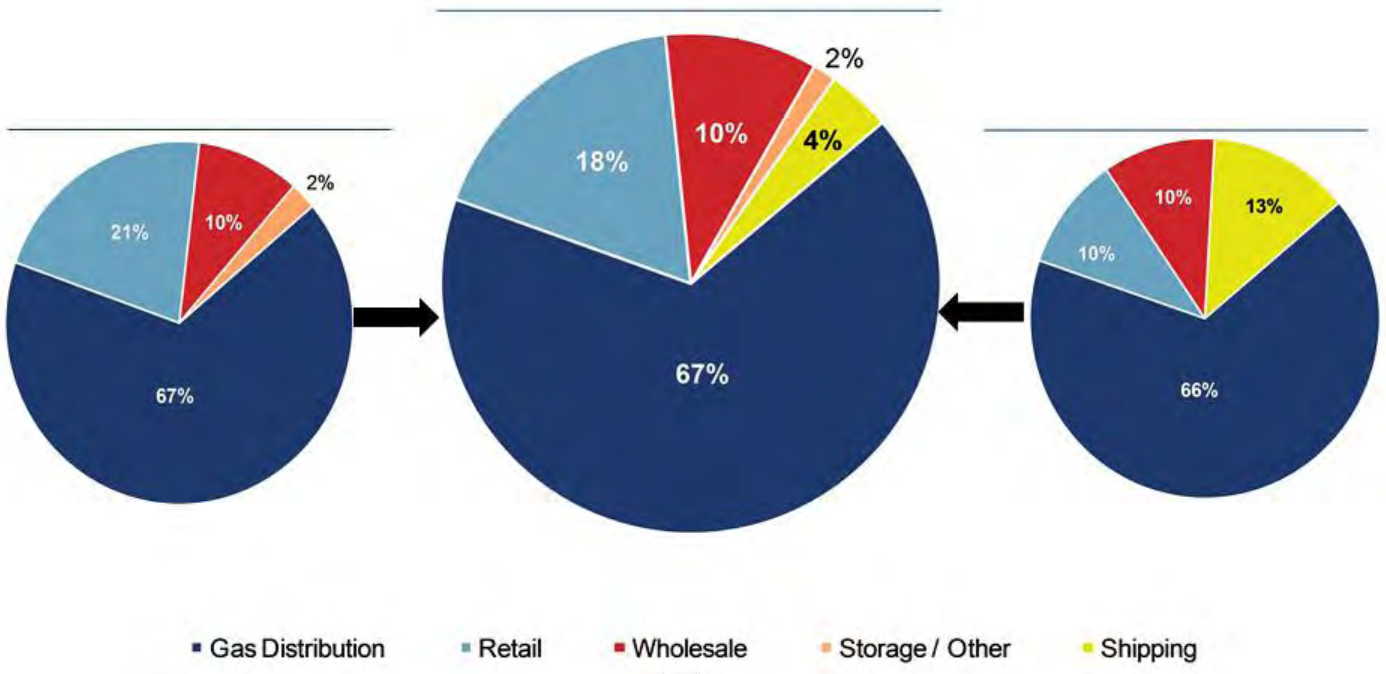
- Markets energy-related retail products including warranty plans, bill management & HVAC-related services
- Sequent provides natural gas asset management, producer and storage services, full-requirements supply and peaking needs
- Asset manager for all AGL Resources utilities
- Jefferson Island storage facility in Louisiana online (7.5 Bcf)
- Golden Triangle storage facility in Texas - first cavern online, second cavern online in 2012 (12 Bcf total)
- Central Valley storage facility in California online 2012 (11 Bcf)
- NA

- Tropical Shipping segment transports containerized freight in the Caribbean and Bahamas
- Expected to be ~4% of pro forma EBIT
- Enerchange provides wholesale marketing of gas supply, transport and storage services
- Operates Chicago Hub



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Pro Forma Business Mix Remains a Highly Regulated Business

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AGL Resources Standalone 2009 EBIT
AGL Resources Pro Forma 2009 EBIT
Nicor Standalone 2009 EBIT

- Substantial upfront value to shareholders
  - Implied transaction premium of ~22% to unaffected closing price on December 1, 2010
  - Implied transaction premium of ~17% based on the average volume-weighted Nicor closing price over the last 20 trading days ending December 1, 2010
  - AGL Resources' current dividend represents a 32% increase on the stock portion of consideration for Nicor shareholders
- Increased scope, scale and diversification of regulated operations
  - Creates one of the largest gas utilities with operations in seven states
  - Pro forma regulated EBIT contribution expected to remain at ~67%
- Highly complementary unregulated businesses
  - Anticipate strong cash flow through additional growth opportunities
  - Leverage AGL Resources' transaction integration experience to generate high degree of synergy potential

- Experienced management team committed to maintaining solid investment grade credit ratings
- Continued involvement of four Nicor Board members going forward

Nicor Combination Rationale

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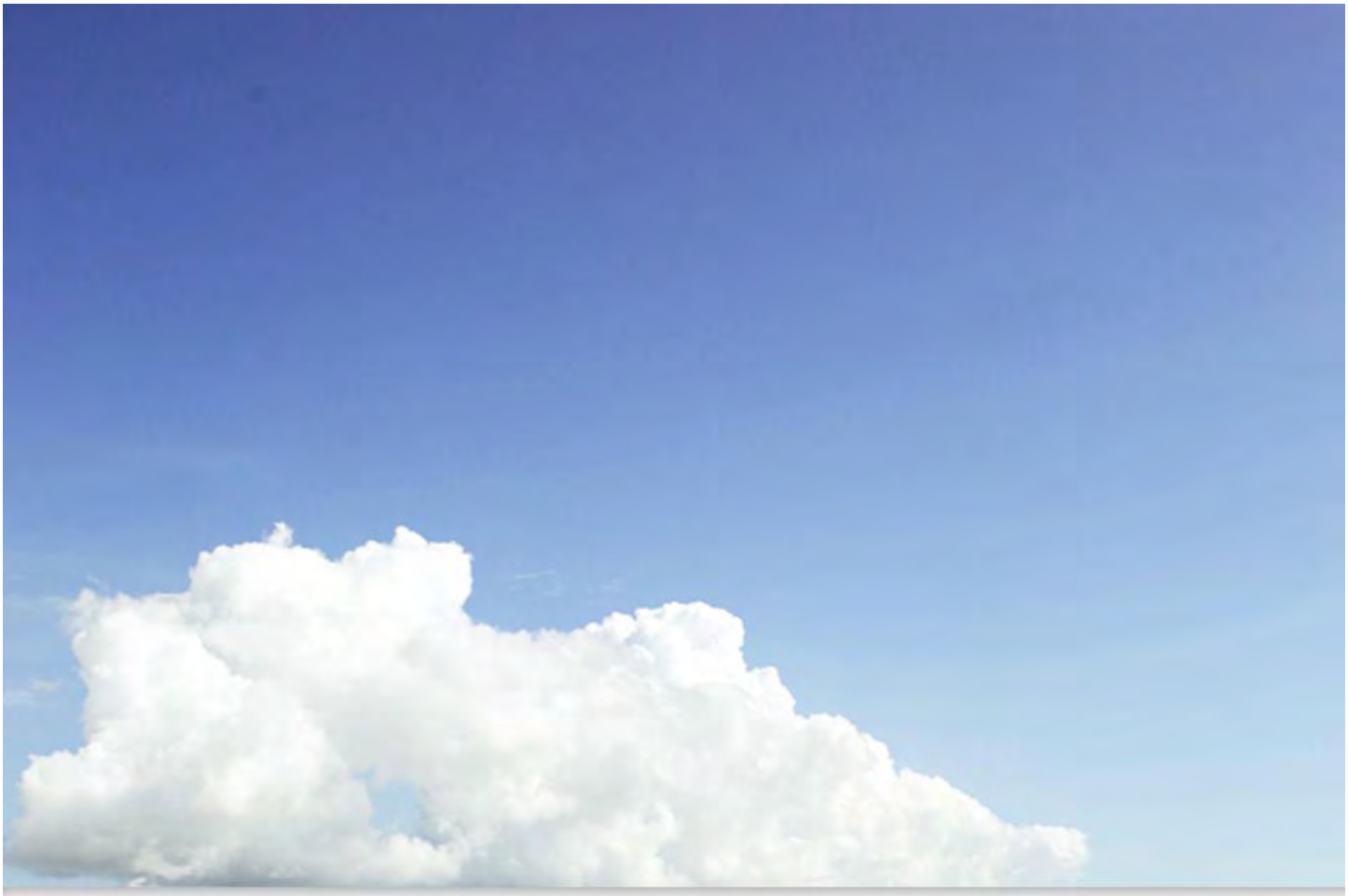
Additional Nicor Transaction Benefits

- Customers can rely on same local gas companies
- Continuation of the industry-leading low rates
- Retention of the Nicor Gas brand and personnel
- Integration of Nicor Gas into AGL Resources' family of gas utilities in a seamless fashion for customers

- Establish newly expanded natural gas distribution headquarters in Naperville, Illinois in the Chicago area
- Commitment to maintaining existing Nicor levels of community involvement and charitable giving in Illinois

- Commitment to maintain Nicor Gas employment levels in Illinois for at least three years
- New opportunities for employees created as part of a larger organization
- Combined company will continue to fully honor union collective bargaining agreements



AGL Resources

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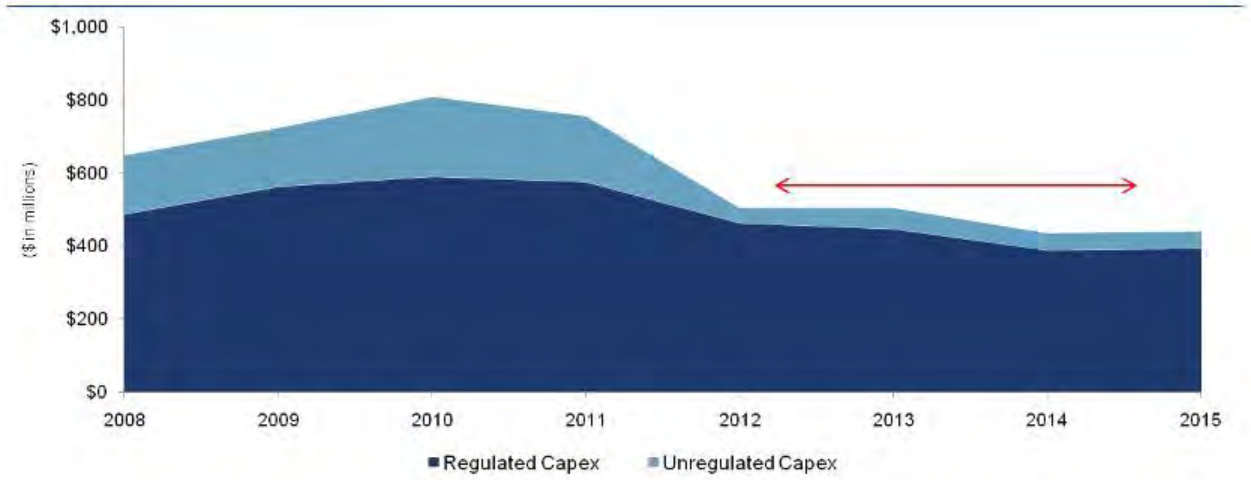
- Anticipate transaction to be neutral to AGL Resources' EPS in the first year post closing and accretive thereafter
  - Expect accretion through scale benefits, cost efficiencies and the enhanced revenue opportunities of the combined company
- Financial and operational benefits from the combination expected to be highly achievable
  - Savings through the elimination of duplicate public company costs
  - Mutual leveraging of respective retail business capabilities and services across a broader geographic base
  - Efficiencies from similar and complementary unregulated wholesale and retail businesses

- AGL Resources successfully integrated previous acquisitions for the benefit of customers and shareholders

Pro Forma Earnings Profile



AGL Resources

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Pro Forma Capital Expenditure Profile

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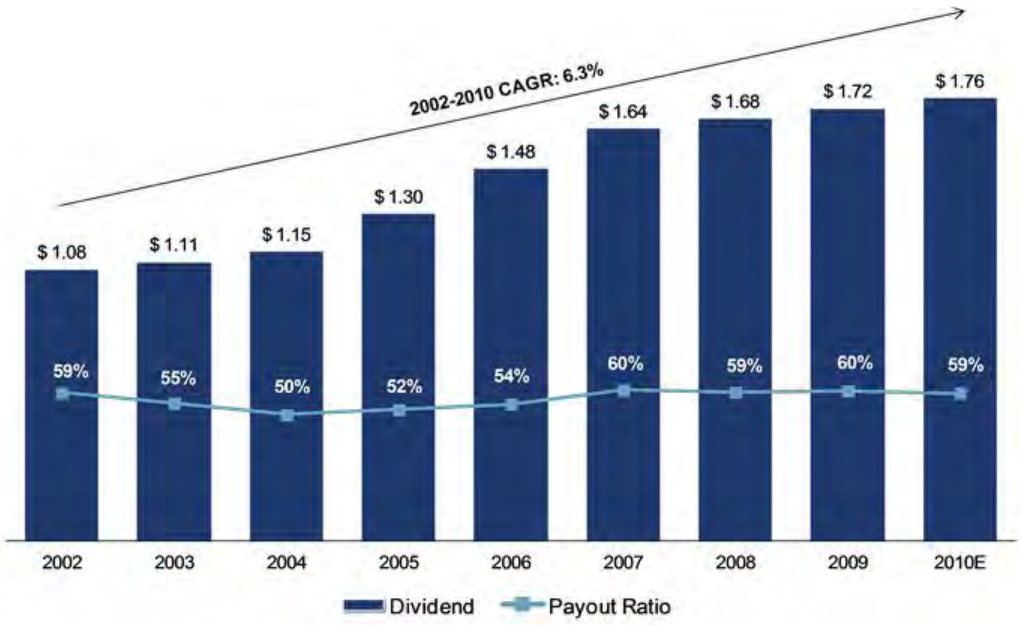
Total Capital Expenditure Profile

Period of additional discretionary cash flow for attractive capital deployment opportunities

- Pro forma business expected to have greater proportion of regulated capex
- Significant portion of regulatory capex under riders, reducing time for recovery
- Non-utility gas storage construction largely complete

– By year-end 2011, virtually all currently planned construction capex will have been spent



AGL Resources

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Strong Track Record of Dividend Growth

Commitment to Steady Payout Ratio

AGL Resources Dividend Per Share and Payout Ratio

- Strong cash generation and investment grade balance sheet to support dividend
- Expected to grow dividend in-line with earnings and maintain payout ratio consistent with peer group

Strong Credit Profile

Funds from Operations/ Total Debt	21%	20% - 22%	22% - 24%
Funds from Operations Interest Coverage	5.2x	4.8x - 5.2x	4.8x - 5.2x
Debt / EBITDA	3.9x	3.1x - 3.5x	2.9x - 3.3x
Debt / Capitalization	58%	52% - 55%	50% - 53%

- Combined businesses expected to generate strong operating cash flow
- Solid balance sheet with significant opportunity to fund growth capital requirements
- Combined company credit metrics expected to support solid, investment-grade credit ratings

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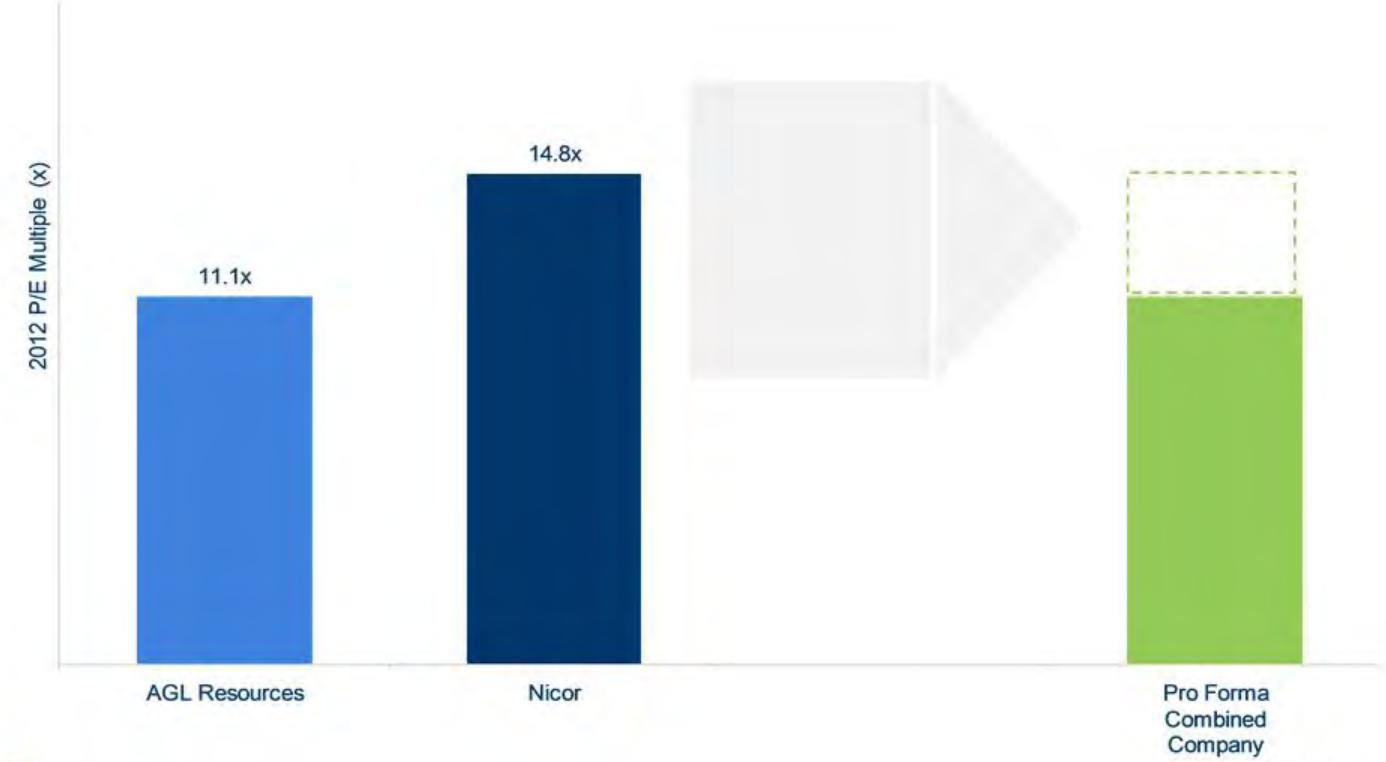


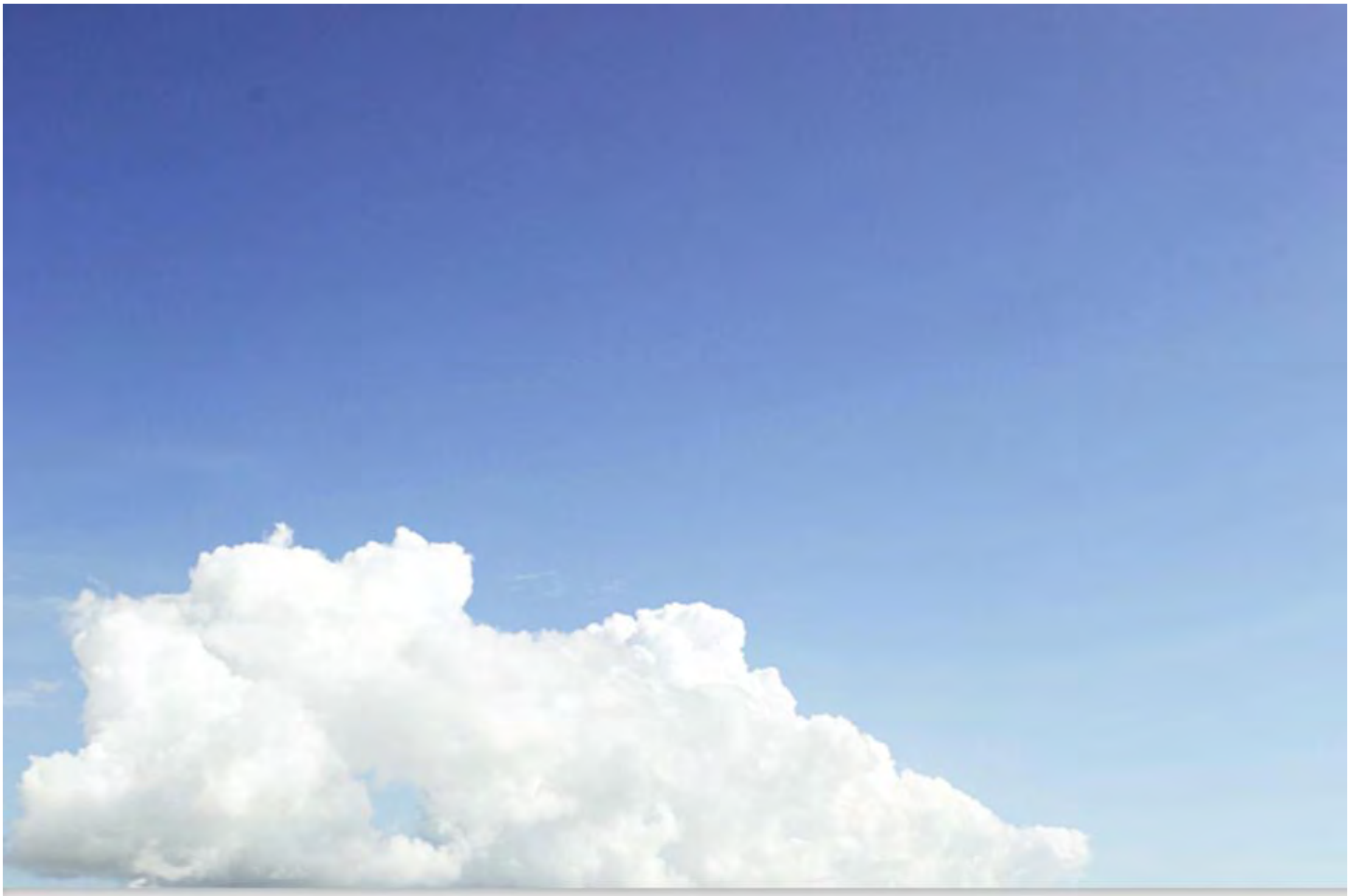
(1)
(1)

Value Creation Potential

- Enhanced EPS growth opportunities
- Greater stock liquidity
- Broader equity research coverage
- Expected inclusion in additional important indices

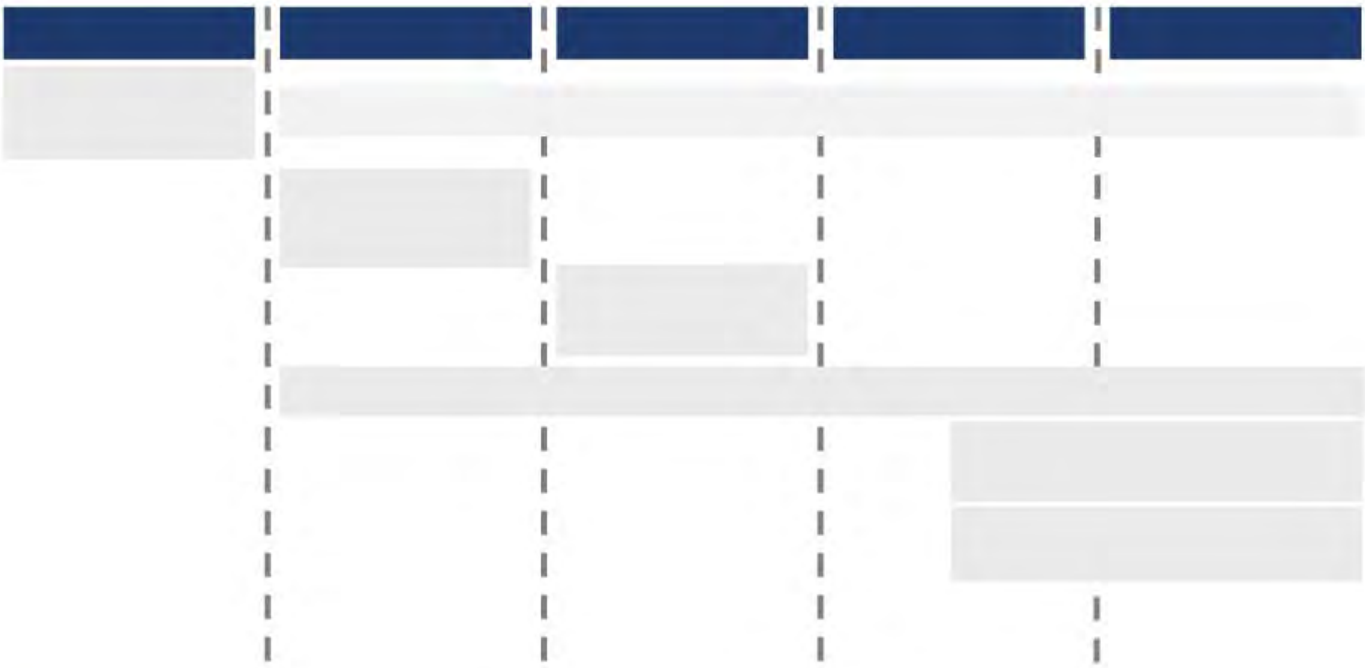
Improved P/E Potential

[1] Based on I/B/E/S consensus EPS estimates and market data as of 01-Dec-2010



AGL Resources

nicor



AGL Resources

nicor

Transaction Timeline

Closing Expected in the Second Half of 2011

Transaction Announced
File Joint Proxy Statement
Secure Regulatory Approvals
AGL Resources and Nicor Shareholder Meetings
Develop Transition Implementation Plans
Close Transaction

Long-Term Financing for Cash Consideration

Summary

- Combined company poised to deliver superior returns
- Additional scope and scale expected to enhance low cost leadership position and timize capital spending opportunities
- Complementary unregulated businesses with enhanced opportunities
- Non-utility storage investment requirements for both companies will be nearly complete at transaction closing
- Significant cash flow generation for attractive capital deployment opportunities
- Dividend growth supported by solid investment grade balance sheet
- Seasoned and well regarded management team with proven track record

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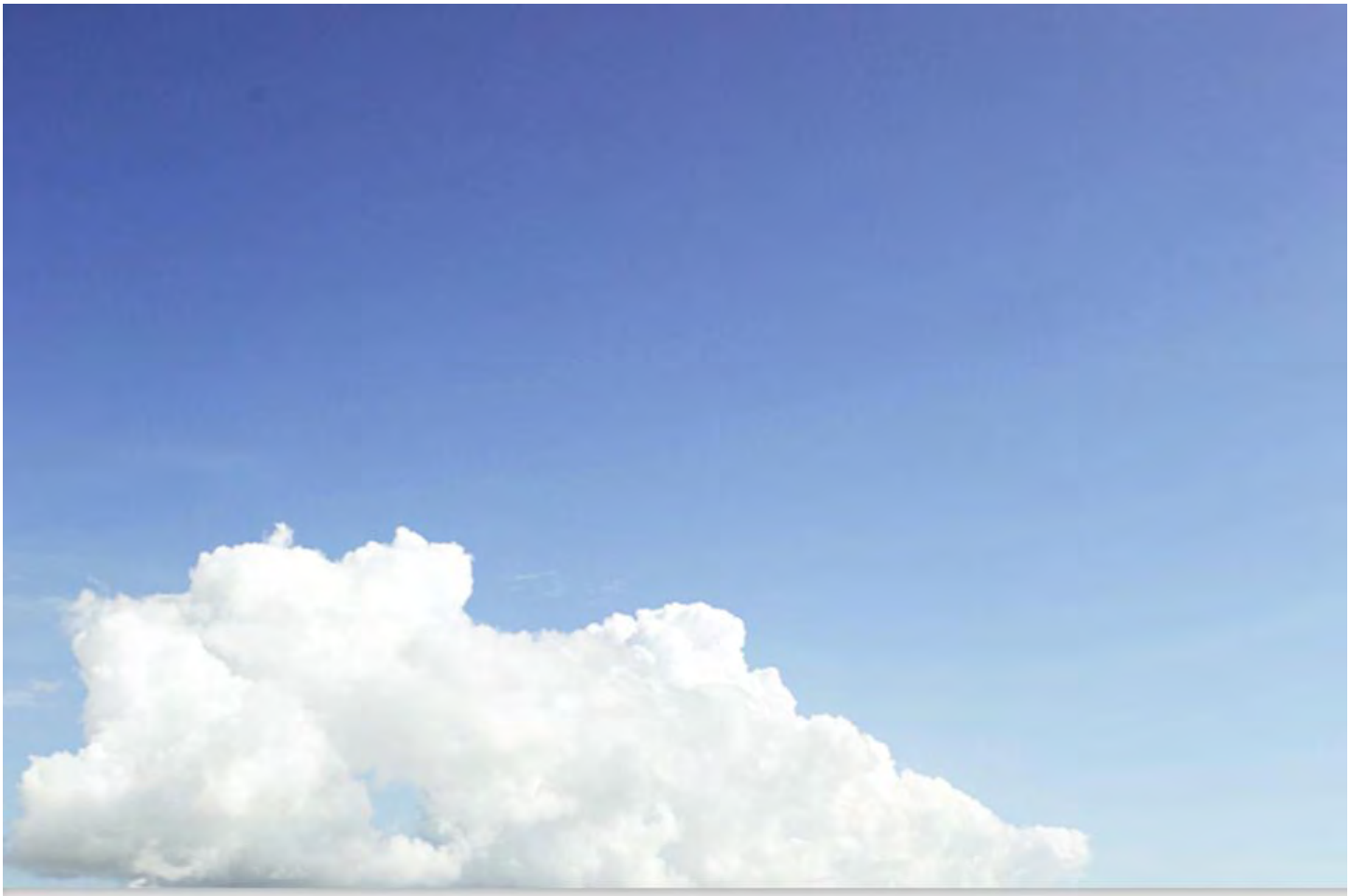

AGL Resources

nicor

AGL Resources

nicor

Detailed Utility Profile

State	Rate Base	% of Total	Customers (mm)	% of Total	Regulatory Attributes
Illinois	$ 1,338.3	35%	2.2	49%	Bad Debt Expense Tracker, Recently Approved Avg. HDD
Georgia	1,323.0	35%	1.6	35%	Decoupling
New Jersey	448.0	12%	0.3	6%	Weather Normalization
Virginia	442.0	12%	0.3	6%	Decoupling, Weather Normalization
Florida	153.0	4%	0.1	2%	Negotiated Rates Over 5-yr Period
Tennessee	105.0	3%	0.1	1%	Revenue Normalization
Maryland	NA		0.0	0%	Revenue Normalization
Total	**$ 3,809.3**	**100%**	**4.5**	**100%**	

Note: Totals may not sum due to rounding.

AGL Resources

nicor

Nicor Dividend Uplift

	Per Sha
GL Resources current dividend (maintained for AGL Resources SH's)	$1.
Transaction Exchange ratio[1]	1.39
plied Nicor exchange ratio adjusted dividend	$2.
urrent Nicor Dividend	$1.
vidend Uplift for Nicor (Stock Portion of Consideration)	$0.60 or ~32

- Both companies to continue existing dividend policy through closing
- Pro Forma dividend policy expected to retain focus of growing dividend in-line with earnings
- Nicor shareholders will receive a dividend uplift for the stock portion of consideration based on current annual dividends per share. Example below:

[1] *Transaction exchange ratio based on the 20 day volume weighted average stock price for AGL for the 20 days ending December 1, 2010.*

AGL Resources

nicor

New Document

AGL RESOURCES INC (AGL)

8-K

Current report filing
Filed on 12/23/2010
Filed Period 12/21/2010

THOMSON REUTERS

Westlaw BUSINESS

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 21, 2010

AGL RESOURCES INC.

(Exact name of registrant as specified in its charter)

Georgia	**1-14174**	**58-2210952**
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

Ten Peachtree Place NE, Atlanta, Georgia 30309
(Address and zip code of principal executive offices)

404-584-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

☑ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry Into a Material Definitive Agreement.

Introduction

On December 7, 2010, AGL Resources Inc., a Georgia corporation ("AGL Resources") and Nicor Inc., an Illinois corporation ("Nicor"), announced that on December 6, 2010 their respective boards of directors approved and the parties entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among AGL Resources, Nicor, Ottawa Acquisition LLC, an Illinois limited liability company ("Merger LLC"), and Apollo Acquisition Corp., an Illinois corporation ("Merger Sub"). Both Merger LLC and Merger Sub are wholly-owned subsidiaries of AGL Resources. Pursuant to the Merger Agreement, Merger Sub will merge with and into Nicor (the "Merger"), with Nicor to be the surviving corporation in the Merger (the "Surviving Corporation") and a wholly-owned subsidiary of AGL Resources, which will be followed immediately after the effective time of the Merger, by a merger of the Surviving Corporation with and into Merger LLC (the "Subsequent Merger", and together with the Merger, the "Transaction"), with Merger LLC to be the surviving entity in the Subsequent Merger.

On December 6, 2010, and in connection with the Merger Agreement, AGL Capital Corporation, a Nevada corporation and a wholly-owned subsidiary of AGL Resources ("AGL Capital"), entered into a commitment letter (the "Commitment Letter") with Goldman Sachs Bank USA ("GS Bank"). Under the Commitment Letter, GS Bank committed to provide a 364-day senior bridge term loan facility in an aggregate principal amount of $1.05 billion.

On December 21, 2010, pursuant to the Commitment Letter, AGL Resources and AGL Capital entered into a $1.05 billion Bridge Term Loan Credit Agreement (the "Bridge Facility") among AGL Resources as guarantor, AGL Capital as borrower, GS Bank as administrative agent, sole lead arranger and sole bookrunner, JPMorgan Chase Bank, N.A. and Bank of America, N.A. as co-syndication agents, The Royal Bank of Scotland PLC and Morgan Stanley Senior Funding, Inc. as co-documentation agents, and the several lenders named in the Bridge Facility. The Bridge Facility may be used to help finance the Transaction and pay related fees and expenses in the event permanent financing is not available by the time of the consummation of the Transaction.

Also on December 21, 2010, AGL Resources and AGL Capital entered into a $300 million Term Loan Credit Agreement (the "Term Loan Facility") among AGL Resources as guarantor, AGL Capital as borrower, GS Bank as administrative agent, sole lead arranger and sole bookrunner, SunTrust Bank and Wells Fargo, National Association as co-syndication agents, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc. as co-documentation agents, and the several lenders named in the Term Loan Facility. The Term Loan Facility may be used to help repay AGL Capital's 7.125% Senior Secured Notes due January 4, 2011.

It is anticipated that some or all of the Bridge Facility and Term Loan Facility will be replaced or repaid by AGL Resources or the AGL Capital through one or a combination of the following: issuance of debt securities, preferred stock, common equity, or other securities; bank loans; or other debt financings.

In connection with the foregoing, AGL Resources and certain of its subsidiaries entered into amendments to certain other pre-existing debt-related agreements with the other parties thereto in order to accommodate the execution of the Bridge Facility and Term Loan Facility and the operation of the combined companies after the consummation of the Transaction.

Bridge Facility

Pursuant to the Bridge Facility, upon satisfaction of certain conditions precedent contained therein, AGL Capital may borrow up to $1.05 billion. AGL Capital's obligations under the Bridge Facility are unconditionally guaranteed by AGL Resources. The Bridge Facility matures 364 days after funds are borrowed. Repaid amounts under the Bridge Facility may not be reborrowed.

The availability of funds under the Bridge Facility is subject to certain conditions including, among others, and in each case, subject to certain exceptions: (i) the absence of a "material adverse effect" on AGL Resources or Nicor, consistent with the definitions with respect to each in the Bridge Facility; (ii) the accuracy of the representations made by both Nicor and AGL Resources in the Merger Agreement and the accuracy of certain other customary representations in the Bridge Facility; (iii) the sufficiency of funds, when combined with the Bridge Facility, in an amount necessary to consummate the Transaction; (iv) the absence of material changes to the Merger Agreement and the related disclosure schedules; (v) pro forma compliance with the financial covenant referred to below; (vi) the absence of certain cross-defaults with respect to indebtedness of AGL Resources and its subsidiaries; (vii) the repayment in full of certain pre-existing indebtedness of Nicor; (viii) the delivery of certain financial information pertaining to each of AGL Resources and Nicor; (ix) the ability of AGL Capital to achieve a certain liquidity level at closing; (x) the ability of AGL Capital to achieve certain minimum credit ratings; (xi) the use of commercially reasonable efforts by AGL Capital to market $1.05 billion of debt securities to fund, in part or in whole, the cash portion of the Merger Consideration, and receipt of certain related deliverables; (xii) the payment of certain transaction fees; and (xiii) the delivery of customary closing documents.

The interest rate applicable to the Bridge Facility is the higher of (i) at AGL Capital's option, a floating base rate or a floating Eurodollar rate, in each case, plus an applicable margin ranging from 1.5% to 2.5% based on AGL Capital's credit rating and subject to a .25% increase for each 90 day period that elapses after the closing of Bridge Facility or (ii) the highest interest rate AGL Resources or any of its subsidiaries is paying on any similar facility.

The Bridge Facility contains certain covenants that, among other things, restrict additional indebtedness, liens and encumbrances, sale and leaseback transactions, loans and investments, acquisitions, dividends and other restricted payments, transactions with affiliates, asset dispositions, mergers and consolidations, prepayments, redemptions and repurchases of other indebtedness and other matters customarily restricted in such agreements. Under the Bridge Facility, AGL Resources must maintain, on a consolidated basis, a total debt to total capitalization ratio of no greater than 0.70:1.00 (excluding for these purposes, debt incurred to partially refinance the Bridge Facility during the period prior to funding under the Bridge Facility). Additionally, the Bridge Facility also contains customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other material indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, certain ERISA events, judgments in excess of specified amounts, certain impairments to the guarantee and change in control.

Term Loan Facility

Pursuant to the Term Loan Facility, upon satisfaction of certain conditions precedent contained therein, AGL Capital may borrow up to $300 million during the period from and including December 21, 2010 to and including January 13, 2011. AGL Capital's obligations under the Term Loan Facility are unconditionally guaranteed by AGL Resources. The Term Loan Facility matures 180 days after funds are borrowed. Repaid amounts under the Term Loan Facility may not be reborrowed.

The availability of funds under the Term Loan Facility is subject to certain conditions including, among others, and in each case, subject to certain exceptions: (i) the accuracy of certain customary representations; (ii) the payment of certain accrued fees and expenses incurred in connection with the Term Loan Facility; (iii) the absence of a default or event of default under the Term Loan Facility after giving effect to the borrowing; and (iv) the delivery of customary closing documents.

The interest rate applicable to the Term Loan Facility is, at AGL Capital's option, a floating base rate or a floating Eurodollar rate, in each case, plus an applicable margin ranging from 1.5% to 2.5% based on AGL Capital's credit rating.

The Term Loan Facility contains certain covenants that, among other things, restrict liens and encumbrances, loans and investments, acquisitions, dividends and other restricted payments, asset dispositions, mergers and consolidations and other matters customarily restricted in such agreements. Under the Term Loan Facility, AGL Resources must maintain, on a consolidated basis (subject to the exclusion of certain subsidiaries), a total debt to total capitalization ratio of no greater than 0.70:1.00. Additionally, the Term Loan Facility also contains customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other material indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, certain ERISA events, judgments in excess of specified amounts, certain impairments to the guarantee and change in control.

Amendment to Credit Agreement

On December 21, 2010, AGL Resources and AGL Capital entered into a First Amendment to the Credit Agreement (the “Credit Agreement”) as of September 15, 2010 by and among AGL Resources as guarantor, AGL Capital as borrower, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Banc of America Securities LLC and SunTrust Robinson Humphrey, Inc., as joint arrangers and joint bookrunners, Bank of America, N.A. and SunTrust Bank, as co-syndication agents, The Bank of Tokyo-Mitsubishi, UFJ, Ltd., and JPMorgan Chase Bank, N.A., as co-documentation agents, and the several other banks and other financial institutions named therein as lenders. Pursuant to the Credit Agreement, AGL Capital may borrow up to $1 billion from time to time on a revolving basis. The Credit Agreement includes a $250 million sub-facility for letters of credit. AGL Capital’s obligations under the Credit Agreement are unconditionally guaranteed by AGL Resources. The Credit Agreement matures on September 16, 2013.

Among other things, the amendments to the Credit Agreement: amend the total debt-to-total capitalization financial covenant such that the Bridge Facility is excluded from the calculation; amend the “accordion” feature of the Credit Agreement (which permits AGL Capital to request an increase of the maximum borrowing amount under the Credit Agreement, subject to the agreement by lenders who wish to participate in such facility increase) from $1.25 billion to $1.75 billion; add liens on the property of Nicor and its subsidiaries to the list of permitted liens; add the Bridge Facility, Term Facility and various debt instruments of Nicor and its subsidiaries to the schedule of agreements with negative pledge clauses, or that otherwise prohibit or limit the ability to create, incur, assume or suffer to exist liens; and make other various amendments accommodating the consummation of the Transaction and the post-consummation operation of the combined companies.

Amendments to Letter of Credit/Reimbursement Agreements

Also on December 21, 2010, AGL Resources and Pivotal entered into first amendments to four letters of credit and reimbursement agreements that provide credit support to four series of outstanding gas facilities and industrial development refunding revenue bonds ("Gas Revenue Bonds") previously issued by state agencies or counties. The aggregate principal amount of the four series is $160.1 million.

Concurrently with the initial issuance of the Gas Revenue Bonds, the issuing state instrumentalities loaned the proceeds to Pivotal or its predecessor. Payments to the bondholders depend on Pivotal's repayments under its loan agreements with the state instrumentalities. Separate letters of credit provide credit support with respect to each issue of the Gas Revenue Bonds. Pivotal has agreed to reimburse the banks issuing the letters of credit in the event a trustee under the indentures governing the Gas Revenue Bonds draws against a letter of credit, which could occur in the event Pivotal were to default in its loan repayment obligations. AGL Resources has guaranteed Pivotal's reimbursement payment obligations.

Among other things, the amendments to the letter of credit and reimbursement agreements: amend the total debt-to-total capitalization financial covenant such that the Bridge Facility is excluded from the calculation; add liens on the property of Nicor and its subsidiaries to the list of permitted liens; add the Bridge Facility, Term Facility and various debt instruments of Nicor and its subsidiaries to the schedule of agreements with negative pledge clauses, or that otherwise prohibit or limit the ability to create, incur, assume or suffer to exist liens; and make other various amendments accommodating the consummation of the Transaction and the post-consummation operation of the combined companies.

* * * * *

The foregoing summaries of the Bridge Facility, the Term Loan Facility and the amendments, and the transactions contemplated thereby, do not purport to be complete and are subject to, and qualified in their entirety by, the full text of such agreements, which are filed herewith as exhibits, and incorporated herein by reference.

AGL Resources has other relationships with lenders that are parties to the Bridge Facility and Term Loan Facility, for which AGL Resources has paid customary fees and expenses. AGL Resources and its affiliates have also entered into hedging arrangements with certain lenders. Affiliates of certain of the lenders have acted as underwriters for issuances of AGL Resources' equity securities and AGL Capital's debt securities.

The exhibits filed herewith have been included to provide investors and security holders with information regarding their terms. They are not intended to provide any other factual or financial information about AGL Resources, Nicor, or their respective subsidiaries and affiliates. The representations, warranties and covenants contained in the documents filed as exhibits herewith were made only for purposes of those agreements and as of their specific dates; were solely for the benefit of the parties to the agreements; may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of AGL Resources, Merger Sub, Merger LLC or Nicor or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the documents filed as exhibits hereto, which subsequent information may or may not be fully reflected in public disclosures by AGL Resources and Nicor.

Forward Looking Statements

Certain expectations and projections regarding our future performance referenced in this report, in other reports or statements we file with the Securities and Exchange Commission (the "SEC") or otherwise release to the public, and on our website, are forward-looking statements. Senior officers and other employees may also make verbal statements to analysts, investors, regulators, the media and others that are forward-looking. Forward-looking statements involve matters that are not historical facts, such as statements regarding our future operations, prospects, strategies, financial condition, economic performance (including growth and earnings), industry conditions and demand for our products and services. Because these statements involve anticipated events or conditions, forward-looking statements often include words such as "anticipate," "assume," "believe," "can," "could," "estimate," "expect," "forecast," "future," "goal," "indicate," "intend," "may," "outlook," "plan," "potential," "predict," "project," "seek," "should," "target," "would," or similar expressions. Forward-looking statements contained in this report include, without limitation, statements about the benefits of the transaction between AGL Resources and Nicor, including future financial and operating results, cost savings, enhanced revenues, and accretion to reported earnings that may be realized from the transaction, and statements with respect to the parties' plans, objectives, expectations and intentions and other statements that are not historical facts.

Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. While we believe our expectations are reasonable in view of the currently available information, our expectations are subject to future events, risks and uncertainties, and there are several factors - many beyond our control - that could cause results to differ significantly from our expectations. Such events, risks and uncertainties include, but are not limited to, changes in price, supply and demand for natural gas and related products; the impact of changes in state and federal legislation and regulation including changes related to climate change; actions taken by government agencies on rates and other matters; concentration of credit risk; utility and energy industry consolidation; the impact on cost and timeliness of construction projects by government and other approvals, development project delays, adequacy of supply of diversified vendors, unexpected change in project costs, including the cost of funds to finance these projects; the impact of acquisitions and divestitures; direct or indirect effects on our business, financial condition or liquidity resulting from a change in our credit ratings or the credit ratings of our counterparties or competitors; interest rate fluctuations; financial market conditions, including recent disruptions in the capital markets and lending environment and the current economic downturn; general economic conditions; uncertainties about environmental issues and the related impact of such issues; the impact of changes in weather, including climate change, on the temperature-sensitive portions of our business; the impact of natural disasters such as hurricanes on the supply and price of natural gas; acts of war or terrorism; and other factors which are provided in detail in our filings with the SEC, which we incorporate by reference in this report.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in such forward-looking statements: (1) the risk that conditions imposed by the merger agreement may not be met causing the transaction not to close; (2) the risk that the businesses of AGL Resources and Nicor will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (3) expected revenue synergies and cost savings from the transaction may not be fully realized or realized within the expected time frame; (4) revenues following the transaction may be lower than expected; (5) the ability to obtain governmental approvals of the transaction on the proposed terms and schedule; and (6) the failure of AGL Resources or Nicor to obtain the requisite shareholder approval for the transaction. Additional factors that could cause AGL Resources' results to differ materially from those described in the forward-looking statements can be found in the Annual Report on Form 10-K of AGL Resources for the year ended December 31, 2009, which was filed with the SEC on February 4, 2010, under the heading "Item 1A•Risk Factors" and in the Annual Report on Form 10-K of Nicor for the year ended December 31, 2009, which was filed with the SEC on February 24, 2010, under the heading "Item 1A•Risk Factors," and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by each of AGL Resources and Nicor. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to AGL Resources or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements are only as of the date they are made, and we do not undertake to update these statements to reflect subsequent changes.

Important Merger Information and Additional Information:

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction, AGL Resources and Nicor will file relevant materials with the SEC. AGL Resources will file a Registration Statement on Form S-4 that includes a joint proxy statement of AGL Resources and Nicor and which also constitutes a prospectus of AGL Resources. AGL Resources and Nicor will mail the joint proxy statement/prospectus to their respective shareholders. **Investors are urged to read the joint proxy statement/ prospectus regarding the proposed transaction when it becomes available, as well as other documents filed with the SEC, because they will contain important information.** The joint proxy statement/prospectus and other documents that will be filed by AGL Resources and Nicor with the SEC will be available free of charge at the SEC's website, www.sec.gov or from AGL Resources' website (www.aglresources.com) under the tab "Investor Relations" and then under the heading "SEC Filings". These documents will also be available free of change from Nicor's website (www. Nicor.com) under the tab "Investor" and then under the heading "SEC Filings".

AGL Resources, Nicor, their respective directors and certain of their executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of Nicor is set forth in its definitive proxy statement, which was filed with the SEC on March 10, 2010. Information about the directors and executive officers of AGL Resources is set forth in its definitive proxy statement, which was filed with the SEC on March 15, 2010. Investors may obtain additional information regarding the interests of such participants by reading the joint proxy statement/prospectus AGL Resources and Nicor will file with the SEC when it becomes available.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 is hereby incorporated by reference in response to this Item 2.03.

Item 9.01. **Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Description
10.1	Bridge Term Loan Credit Agreement dated as of December 21, 2010 among AGL Resources, Inc., AGL Capital Corporation, Goldman Sachs Bank USA, as administrative agent, sole lead arranger and sole bookrunner, Bank of America, N.A. and Wells Fargo, National Association, as co-syndication agents, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as co-documentation agents, and the several lenders named therein.
10.2	Guarantee, dated as of December 21, 2010, made by AGL Resources, Inc. in favor of Goldman Sachs Bank USA, as administrative agent for the several banks and other financial institutions or entities from time to time party to the Bridge Term Loan Credit Agreement dated as of the date thereof, among AGL Resources, Inc., AGL Capital Corporation, the Lenders, and Goldman Sachs Bank USA, as Administrative Agent
10.3	Term Loan Credit Agreement dated as of December 21, 2010 among AGL Resources, Inc., AGL Capital Corporation, Goldman Sachs Bank USA, as administrative agent, sole lead arranger and sole bookrunner, JPMorgan Chase Bank, N.A. and Bank of America, N.A., as co-syndication agents, The Royal Bank of Scotland PLC and Morgan Stanley Senior Funding, Inc., as co-documentation agents, and the several lenders named therein.
10.4	Guarantee, dated as of December 21, 2010, made by AGL Resources, Inc. in favor of Goldman Sachs Bank USA, as administrative agent for the several banks and other financial institutions or entities from time to time party to the Term Loan Credit Agreement dated as of the date thereof, among AGL Resources, Inc., AGL Capital Corporation, the Lenders, and Goldman Sachs Bank USA, as Administrative Agent
10.5	First Amendment as of December 21, 2010 to Credit Agreement as of September 15, 2010 by and among AGL Resources Inc., AGL Capital Corporation, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Banc of America Securities LLC and SunTrust Robinson Humphrey, Inc., as joint arrangers and joint bookrunners, and the several other banks and other financial institutions named therein, Bank of America, N.A. and SunTrust Bank, as co-syndication agents, and The Bank of Tokyo-Mitsubishi, UFJ, Ltd., and JPMorgan Chase Bank, N.A., as co-documentation agents.
10.6	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., JPMorgan Chase Bank, N.A., as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.

10.7	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd, New York Branch, as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.
10.8	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd, New York Branch, as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.
10.9	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., JPMorgan Chase Bank, N.A., as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.

SIGNATURES

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

AGL RESOURCES INC.

By: /s/ Paul R. Shlanta
Name: Paul R. Shlanta
Title: Executive Vice President, General Counsel and Chief Ethics and Compliance Officer

Dated: December 23, 2010

EXHIBIT INDEX

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10.5	First Amendment as of December 21, 2010 to Credit Agreement as of September 15, 2010 by and among AGL Resources Inc., AGL Capital Corporation, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Banc of America Securities LLC and SunTrust Robinson Humphrey, Inc., as joint arrangers and joint bookrunners, and the several other banks and other financial institutions named therein, Bank of America, N.A. and SunTrust Bank, as co-syndication agents, and The Bank of Tokyo-Mitsubishi, UFJ, Ltd., and JPMorgan Chase Bank, N.A., as co-documentation agents.
10.6	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., JPMorgan Chase Bank, N.A., as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.

10.7	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd, New York Branch, as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.
10.8	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd, New York Branch, as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.
10.9	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., JPMorgan Chase Bank, N.A., as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.

Exhibit 10.1

BRIDGE TERM LOAN CREDIT AGREEMENT

among

AGL RESOURCES INC.,

as Guarantor,

AGL CAPITAL CORPORATION,

as Borrower,

The Several Lenders

from Time to Time Parties Hereto,

GOLDMAN SACHS BANK USA

as Administrative Agent,

SUNTRUST BANK and

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Co-Syndication Agents,

and

BANK OF AMERICA, N.A. and

MORGAN STANLEY SENIOR FUNDING, INC.

as Co-Documentation Agents

Dated as of December 21, 2010

GOLDMAN SACHS BANK USA

as Sole Lead Arranger and Sole Bookrunner

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BRIDGE TERM LOAN CREDIT AGREEMENT (this "Agreement"), dated as of December 21, 2010, among AGL RESOURCES INC., a Georgia corporation ("Holdings"), AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), GOLDMAN SACHS BANK USA ("GS Bank"), as administrative agent (in such capacity, the "Administrative Agent"), SUNTRUST BANK and WELLS FARGO BANK, NATIONAL ASSOCIATION, as co-syndication agents (in such capacity, the "Co-Syndication Agents") and BANK OF AMERICA, N.A. and MORGAN STANLEY SENIOR FUNDING, INC., as co-documentation agents (in such capacity, the "Co-Documentation Agents").

W I T N E S S E T H:

WHEREAS, in connection with the Transactions (as defined below), the Borrower has requested that the Lenders establish a $1,050,000,000 senior bridge term loan facility in favor of the Borrower; and

WHEREAS, subject to the terms and conditions of this Agreement, the Lenders, to the extent of their respective Commitments as defined herein, are willing severally to establish the requested senior bridge term loan facility in favor of the Borrower.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Borrower, the Lenders and the Administrative Agent agree as follows:

SECTION 1.

DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"ABR": 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 Eurodollar Rate for a one month Interest Period plus 1.0%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum as published from time to time by *The Wall Street Journal*. Any change in the ABR due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Acquisition": the acquisition of the Company by Holdings pursuant to the Merger Agreement.

"Administrative Agent": GS Bank, in its capacity as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors and permitted assigns.

"Affiliate": as to any Person, any other Person that directly or indirectly is in Control of, is Controlled by, or is under common Control with, such Person. For purposes of this definition, "Control" means the possession, direct or indirect, of the power to direct or to cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, neither the Administrative Agent nor any Lender shall be deemed an "Affiliate" of any Group Member.

"Agent Parties": as defined in Section 10.2(b).

"Agents": the collective reference to the Administrative Agent, the Co-Syndication Agents and the Co-Documentation Agents.

"Agreement": as defined in the preamble hereto.

"Applicable Margin": for each Type of Loan outstanding on any day, the rate per annum set forth below opposite the Status Level in effect on such day:

Status Level	ABR Loans	Eurodollar Loans
Level I Status	0.500%	1.500%
Level II Status	0.750%	1.750%
Level III Status	1.000%	2.000%
Level IV Status	1.250%	2.250%
Level V Status	1.500%	2.500%

provided that the Applicable Margin shall be subject to an increase of 0.25% as of the last day of each 90-day period after the Closing Date; provided, further, that at any time Holdings or any of its Subsidiaries has any obligations outstanding (whether funded or unfunded) under any other senior bank, senior bridge or similar senior debt facility (including, without limitation, the Existing Credit Agreement and the Existing Nicor Credit Agreements), the Applicable Margin shall be increased to be at least equal to the highest corresponding interest rates then in effect for such other bank, bridge or similar debt facility.

"Approved Fund": any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger": GS Bank, in its capacity as Sole Lead Arranger and Sole Bookrunner.

"Assets": with respect to any Person, all or any part of its business, property and assets wherever situated.

"Assignee": as defined in Section 10.6(c).

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit D.

"Assignor": as defined in Section 10.6(c).

"Benefited Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Business": as defined in Section 4.16(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Lease": any lease of property which, in accordance with GAAP, should be capitalized on the lessee's balance sheet.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation (including, but not limited to, mandatorily convertible securities, trust preferred securities, hybrid equity securities and preferred stock), any and all equivalent ownership interests in a partnership, limited liability company or other Person (other than a corporation), and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-l by S&P or P-l by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A2 by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; or (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

"Change in Law": the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority. Notwithstanding anything to the contrary herein, it is understood and agreed that the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173), all requests, rules, guidelines and directives relating thereto, all interpretations and applications thereof and any compliance by a Lender with any request or directive relating thereto, shall, for the purposes of this Agreement, be deemed to be adopted subsequent to the date hereof.

"Closing Date": the first date all the conditions precedent in Section 5.2 are satisfied or waived in accordance with Section 10.1 and the Loans are borrowed.

"Closing Date Audited Financial Statements": as defined in Section 5.2(i)(i).

"Closing Date Specified Representations": the representations and warranties set forth in Section 4.3(a), Sections 4.4(a), 4.4(c) and 4.4(d), the first sentence of Section 4.5, Section 4.11, the first sentence of Section 4.13, Section 4.18, and Section 4.21.

"Closing Date Unaudited Financial Statements": as defined in Section 5.2(i)(ii).

"Code": the Internal Revenue Code of 1986.

"Co-Documentation Agents": as defined in the preamble hereto.

"Commitment": as to any Lender, the obligation of such Lender, if any, to make Loans in an aggregate principal amount not to exceed the amount set forth under the heading "Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, pursuant to the terms hereof.

"Commitment Letter": the Commitment Letter entered into as of December 6, 2010 between the Borrower and GS Bank.

"Commitment Termination Date": the earliest to occur of (i) the consummation of the Merger, (ii) the termination of the Merger Agreement in accordance with its terms, (iii) December 30, 2011 or, if the Marketing Period has not been completed on or before December 17, 2011, February 2, 2012 (but only to the extent the Initial Outside Date has been so extended); provided that if the Initial Outside Date has been extended to the Extended Outside Date pursuant to Section 7.1(b) of the Merger Agreement to a date not beyond July 2, 2012, then the date applicable under this clause (iii) shall be extended to such Extended Outside Date, in each case under this clause (iii), unless the Closing Date has occurred on or before such date.

"Commonly Controlled Entity'": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Communications": as defined in Section 10.2(b).

"Company": Nicor Inc., an Illinois corporation.

"Company Material Adverse Effect": any change, event or development that is materially adverse to the business, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, except to the extent that such change, event or development results from (and for the avoidance of doubt, any such change, event or development, to the extent resulting from the following, shall not be taken into account in determining whether there has been a Company Material Adverse Effect): (a) general economic or political, regulatory, financial, credit or capital market conditions, including interest rates or exchange rates, or any changes therein; (b) any change affecting any of the industries in which the Company and its Subsidiaries operate, including the international, national, regional or local wholesale or retail markets for natural gas or containerized shipping; (c) any change attributable to the execution of the Merger Agreement or the announcement or pendency of the transactions contemplated hereby, including any litigation resulting therefrom; (d) actions taken pursuant to the Merger Agreement or at the request of Holdings, in each case, with the consent of the Arranger; (e) acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity; (f) any change in the market price for commodities; (g) any hurricane, earthquake, flood or other natural disasters or acts of God; (h) any change resulting from weather conditions or customer use patterns; (i) any adoptions, proposals, interpretations or changes in laws after the date hereof or any interpretation thereof by any governmental entity; (j) changes in GAAP after the date hereof or any interpretations thereof by any governmental entity; (k) any failure by the Company to meet any estimates of revenues, earnings, projections or other economic performance, whether published, internally prepared or provided to the Company and its Subsidiaries and each of their respective advisors, employees, officers, agents and other representatives; or (l) any change in the price or trading volume of the common stock of the Company on the NYSE or any other market in which such securities are quoted for purchase and sale or any suspension of trading in securities generally on any securities exchange on which any securities of the Company trade; provided, that with respect to clauses (a), (b), (e), (f), (g), (h), and (i), such changes and matters do not have a material and disproportionate adverse impact on the Company and its Subsidiaries, taken as a whole, as compared to the adverse impact such changes have generally on other persons operating in comparable industries (in the case of clauses (a), (b), (e), (f), (g), (h) and (i)) and/or in the comparable geographic region (in the case of clauses (e), (f), (g) and (h)) or in the comparable regulatory jurisdiction (in the case of clause (i)) as Holdings or its relevant Subsidiaries, and for the avoidance of doubt, for purposes of determining whether a Company Material Adverse Effect has occurred, only the disproportionate adverse impact on the Company and its Subsidiaries, taken as a whole shall be considered; provided, further, that with respect to clauses (k) and (l), it is understood that the facts and circumstances giving rise to such failure or change shall not be excluded from the determination of whether there has been an Company Material Adverse Effect if such facts and circumstances are not otherwise described in clauses (a)-(j) of this definition.

"Company SEC Documents": all annual, quarterly and current reports on Form 10-K, Form 10-Q and Form 8-K, respectively, required to be filed with or furnished by the Company to the SEC pursuant to the Securities Act or the Exchange Act, as the case may be, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (together with any supplements, modifications and amendments thereto since the time of filing through the date hereof).

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Consolidated Net Worth": as of any date, the shareholders' equity or net worth of Holdings and the other Group Members (including, but not limited to, the value of all Capital Stock, noncontrolling interests, accumulated other comprehensive income or loss component of shareholders' equity ("AOCI") and other equity accounts; but excluding AOCI items recorded in accordance with GAAP and related to any non-cash pension, other post-retirement benefits liability adjustments and accounting adjustments for hedges designated as cash flow hedges, which have not yet settled and for which Holdings and other Group Members have not funded required margin account cash collateral amounts), on a consolidated basis, as determined in accordance with GAAP except as otherwise noted above.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of Holdings and the other Group Members at such date (excluding (A) Indebtedness of the type described in clause (k) of the definition of the term Indebtedness and (B) solely during the period prior to the Closing Date (as defined in the Merger Agreement) any Indebtedness incurred solely for the purpose of funding the Cash Consideration (as defined in the Merger Agreement) necessary to consummate the Merger; provided that (i) the proceeds of such Indebtedness have been deposited in escrow for the benefit of the holders or lenders of such Indebtedness pending consummation of the Merger (it being understood and agreed that such escrow, and any associated Lien relating thereto, shall not constitute a Lien for any purpose hereof), (ii) such escrow arrangement is reasonably satisfactory to the Administrative Agent and (iii) the aggregate principal amount of such Indebtedness does not exceed $1,050,000,000 at any time), determined on a consolidated basis in accordance with GAAP.

"Continuing Directors": the directors of Holdings on December 6, 2010 and each other director, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least a majority of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Co-Syndication Agents": as defined in the preamble hereto.

"Debtor Relief Laws": the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": subject to Section 2.23(b), any Lender that, as reasonably determined by the Administrative Agent (with notice to the Borrower of such determination), (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans, within three Business Days of the date required to be funded by it hereunder (excluding expense and similar reimbursements that are the subject of a good faith dispute), (b) has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations (excluding expense and similar reimbursements that are the subject of a good faith dispute) or has made a public statement to that effect with respect to its funding obligations hereunder or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after written request by the Administrative Agent, to confirm that it will comply with its funding obligations hereunder, which request may only be made after all conditions to funding have been satisfied; provided, that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent, or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in such a Lender or any direct or indirect parent company thereof by a Governmental Authority.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars" and "$": dollars in lawful currency of the United States.

"Duration Fee": as defined in Section 2.6(a).

"Effective Date: the first date all the conditions precedent in Section 5.1 are satisfied or waived in accordance with Section 10.1.

"Effective Date Specified Representations": the representations and warranties set forth in Section 4.3(a), and Sections 4.4(a), 4.4(c) and 4.4(d).

"Eligible Assignee": (A) Prior to the funding of the Loans on the Closing Date, (i) a Lender; (ii) an Affiliate of a Lender; and (iii) any other Person (other than a natural Person) approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) and the Borrower (such approval not to be unreasonably withheld or delayed) and (B) after the funding of the Loans on the Closing Date, (i) a Lender; (ii) an Affiliate of a Lender; (iii) an Approved Fund; and (iv) any other Person (other than a natural Person) approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed).

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"Equity Interests": 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 such equity interest.

"Equity-Linked Securities": any securities of the Guarantor, the Borrower or any of their Subsidiaries which are convertible into, or exchangeable for, equity securities of the Guarantor, the Borrower or such Subsidiary, including any securities issued by any of such Persons which are pledged to secure any obligation of any holder to purchase equity securities of the Guarantor, the Borrower, or any of their Subsidiaries.

"ERISA": the Employee Retirement Income Security Act of 1974.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Reuters Screen LIBOR01 Page (or any successor page) as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Reuters Screen L1BOR 01 Page (or any successor page), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest l/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans under the Facility, the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange Act": as defined in Section 8(j).

"Excluded Debt": the Indebtedness listed in Schedule 2.9.

"Excluded Subsidiaries": Atlanta Gas Light Company, Chattanooga Gas Company, Pivotal Utility Holdings, Inc., Virginia Natural Gas, Inc., and after the Closing Date, Northern Illinois Gas Company.

"Excluded Taxes": as defined in Section 2.17(a).

"Existing Credit Agreement": the Credit Agreement dated as of September 15, 2010, by and among the Guarantor, the Borrower, the lenders parties thereto, and Wells Fargo Bank, National Association, as administrative agent, as the same may have been amended, restated, supplemented or otherwise modified.

"Existing LC Reimbursement Agreements": collectively, (i) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT), (ii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005, (iii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996 A and (iv) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005.

“Existing Nicor Credit Agreement”: collectively, (i) that certain 3-Year Credit Agreement, dated as of April 23, 2010, among Nicor Gas Company and Nicor Inc., as Borrowers, JPMorgan Cash Bank, N.A., as Administrative Agent, and the other parties thereto from time to time, as the same may have been amended, restated, supplemented or otherwise modified and in effect immediately through the date hereof and as further amended in accordance herewith, and (ii) that certain 364-Day Credit Agreement, dated as of April 23, 2010, among Nicor Gas Company, as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent and the other parties thereto from time to time, as the same may have been amended, restated, supplemented or otherwise modified and in effect immediately through the date hereof and as further amended in accordance herewith.

“Existing Nicor Credit Facilities”: the credit facilities established pursuant to the Existing Nicor Credit Agreement.

“Extended Outside Date”: as defined in the Merger Agreement as in effect on the date hereof.

“Facility”: the Commitments and the extensions of credit made thereunder.

“FATCA”: Sections 1471 through 1474 of the Code and any Treasury regulations promulgated thereunder.

“Federal Funds Effective Rate”: for any day, the weighted average 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 of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

“Fee Letter”: the Fee Letter entered into as of December 6, 2010 between the Borrower and GS Bank.

“Financial Institution”: Goldman, Sachs & Co.

“Funding Notice”: a notice substantially in the form of Exhibit G.

“Funding Office”: the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

“GAAP”: those accounting principles, standards and practices generally accepted in the United States as in effect from time to time.

“Governmental Authority”: any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Group Members": the collective reference to Holdings, the Borrower and their respective Subsidiaries.

"GS Bank": as defined in the preamble hereto.

"Guarantee Agreement": the Guarantee Agreement to be executed and delivered by Holdings, substantially in the form of Exhibit A.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency 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 owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guarantor": Holdings.

"Hedge Agreements": all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies, and all commodity price protection agreements, or any other hedging arrangements.

"Holdings": as defined in the preamble hereto.

"Holdings Material Adverse Effect": any change, event or development that is materially adverse to the business, financial condition or results of operations of Holdings and its Subsidiaries, taken as a whole, except to the extent that such change, event or development results from (and for the avoidance of doubt, any such change, event or development, to the extent resulting from the following, shall not be taken into account in determining whether there has been a Holdings Material Adverse Effect): (a) general economic or political, regulatory, financial, credit or capital market conditions, including interest rates or exchange rates, or any changes therein; (b) any change affecting any of the industries in which Holdings and its Subsidiaries operate; (c) any change attributable to the execution of the Merger Agreement or the announcement or pendency of the transactions contemplated hereby, including any litigation resulting therefrom; (d) actions taken pursuant to the Merger Agreement or at the request of the Company, in each case, with the consent of the Arranger; (e) acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity; (f) any change in the market price for commodities; (g) any hurricane, earthquake, flood or other natural disasters or acts of God; (h) any change resulting from weather conditions or customer use patterns; (i) any adoptions, proposals, interpretations or changes in laws after the date hereof or any interpretation thereof by any governmental entity; (j) changes in GAAP after the date hereof or any interpretations thereof by any governmental entity; (k) any failure by Holdings to meet any estimates of revenues, earnings, projections or other economic performance, whether published, internally prepared or provided to the Company and its subsidiaries and each of their respective advisors, employees, officers, agents and other representatives; or (l) any change in the price or trading volume of the common stock of Holdings on the NYSE or any other market in which such securities are quoted for purchase and sale or any suspension of trading in securities generally on any securities exchange on which any securities of Holdings trade; provided, that with respect to clauses (a), (b), (e), (f), (g), (h) and (i), such changes and matters do not have a material and disproportionate adverse impact on Holdings and its Subsidiaries, taken as a whole, as compared to the adverse impact such changes have generally on other persons operating in comparable industries (in the case of clauses (a), (b), (e), (f), (g), (h) and (i)) and/or in the comparable geographic region (in the case of clauses (e), (f), (g) and (h)) or in the comparable regulatory jurisdiction (in the case of clause (i)) as Holdings or its relevant Subsidiaries, and for the avoidance of doubt, for purposes of determining whether a Holdings Material Adverse Effect has occurred, only the disproportionate adverse impact on Holdings and its Subsidiaries, taken as a whole shall be considered; provided, further, that with respect to clauses (k) and (l), it is understood that the facts and circumstances giving rise to such failure or change shall not be excluded from the determination of whether there has been a Holdings Material Adverse Effect if such facts and circumstances are not otherwise described in clauses (a)-(j) of this definition.

"Holdings SEC Documents": all annual, quarterly and current reports on Form 10-K, Form 10-Q and Form 8-K, respectively, required to be filed with or furnished by Holdings to the SEC pursuant to the Securities Act or the Exchange Act, as the case may be, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (together with any supplements, modifications and amendments thereto since the time of filing through the date hereof).

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business that are not more than 90 days past due unless being contested in good faith and for which any reserves required by GAAP have been provided), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all capital lease (within the meaning of GAAP) obligations of such Person, (f) all Securitization Facility Attributed Debt, (g) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (h) the liquidation value of all mandatorily redeemable preferred Capital Stock of such Person, (i) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (h) above, (j) all obligations of the kind referred to in clauses (a) through (i) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, (k) all obligations of such Person in respect of Hedge Agreements, and (1) without duplication of any of the foregoing categories, all Off-Balance Sheet Liabilities. 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 under applicable law, contract or otherwise 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 expressly provide that such Person is not liable therefor. Notwithstanding the foregoing, obligations of any Person with respect to Park and Loan Transactions shall not be considered Indebtedness.

"Indemnitee": as defined in Section 10.5.

"Initial Outside Date": as defined in the Merger Agreement as in effect on the date hereof.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": (a) as to any Loan that is an ABR Loan, the last day of each of March, June, September and December to occur while such Loan is outstanding commencing on the first such date to occur after the Closing Date and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period, and (d) as to any Loan, the date of any repayment or prepayment made or required to be made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter or such other period as the Borrower and the Lenders may agree, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding 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 immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period under the Facility that would extend beyond the Maturity Date; and

(iii) 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 a calendar month.

"Investments": as defined in Section 7.7.

"Lender Affiliate": (a) any Affiliate of any Lender, (b) any Person that is administered or managed by any Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and (c) with respect to any Lender which is a fund that invests in commercial loans and similar extensions of credit, any other fund that invests in commercial loans and similar extensions of credit and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such Lender or investment advisor.

"Lender Presentation": the lender presentation dated December 8, 2010 and furnished to the Lenders.

"Lenders": as defined in the preamble hereto.

"Level I Status", "Level II Status", "Level III Status", "Level IV Status" and "Level V Status": as set forth below:

"Level I Status": exists at any date if, on such date, the Borrower's Moody's Rating is A2 or better *or* the Borrower's S&P Rating is A or better.

"Level II Status": exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status and (ii) the Borrower's Moody's Rating is A3 or better *or* the Borrower's S&P Rating is A- or better.

"Level III Status": exists at any date if, on such date, (i) the Borrower has not qualified for Level I or Level II Status and (ii) the Borrower's Moody's Rating is Baa1 or better *or* the Borrower's S&P Rating is BBB+ or better.

"Level IV Status": exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status, Level II Status or Level III Status and (ii) the Borrower's Moody's Rating is Baa2 or better *or* the Borrower's S&P Rating is BBB or better.

"Level V Status": exists at any date if, on such date, the Borrower has not qualified for Level I Status, Level II Status, Level III Status or Level IV Status.

Notwithstanding the foregoing, if the Borrower is split-rated and the ratings differential is one level, the higher rating will apply. If the Borrower is split-rated and the ratings differential is two levels or more, the Status Level will be determined by reference to the rating at the midpoint. If there is no midpoint, then the Status Level that is one Status Level below the higher rating shall apply. The ratings shall be determined from the most recent public announcement or publication of any changes in the Moody's Ratings or the S&P Ratings. If at any time the Borrower ceases to have a Moody's Rating or a S&P Rating, then the applicable Status Level shall be determined in accordance with the Guarantor's credit ratings in the same manner as the Borrower's status is determined. If at any time both the Borrower and the Guarantor cease to have a Moody's Rating or a S&P Rating, then Level V Status shall exist.

"Lien": any mortgage, pledge, lien, hypothecation, security interest or other charge, encumbrance, or other arrangement in the nature of a security interest in property to secure the payment or performance of Indebtedness or other obligations of any Person; provided, however, the term "Lien" shall not mean any easements, rights-of-way, zoning restrictions, leases, sub-leases, licenses, sublicenses, other restrictions on the use of property, defects in title to property or other similar encumbrances.

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, the Guarantee Agreement and the Notes.

"Loan Parties": the Borrower and the Guarantor.

"Marketing Period": as defined in the Merger Agreement as in effect on the date hereof.

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations or financial condition of Holdings and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Maturity Date": 364 days after the Closing Date.

"Merger": the merger of Merger Sub with and into the Company pursuant to the Merger Agreement.

"Merger Agreement": the Agreement and Plan of Merger, dated as of December 6, 2010, among Holdings, Merger Sub, Merger LLC, and the Company.

"Merger Agreement Representations": collectively, (i) such of the representations and warranties regarding the Company and its Subsidiaries set forth in Article 3 of the Merger Agreement as are material to the interests of the Lenders, but only to the extent that Holdings or any its affiliates has the right (determined without regard to any notice requirement) to terminate its obligations or decline to consummate the Merger as a result of a breach of such representations in the Merger Agreement and (ii) such of the representations and warranties regarding Holdings and its Subsidiaries set forth in Article 4 of the Merger Agreement as are material to the interests of the Lenders, but only to the extent that the Company or any of its affiliates has the right (determined without regard to any notice requirement) to terminate its obligations or decline to consummate the Merger as a result of a breach of such representations in the Merger Agreement.

"Merger Cash Consideration": an aggregate principal amount of $976,000,000 in cash to be paid to the equity holders of the Company pursuant to the Merger Agreement.

"Merger Consideration": the Merger Cash Consideration and the Merger Equity Consideration.

"Merger Equity Consideration": shares of common stock of Holdings with an aggregate value of $1,435,000,000 to be delivered to the equity holders of the Company pursuant to the Merger Agreement.

"Merger Documents": collectively, the Merger Agreement, including all exhibits and schedules attached thereto, the Company Disclosure Letter (as defined in the Merger Agreement as in effect on the date hereof) and the Parent Disclosure Letter (as defined in the Merger Agreement as in effect on the date hereof).

"Merger LLC": Ottawa Acquisition LLC, an Illinois limited liability company.

"Merger Sub": Apollo Acquisition Corp., an Illinois corporation.

"Moody's": Moody's Investor Service, Inc.

"Moody's Rating": at any time, the rating issued by Moody's and then in effect with respect to the Borrower's senior unsecured long-term debt securities without third-party credit enhancement (or, if there is no such debt outstanding, the Borrower's issuer rating issued by Moody's then in effect for the Borrower).

"Multiemployer Plan": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds":

(a) with respect to any Disposition or Recovery Event, the proceeds thereof in the form of cash and cash equivalents (including any cash proceeds received by way of deferred payment pursuant to, or by monetization of, a note receivable, installment receivable, purchase price adjustment receivable, or otherwise, but only as and when received) received by the Guarantor, the Borrower or any Subsidiary, net of (A) any bona fide direct costs incurred in connection with such Disposition or Recovery Event, including (i) income or gains taxes payable by the seller as a result of any gain recognized in connection with such Disposition or Recovery Event, (ii) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of any such Disposition undertaken by the Guarantor, the Borrower or any Subsidiary in connection with such Disposition (provided that upon release of any such reserve, the amount released shall be considered Net Cash Proceeds), (iii) payments of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness that is secured (to the extent permitted pursuant to Section 7.2) by any property or assets subject to such Disposition or Recovery Event but only to the extent required to be prepaid under the terms thereof as a result of such Disposition or Recovery Event and (iv) in the case of any Disposition by or Recovery Event of an Excluded Subsidiaries, costs incurred in complying with any order, directive or approval of the Governmental Authority having regulatory jurisdiction over such entity relating to such Disposition or Recovery Event, as applicable and (B) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures or the pro rata portion of the Net Cash Proceeds (calculated without regard to this clause (B)) attributable to minority interests and not available for distribution to or for the account of the Guarantor, the Borrower or any Wholly-Owned Subsidiary as a result of such Disposition or Recovery Event, or to any other Person (other than the Guarantor, the Borrower or any Subsidiary) owning a beneficial interest in the property or assets Disposed of in such Disposition or subject to such Recovery Event; provided that no proceeds of any Disposition or Recovery Event shall constitute Net Cash Proceeds except to the extent in excess of $25,000,000 individually or in the aggregate for all such Dispositions and Recovery Events since December 6, 2010 (such proceeds described in this proviso, the "Asset Sale Proceeds Threshold"); and provided further that, in respect of the Net Cash Proceeds of a Recovery Event only, if the Borrower shall deliver a certificate of a Responsible Officer to the Administrative Agent at the time of receipt thereof setting forth the Borrower's intent to reinvest or commitment to reinvest such proceeds in long-term capital assets used or useful in the business of the Guarantor, the Borrower and their Subsidiaries within 180 days of receipt of such proceeds, such proceeds shall not constitute Net Cash Proceeds except to the extent such Net Cash Proceeds are not so used, at which time such proceeds shall be deemed to be Net Cash Proceeds; and

(b) with respect to any Specified Equity Issuance or Specified Debt Incurrence, the aggregate amount of all cash proceeds received by the Guarantor, the Borrower or any of their Subsidiaries in respect of such Specified Equity Issuance or Specified Debt Incurrence, net of fees, expenses, costs, underwriting discounts and commissions incurred by the Guarantor, the Borrower or any Subsidiary in connection therewith and net of taxes paid or estimated to be payable as a result thereof.

"Nonconsenting Lender": any Lender that does not approve a consent, waiver or amendment to any Loan Document requested by the Borrower or the Administrative Agent and that requires the approval of all Lenders (or all Lenders directly affected thereby) under Section 10.1 when the Required Lenders have agreed to such consent, waiver or amendment.

"Non-Excluded Taxes": as defined in Section 2.17(a).

"Non-Public Information": information which has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD.

"Non-U.S. Lender": with respect to the Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Note": with respect to any Lender requesting the same, the promissory note of the Borrower in favor of such Lender evidencing the Loans made by such Lender pursuant to Section 2.1(a), in substantially the form of Exhibit F.

"Obligations": the collective reference to the unpaid principal of and interest on (including interest accruing at the then applicable rate provided in this Agreement after the maturity of the Loans and after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred pursuant to this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, fees, indemnities, costs, expenses or otherwise (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto or any other Loan Document).

"OFAC": the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Off-Balance Sheet Liabilities": as to any Person (i) any due and owing repurchase obligation or liability of such Person with respect to notes or accounts receivable sold by such Person, (ii) any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, (iii) any liability of such Person under any so-called "synthetic" lease transaction and (iv) any obligation under any other transaction which is the functional equivalent of, or takes the place of, a borrowing but which does not constitute a liability on the balance sheet of such Person.

"Offering Memorandum": as defined in Section 5.2(o)(ii).

"Other Taxes": any and all present or future stamp, court or documentary taxes or any other excise, property, intangible, recording, filing or similar taxes arising from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document.

"Park and Loan Transactions": any tariff transaction offered by pipelines or other storage facilities, where the pipelines or other storage facilities allow the customers to park gas on or borrow gas from the pipelines or other storage facilities in one period and reclaim gas from or repay gas to the pipelines or other storage facilities in a subsequent period.

"Participant": as defined in Section 10.6(b).

"PATRIOT Act": the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act) of 2001.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Percentage": as to any Lender at any time, the percentage which such Lender's Commitment then constitutes of the Total Commitments or, at any time after the Commitments shall have expired or been terminated, the percentage which the aggregate principal amount of such Lender's Loans then outstanding constitutes of the aggregate principal amount of the Loans then outstanding.

"Permanent Financing": any debt securities, preferred stock or common equity issued, any bank loan or any other debt financing incurred, in connection with the Merger or to refinance any Loans (including, without limitation, any Senior Notes).

"Permitted 2011 Notes Refinancing": any debt securities (and expressly not loans) of the Borrower issued either (x) on or prior to January 14, 2011 or (y) on or after February 4, 2011 but prior to May 31, 2011, in exchange for, or the net proceeds of which are directly and immediately used solely (except to the extent otherwise expressly agreed in advance in writing by the Arranger in its sole discretion) either (A) to refinance the 7.125% Notes due 2011 of the Borrower or (B) to refinance the Permitted Term Facility referred to below and/or repay the Borrower an amount of cash equal to the amount of the repayments of the 7.125% Notes due 2011 of the Borrower to the extent not financed by the Permitted Term Facility, which refinancing debt shall have terms and conditions customary for such debt; provided, that the Borrower shall have engaged one or more investment and/or commercial banks satisfactory to the Arranger on terms and conditions satisfactory to the Arranger to act as a sole or joint bookrunner in connection with the public sale or private placement of such refinancing debt securities (provided that the four banks previously agreed by the Arranger and the Borrower shall be deemed to be satisfactory to the Arranger); provided, further, that neither Holdings nor any of its Subsidiaries shall syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of such refinancing debt prior to the date that is two (2) weeks following the date of the Commitment Letter.

"Permitted Combined Revolver Refinancing": in lieu of the Permitted Incremental Facility and the Permitted Nicor Revolver Refinancing, any revolving credit facility of the Borrower in an amount not to exceed $1,750,000,000, on terms and conditions customary for debt financings of this kind and the net proceeds of which are directly and immediately used solely to refinance or replace the Existing Nicor Credit Facilities and the Existing Credit Agreement (including to repay loans, and terminate commitments, under the Existing Nicor Credit Facilities and the Existing Credit Agreement), and pursuant to a syndication process satisfactory to the Arranger; provided that neither Holdings nor any of its Subsidiaries shall syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of such refinancing debt prior to the earlier of (x) Successful Syndication of the Facility and (y) 90 days after the Closing Date (provided that if Successful Syndication shall not have occurred, such actions shall only be taken to the extent done so in co-ordination with the Arranger); provided, further, that any such Permitted Combined Revolver Refinancing shall only become effective following the Closing Date.

"Permitted Debt": Indebtedness existing under any of the following: (i) a Permitted 2011 Notes Refinancing, (ii) a Permitted Term Facility, and (iii) either (x) a Permitted Nicor Revolver Refinancing and/or a Permitted Incremental Facility or (y) a Permitted Combined Revolver Refinancing.

"Permitted Incremental Facility": an incremental revolving facility under the Existing Credit Agreement in an amount not to exceed, together with any Permitted Nicor Revolver Refinancing, $750,000,000, to be entered into in accordance with the terms and conditions of the Existing Credit Agreement; provided, that the Borrower shall have engaged one or more financial institutions satisfactory to the Arranger to act as lead arranger of such incremental facility; provided, further, that neither Holdings nor any of its Subsidiaries shall syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of such incremental facility prior to the earlier of (x) Successful Syndication of the Facility and (y) 90 days after the announcement of the Transactions and the commencement of the Bridge Syndication Period (as defined in the Commitment Letter) (provided that if Successful Syndication shall not have occurred, such actions shall only be taken to the extent reasonable prior notice thereof shall have been given to the Arranger and, to the extent requested by the Arranger, taken in co-ordination with the Arranger).

"Permitted Letters of Credit": letters of credit or letter of credit facilities of any of Holdings and its Subsidiaries not exceeding $25,000,000 in the aggregate.

"Permitted Nicor Revolver Refinancing": any revolving credit facility of the Borrower in an amount not to exceed, together with any Permitted Incremental Facility, $750,000,000, on terms and conditions customary for debt financings of this kind and the net proceeds of which are directly and immediately used solely to refinance or replace the Existing Nicor Credit Facilities (including to repay loans, and terminate commitments, under the Existing Nicor Credit Facilities), and pursuant to a syndication process satisfactory to the Arranger; provided that neither Holdings nor any of its Subsidiaries shall syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of such refinancing debt prior to the earlier of (x) Successful Syndication of the Facility and (y) 90 days after the announcement of the Transactions and the commencement of the Bridge Syndication Period (provided that if Successful Syndication shall not have occurred, such actions shall only be taken to the extent done so in co-ordination with the Arranger); provided, further, that any such Permitted Nicor Revolver Refinancing shall only become effective following the Closing Date.

"Permitted Term Facility": solely in the event that the Borrower determines in good faith that the debt securities under the Permitted 2011 Notes Refinancing cannot be offered or sold prior to January 14, 2011 for any reason, a short-term term loan facility of the Borrower consummated on or prior to January 13, 2011, the net proceeds of which are directly and immediately used to solely refinance the 7.125% Notes due 2011 of the Borrower.

"Person": an individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not having a separate legal personality).

"Plan": at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform": as defined in Section 10.2(b).

"Prepayment Event": any Specified Asset Sale, any Recovery Event, any Specified Debt Incurrence and any Specified Equity Issuance.

"Prime Rate": the rate of interest quoted in the print edition of The Wall Street Journal, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

"Properties": as defined in Section 4.16(a).

"Public Lenders": Lenders that do not wish to receive material non-public information with respect to Holdings, its Subsidiaries or their securities.

"Recovery Event": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Group Member.

"Register": as defined in Section 10.6(f).

"Regulation FD": Regulation FD as promulgated by the SEC under the Securities Act and Exchange Act of 1934 as in effect from time to time.

"Regulation U": Regulation U of the Board.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under Sections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

"Required Lenders": at any time, the holders of more than 50% of the Total Commitments then in effect or, if the Commitments have expired or been terminated, the Loans then outstanding; provided that the Commitment of any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Requirement of Law": as to any Person, the articles or certificate of incorporation or organization, by laws, partnership agreement, limited liability company agreement, operating agreement, management agreement, or other organizational or governing documents of such Person, and any constitution, decree, judgment, legislation, order, ordinance, regulation, rule, statute or treaty, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the chief executive officer, president, chief financial officer, treasurer or controller of Holdings or the Borrower, as the case may be, but in any event, with respect to financial matters, the chief financial officer or treasurer of Holdings.

"Restricted Payments": as defined in Section 7.5.

"S&P": Standard & Poor's Rating Service, a division of the McGraw Hill Companies, Inc.

"S&P Rating": at any time, the rating issued by S&P and then in effect with respect to the Borrower's senior unsecured long-term debt securities without third-party credit enhancement (or, if there is no such debt outstanding, the Borrower's issuer rating issued by S&P then in effect for the Borrower).

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

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

"SEC": the Securities and Exchange Commission and any analogous Governmental Authority.

"Securities Act": the Securities Act of 1933, as amended.

"Securitization Facility Attributed Debt": at any time, the aggregate net outstanding amount theretofore paid to any of the Group Members (without duplication) in respect of Securitization assets (whether accounts receivable, general intangibles, instruments, documents, chattel paper or other similar assets) sold or transferred in connection with any Securitization financing program established by any of the Group Members in respect of such Securitization assets (it being the intent of the parties that such Securitization Facility Attributed Debt at any time outstanding approximate as closely as possible the principal amount of Indebtedness that would be outstanding at such time under such financing program if the same were structured as a secured lending arrangement rather than a sale or Securitization arrangement).

"Senior Notes": any debt securities issued by the Borrower pursuant to a registered public offering or Rule 144A to fund the Merger Cash Consideration or to refinance the Loans.

"Senior Notes Marketing Period": as defined in Section 5.2(o)(ii).

"Single Employer Plan": any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the sum of the value of the assets of such Person (based on either fair value or present fair saleable value, as applicable) will, as of such date, exceed the sum of the liabilities of such Person as of such date, (b) such Person will be able to pay its debts as they mature and (c) such Person has sufficient capital to conduct its business. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) the amount of any contingent liability at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No.5).

"Specified Asset Sale": any Disposition or series of related Dispositions by the Guarantor, the Borrower or any of their respective Subsidiaries; provided that "Specified Asset Sale" shall not include (i) Dispositions to the Guarantor, the Borrower or any of their respective Subsidiaries and (ii) Dispositions in the ordinary course of business.

"Specified Debt Incurrence": any incurrence of Indebtedness for borrowed money (including, without limitation, any Permanent Financing (including any Indebtedness thereunder that has been deposited in an escrow account of any Group Member for the benefit of the holders or lenders of such Indebtedness pending consummation of the Merger)), other than (i) Excluded Debt, (ii) the refinancing of certain commercial paper or Permitted Letters of Credit of Holdings and its Subsidiaries with new commercial paper or Permitted Letters of Credit or, with the prior written consent of the Arranger, other indebtedness satisfactory to the Arranger, (iii) any Permitted Debt, and (iv) Indebtedness owing to any Group Member.

"Specified Equity Issuance": any issuance by the Guarantor of any Equity Interest or Equity-Linked Securities other than (i) pursuant to any employee stock ownership plan or any other employee compensation plan, in each case in effect as of the date hereof, (ii) the Merger Equity Consideration and (iii) to the extent applicable, any Permanent Financing.

"Specified Merger Consideration Reduction": any reduction on or after the Effective Date in the aggregate principal Dollar amount of the Merger Cash Consideration.

"Status Level": the collective reference for Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership 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 corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of either or both of the Borrower and Holdings.

"Successful Syndication": as previously agreed by the Borrower and the Arranger.

"Synthetic Lease": any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product where such transaction is considered borrowed money indebtedness for tax purposes but is classified as an operating lease in accordance with GAAP.

"Ticking Fee": as defined in Section 2.6(b).

"Total Capitalization": at any date, the sum of Consolidated Net Worth and Consolidated Total Debt of the Group Members at such date, determined on a consolidated basis in accordance with GAAP.

"Total Commitments": at any time, the aggregate amount of the Commitments then in effect. The Total Commitments as of the Effective Date are $1,050,000,000.

"Transactions": collectively, (i) the Merger, (ii) the execution, delivery and performance of this Agreement, including the funding of the Loans hereunder and the application of the proceeds thereof, (iii) any Permanent Financing and (iv) the payment of the Transaction Costs.

"Transaction Costs": fees and expenses incurred in connection with the Transactions.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"United States": the United States of America.

"Wholly-Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly-Owned Subsidiaries.

1.2 Other Definitional Provisions

.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP; provided, however, that for purposes of determining compliance with the covenants contained in Section 7.1, all accounting terms herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP as in effect on the date of this Agreement and applied on a basis consistent with the application used in the financial statements referred to in Section 4.1, and provided, further, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (ASC 825) (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) 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, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time and (vi) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

(c) The words "hereof, "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2.

AMOUNT AND TERMS OF COMMITMENTS; LOANS

2.1 Commitments; Loans.

(a) Subject to the terms and conditions hereof, each Lender severally agrees to make Loans to the Borrower on the Closing Date in an aggregate principal amount equal to such Lender's Commitment. Amounts borrowed under this Section 2.1 and repaid or prepaid hereunder may not be reborrowed. Each Lender's Commitment shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Lender's Commitment on such date.

(b) The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 9.7 are several and not joint. The failure of any Lender to make Loans or to make any such payment on any date shall not relieve any other Lender of its corresponding obligation, if any, hereunder to do so on such date, but no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make any such payment required hereunder.

(c) The Borrower shall repay all outstanding Loans on the Maturity Date.

2.2 Procedure for Borrowing.

The Borrower shall give the Administrative Agent irrevocable notice substantially in the form of Exhibit G hereto (a "Funding Notice") not later than 11:00 A.M. (New York time) (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) on the requested Borrowing Date, in the case of ABR Loans, specifying:

(i) the amount and Type of Loans to be borrowed;

(ii) the requested Borrowing Date; and

(iii) in the case of Eurodollar Loans, the respective lengths of the initial Interest Period therefor.

Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. Each Lender will make its Percentage of the borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 1:00 p.m., New York time, on the Borrowing Date requested by or on behalf of the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent by effecting a wire transfer of such amounts to an account designated by the Borrower to the Administrative Agent.

2.3 **[***Reserved***]**

2.4 **[***Reserved***]**

2.5 Evidence of Debt.

(a) Each Lender shall maintain in accordance with its usual practice appropriate records evidencing indebtedness of the Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time in respect of such Loans. The Administrative Agent shall maintain the Register pursuant to Section 10.6(f), and a record therein for each Lender, in which shall be recorded (i) the amount of each Loan made by such Lender, the interest rate applicable thereto and each Interest Payment Date applicable thereto, and (ii) the amount of any sum received by the Administrative Agent hereunder from the Borrower on account of such Loan. The entries made in the Register and the records of each Lender maintained pursuant to this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such record, or any error therein, either of which shall be promptly corrected, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made by such Lender in accordance with the terms of this Agreement. In the event of any conflict between the Register and the records of each Lender, the Register shall control in the absence of manifest error.

(b) At the request of any Lender at any time, the Borrower agrees that it will execute and deliver to such Lender a Note evidencing the Loans of such Lender payable to such Lender.

2.6 Fees, etc

.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a fee (the "Duration Fee"), payable on each of the dates set forth below in an amount equal to a percentage determined on the applicable payment date in accordance with the grid below times the outstanding principal amount of the Loans of such Lender outstanding as at such date:

Baa1 and BBB+ or better (the "Ratings Threshold")		In the event the Ratings Threshold is not achieved	
90 days after the Closing Date	0.50%	90 days after the Closing Date	0.75%
180 days after the Closing Date	1.00%	180 days after the Closing Date	1.25%
270 days after the Closing Date	1.50%	270 days after the Closing Date	1.75%

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a ticking fee (the "Ticking Fee"), which shall accrue at 0.225% *per annum* times the daily average amount of the unused Commitment of such Lender during the period from and including December 6, 2010 to but excluding the earliest to occur of (i) the termination of the Commitments hereunder and (ii) the Closing Date and shall be payable on such earlier date.

(c) The Borrower agrees to pay to the Administrative Agent and the Arranger the fees in the amounts and on the dates previously agreed to in the Fee Letter.

2.7 Termination or Reduction of Commitments.

(a) The Borrower shall have the right, prior to the Closing Date, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Commitments or, from time to time, to ratably reduce the amount of the Commitments. Any such reduction shall be in an amount equal to $10,000,000, or an integral multiple of $1,000,000 in excess thereof, and shall reduce permanently the Commitments then in effect. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Commitments.

(b) Upon the occurrence of any Prepayment Event or a Specified Merger Consideration Reduction prior to the Closing Date, the Commitments shall automatically be reduced in an aggregate amount equal to 100% of (x) in the case of a Prepayment Event, the Net Cash Proceeds of such Prepayment Event and (y) in the case of a Specified Merger Consideration Reduction, the aggregate principal Dollar amount of any such Specified Merger Consideration Reduction; provided that in the case of proceeds received by an Excluded Subsidiary of Holdings as a result of a Specified Asset Sale, subject to Section 6.11, the foregoing commitment reduction requirement shall be suspended until such time as such proceeds are distributed to Holdings, the Company or any Subsidiary of Holdings that is not an Excluded Subsidiary (and, in the case of joint ventures with unaffiliated third parties, to the extent of Holdings' direct or indirect Equity Interest therein). Each Lender's Commitment shall be reduced pro rata by the amount of such reduction. If such reductions result in the Commitments being reduced to $0, all accrued fees shall be payable upon such reduction.

(c) The Commitments shall automatically terminate on the Commitment Termination Date. All accrued fees shall be payable upon the termination of the Commitments pursuant to this clause (c). The Commitments shall automatically be reduced to zero upon funding of the Loans.

2.8 Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent at least three Business Days prior thereto in the case of Eurodollar Loans and no later than 11:00 a.m., New York time on the date of such prepayment in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.18. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid. Partial prepayments of the Loans shall be in an aggregate principal amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

2.9 Mandatory Prepayments. Upon the occurrence of any Prepayment Event on or after the Closing Date, the Borrower shall prepay the Loans in an aggregate amount equal to 100% of the Net Cash Proceeds of such Prepayment Event; provided that in the case of proceeds received by an Excluded Subsidiary of Holdings, subject to Section 6.11, the foregoing prepayment requirement shall be suspended until such time as such proceeds are distributed to Holdings, the Company or any Subsidiary of Holdings that is not an Excluded Subsidiary (and, in the case of joint ventures with unaffiliated third parties, to the extent of Holdings' direct or indirect Equity Interest therein). In addition, in the event that one or more of the regulatory approvals described in Section 5.2(m) requires any Disposition as a condition to such approval, no later than 2 Business Days following the Closing Date, the Loans shall be prepaid plus accrued interest to the date of prepayment in an amount equal to the amount of Net Cash Proceeds resulting from any required Disposition with respect to the Company and its Subsidiaries prior to the Closing Date, which are held by Holdings, the Borrower or another Wholly-Owned Subsidiary of Holdings that is not an Excluded Subsidiary (including the Company and its Subsidiaries) on the Closing Date. The Borrower shall effect such prepayment within five Business Days of receipt of such Net Cash Proceeds. Each payment or prepayment of Loans pursuant to this Section 2.9 shall be applied ratably to the respective Loans of all of the Lenders. Each payment of principal of the Loans shall be made together with interest accrued on the amount repaid to the date of payment.

2.10 Conversion and Continuation Options.

(a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan may be converted into a Eurodollar Loan when a Default or an Event of Default has occurred and is continuing. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such when any Default or Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.11 Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $5,000,000 or an integral multiple of $1,000,000 in excess thereof and (b) no more than six Eurodollar Tranches shall be outstanding at any one time.

2.12 Interest Rates and Payment Dates.

(a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin for Eurodollar Loans.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin for ABR Loans.

(c) ***[****Reserved****]****.***

(d) Upon the occurrence and during the continuance of any Event of Default under Sections 8(a) or 8(f), or (at the election of the Required Lenders) upon the occurrence and during the continuance of any other Event of Default, all outstanding principal amounts of the Loans and, to the greatest extent permitted by law, all interest accrued on the Loans and all other accrued and outstanding fees and other amounts hereunder, shall bear interest at a rate per annum equal to the interest rate applicable from time to time thereafter to such Loans (whether the ABR plus the Applicable Margin or the Eurodollar Rate plus the Applicable Margin) plus 2% (or, in the case of interest, fees and other amounts for which no rate is provided hereunder, at the ABR (plus the Applicable Margin) plus 2%), and, in each case, such default interest shall be payable on demand. To the greatest extent permitted by law, interest shall continue to accrue after the filing by or against the Borrower of any petition seeking any relief in bankruptcy or under any law pertaining to insolvency or debtor relief.

(e) Interest in respect of all Loans shall be payable in arrears on each Interest Payment Date. Notwithstanding the foregoing, interest accruing pursuant to paragraph (d) of this Section 2.12 shall be payable from time to time on demand.

2.13 Computation of Interest and Fees.

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.12(a).

2.14 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(i) the Administrative Agent shall have determined in its reasonable and good faith judgment (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the actual cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period;

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent (upon the instruction of the Required Lenders in the case of clause (ii) above), no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Loans to Eurodollar Loans. The Administrative Agent shall promptly withdraw such notice when Eurodollar Loans are again available.

2.15 Pro Rata Treatment and Payments.

(a) The borrowing by the Borrower from the Lenders hereunder, and, subject to Section 2.23(a), each payment by the Borrower on account of any Duration Fee or Ticking Fee and any reduction of the Commitments of the Lenders shall be made according to the respective Percentage of each of the relevant Lenders.

(b) Subject to Section 2.23(a), each payment (including each prepayment) by the Borrower on account of principal of and interest on the Loans shall be made according to the respective Percentage of each Lender.

(c) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, New York time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans, on demand, from the Borrower.

(e) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

2.16 Requirements of Law.

(a) If any Change in Law:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.17 and changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any amounts pursuant to this paragraph, it shall promptly notify the Borrower in writing (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than three months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such period for which the Borrower shall be required to compensate the Lenders shall be extended to include the period of such retroactive effect.

(b) If any Lender shall have determined that any Change in Law regarding capital requirements shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than three months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such period for which the Borrower shall be required to compensate the Lenders shall be extended to include the period of such retroactive effect

(c) A certificate as to any additional amounts payable pursuant to this Section 2.16 submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of the Borrower pursuant to this Section 2.16 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.17 Taxes.

(a) Except as required by law, all payments made by the Borrower under this Agreement or any other Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding (i) net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (ii) Taxes that are attributable to such Lender's failure to comply with the requirements of paragraph (e) of this Section 2.17, (iii) U.S. withholding taxes imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement or designates a new lending office, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such taxes pursuant to this paragraph and (iv) withholding taxes imposed under FACTA (collectively, clauses (i)-(iv), "Excluded Taxes"). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement. For the avoidance of doubt, the parties acknowledge and agree that the term Non-Excluded Taxes shall not include Excluded Taxes.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within ten days after demand therefor, for the full amount of any Non-Excluded Taxes or Other Taxes (including Non-Excluded Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.17) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Failure or delay on the part of the Administrative Agent or any Lender to demand compensation pursuant to this Section 2.17 shall not constitute a waiver of the Administrative Agent's or such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate the Administrative Agent or a Lender pursuant to this Section 2.17 for any Non-Excluded Taxes or Other Taxes imposed or asserted against the Administrative Agent or such Lender more than 90 days prior to the date that the Administrative Agent or such Lender, as the case may be, notifies the Borrower of the imposition or assertion of such Non-Excluded Taxes or Other Taxes and of the Administrative Agent's or such Lender's intention to claim indemnification therefor (except that, if the imposition or assertion of such Non-Excluded Taxes or Other Taxes giving rise to such claim for indemnification is retroactive, then the 90 day period referred to above shall commence on the date the Administrative Agent or such Lender obtains knowledge of the same). A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure,

(e) Any Non-U.S. Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding 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 applicable 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.

Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States, any Non-U.S. Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Non-U.S. Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) 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, (x) a certificate to the effect that such Non-U.S. 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, or (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) 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 fails 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 Borrower and the Administrative Agent (A) a certification signed by the chief financial officer, principal accounting officer, treasurer or controller, and (B) other documentation reasonably requested by the Borrower and the Administrative Agent sufficient for the Administrative Agent and the Borrower to comply with their obligations under FATCA and to determine that such Lender has complied with such applicable reporting requirements.

(g) The agreements in this Section 2.17 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder and for a period of one year after the indefeasible payment in full of all Obligations and the termination of this Agreement and the other Loan Documents.

2.18 Compensation. The Borrower will compensate each Lender upon demand for all losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund or maintain Eurodollar Loans) that such Lender may incur or sustain (i) if for any reason (other than a default by such Lender) a Borrowing or continuation of, or conversion into, a Eurodollar Loan does not occur on a date specified therefor in the notice of borrowing or notice of conversion/continuation provided by the Borrower to the Administrative Agent, (ii) if any repayment, prepayment or conversion of any Eurodollar Loan occurs on a date other than the last day of an Interest Period applicable thereto (including as a consequence of any assignment made pursuant to Section 2.21 or any acceleration of the maturity of the Loans pursuant to Section 8), (iii) if any prepayment of any Eurodollar Loan is not made on any date specified in a notice of prepayment given by the Borrower or (iv) as a consequence of any other failure by the Borrower to make any payments with respect to any Eurodollar Loan when due hereunder. Calculation of all amounts payable to a Lender under this Section 2.18 shall be made as though such Lender had actually funded its relevant Eurodollar Loan through the purchase of a Eurodollar deposit bearing interest at the Eurodollar Rate in an amount equal to the amount of such Eurodollar Loan, having a maturity comparable to the relevant Interest Period; provided, however, that each Lender may fund its Eurodollar Loans in any manner it sees fit and the foregoing assumption shall be utilized only for the calculation of amounts payable under this Section 2.18. A certificate (which shall be in reasonable detail) showing the bases for the determinations set forth in this Section 2.18 by any Lender as to any additional amounts payable pursuant to this Section 2.18 shall be submitted by such Lender to the Borrower either directly or through the Administrative Agent. Determinations set forth in any such certificate made in good faith for purposes of this Section 2.18 of any such losses, expenses or liabilities shall be conclusive absent manifest error.

2.19 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.16, 2.17(a) or 2.20 with respect to such Lender, to the extent permitted by law, it will designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, are not disadvantageous to such Lender, and provided, further, that nothing in this Section 2.19 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.16, 2.17(a) or 2.20.

2.20 Illegality. If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof shall make it unlawful, impossible or impracticable for any Lender to make, maintain or fund any Eurodollar Loan and such Lender shall so notify the Administrative Agent and the Borrower thereof (with supporting documentation) of such event, then such Lender's Commitment shall be suspended and, 30 days following such notification, shall be canceled if such unlawfulness, impossibility or impracticability shall then be continuing. The Borrower shall prepay such Lender's Loans or convert such Eurodollar Loans to ABR Loans at the time or times and to the extent necessary to avoid such unlawfulness, together with unpaid accrued interest thereon, unpaid accrued fees and any other amounts due and payable to such Lender, unless, in either case, prior thereto, the Borrower shall have given notice to such Lender that the Borrower will require such Lender to assign and transfer all of its interests in this Agreement pursuant to Section 2.21 and shall have caused such Lender to have so assigned and transferred such interests.

2.21 Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.16 or 2.17(a), (b) requires relief pursuant to Section 2.20 or (c) is a Defaulting Lender or a Nonconsenting Lender, in each case with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.19 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.16 or 2.17(a) or relief pursuant to Section 2.20, (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender for any amounts owing under Section 2.18 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be an Eligible Assignee, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay to the Lender being replaced all additional amounts (if any) required pursuant to Section 2.16 or 2.17(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender. If any circumstances arise which result, or such Lender becomes aware of any circumstances which are expected to result, in the Borrower having to make such compensation or indemnification or in it becoming illegal for such Lender to make, fund or maintain such Lender's Eurodollar Loans, such Lender shall use its commercially reasonable efforts to notify the Borrower thereof and, in consultation with the Borrower, such Lender shall take all steps, if any, it determines are reasonable and the Borrower determines are acceptable to mitigate the effect of those circumstances; provided that no delay or failure by any Lender to provide any such notice shall affect the obligations of the Borrower hereunder.

2.22 **[***Reserved***]**

2.23 Defaulting Lenders.

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 10.1.

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of any such Defaulting Lender that has failed to comply with its funding obligations under Section 9 hereof (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) shall be applied at such time or times as may be determined by the Administrative Agent to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent or any Indemnitee hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender and each Lender irrevocably consents hereto.

(iii) Fees shall cease to accrue on the undrawn portion of the Commitment of such Defaulting Lender pursuant to Section 2.6.

(b) If the Borrower and the Administrative Agent agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of the Borrower or any other party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 3.

[RESERVED**]**

SECTION 4.

REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement on the Effective Date, and to make the Loans on the Closing Date, Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender on the Effective Date (solely with respect to the Effective Date Specified Representations) and the Closing Date that:

4.1 Financial Condition. The Closing Date Audited Financial Statements fairly present in all material respects the consolidated financial condition of Holdings as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The Closing Date Unaudited Financial Statements fairly present in all material respects the consolidated financial condition of Holdings as at such date, and the consolidated results of its operations and its consolidated cash flows for the period commencing on the first day of such fiscal year and ending on such date (subject to normal year end audit adjustments and, in the case of unaudited financial statements, the absence of footnotes). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein and, in the case of unaudited financial statements, the absence of footnotes and subject to normal year end audit adjustments). Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Holdings and the Borrower to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

4.2 No Change. Except as disclosed in the Holdings SEC Documents and the Company SEC Documents filed with the SEC since January 1, 2008 but prior to December 6, 2010 (excluding any risk factor disclosures contained under the heading “Risk Factors”, any disclosure of risk included in any “forward-looking statements” disclaimer or any other statements that are similarly predictive or forward-looking in nature), since December 31, 2009, no event or condition has occurred or changed that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Loan Party (a) is organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that such non-compliance, singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations.

(a) Each Loan Party has the corporate power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement.

(b) No authorization or approval of, filing with, notice to or other act by or in respect of, any Governmental Authority is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, other than any such consents, authorizations, filings and notices which have been obtained or made and are in full force and effect.

(c) Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto.

(d) This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not violate the articles of incorporation or the by-laws of Holdings or the Borrower or any material Requirement of Law applicable to Holdings or the Borrower. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of proceeds thereof will not violate any material Contractual Obligation of any of Holdings, the Borrower or their respective Subsidiaries that could reasonably be expected to have a Material Adverse Effect and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation.

4.6 Litigation. No litigation, arbitration or administrative proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened (i) against Holdings or the Borrower or any of their respective Subsidiaries to restrain the entry by Holdings or the Borrower into, the enforcement of or exercise of any rights by the Lenders or the Administrative Agent under, or the performance or compliance by the Borrower with any obligations under, this Agreement, the Notes, or the Guarantee Agreement, or (ii) against Holdings or the Borrower or any of their Subsidiaries which has had or would reasonably be expected to have a Material Adverse Effect.

4.7 No Default. None of Holdings, the Borrower nor any of their respective Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its material Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.8 Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its real property which is material to the operation of such Group Member's business, and good title to, or a valid leasehold interest in, all its other property which is material to the operation of such Group Member's business, and none of such property is subject to any Lien except as permitted by Section 7.2.

4.9 Intellectual Property. (i) Each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted; (ii) no material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does Holdings or the Borrower know of any valid basis for any such claim and (iii) the use of Intellectual Property which is material to the operation of each Group Member's business does not infringe on the rights of any Person in any material respect.

4.10 Taxes. Each Group Member has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member); no tax Lien has been filed (except as permitted under Section 7.2(c)) and, to the knowledge of Holdings and the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge (other than any such tax, fee or charge, the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member).

4.11 Margin Regulation. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used in any manner which violates Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U 1, as applicable, referred to in Regulation U. After application of the proceeds of all Loans and any purchases funded thereby, less than 25% of the assets of Holdings and the Borrower and their Subsidiaries consist of "margin stock" (as defined in Regulation U).

4.12 ERISA. Neither a Reportable Event nor any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and, to the knowledge and belief of Holdings and the Borrower, each Plan has complied in all material respects with the applicable provisions of ERISA and the Code except where non-compliance, either singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by an amount that could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a liability or loss under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any liability or loss under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made, in any case where, either singly or in the aggregate, the aggregate amount of loss or liability could not reasonably be expected to have a Material Adverse Effect.

4.13 Investment Company Act; Other Regulations. No Loan Party is an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to borrow Loans under this Agreement.

4.14 Subsidiaries. As of the Effective Date, (a) Schedule 4.14 sets forth the name and jurisdiction of incorporation of each Subsidiary of each of Holdings and the Borrower and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) except as set forth on Schedule 4.14, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock performance grants granted to employees or directors and directors’ qualifying shares) of any nature relating to any Capital Stock of the Borrower or any of Holdings’ or the Borrower’s respective Subsidiaries, except as created by the Loan Documents.

4.15 Use of Proceeds. The proceeds of the Loans shall be used to fund, in part, the Merger Cash Consideration and to pay Transactions Costs.

4.16 Environmental Matters. Except (i) as may be disclosed on Schedule 4.16. or (ii) as, either singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by any of Holdings, the Borrower, or their respective Subsidiaries (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) none of Holdings, the Borrower, or their respective Subsidiaries has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any of them (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings and the Borrower, threatened, under any Environmental Law to which any of Holdings, the Borrower, or their respective Subsidiaries is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

4.17 Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document, the Lender Presentation or any other document, certificate or written statement furnished by any Loan Party or other statement made or furnished by any Loan Party, in each case to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished (or, in the case of the Lender Presentation, as of the date of this Agreement), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, in the Lender Presentation or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.18 Solvency. On the Closing Date, Holdings and its Subsidiaries, on a consolidated basis, after giving effect to the Transactions and the other transactions contemplated hereby to occur on the Closing Date, are Solvent.

4.19 Status of Loans and Guarantee Agreement. The obligations of Borrower and Holdings in respect of the Loans and the Guarantee Agreement, respectively, constitute senior, unsubordinated, unsecured, direct obligations of such Loan Parties and rank *pari passu* with such Loan Parties' other senior, unsubordinated, unsecured obligations.

4.20 OFAC. No Loan Party (i) is a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such person in any manner violative of Section 2, or (iii) is a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other OFAC regulation or executive order.

4.21 PATRIOT Act. Each Loan Party is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the PATRIOT Act. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

4.22 Certain Fees. Neither Holdings nor the Borrower has incurred any material obligation to pay any broker's or finder's fee or commission with respect to this Agreement, except as payable to the Agents, the Arranger and Lenders.

SECTION 5.

CONDITIONS PRECEDENT

5.1 Conditions to Effectiveness. The effectiveness of this Agreement on the Effective Date is subject to the satisfaction on the Effective Date of the following conditions precedent:

(a) Credit Agreement; Guarantee Agreement. The Administrative Agent shall have received (i) this Agreement executed and delivered by the Agents, Holdings, the Borrower and each Lender, (ii) the Notes requested by the Lenders as executed and delivered by the Borrower, and (iii) the Guarantee Agreement executed and delivered by Holdings.

(b) Fees. The Lenders, the Arrangers and the Administrative Agent shall have received all fees required to be paid (including, without limitation, all fees due under the Fee Letter), and all expenses for which reasonably detailed invoices have been presented (but only the reasonable fees and out-of-pocket expenses of one legal counsel to the Administrative Agent), on or before the Effective Date.

(c) Legal Opinions. The Administrative Agent shall have received the executed legal opinions of (1) Kilpatrick Stockton LLP, special Georgia counsel to Holdings, (2) Woodburn and Wedge, special Nevada counsel to the Borrower and (3) Dewey & LeBoeuf LLP, special New York counsel to Holdings and the Borrower, substantially in the forms of Exhibits E-l, E-2, and E-3.

(d) Certificate of Officers. The Administrative Agent shall have received certificates of the Secretary or an Assistant Secretary of the Borrower and Holdings containing specimen signatures of the persons authorized to execute the Loan Documents on behalf of the Borrower and Holdings, and any other documents provided for herein or therein, together with (x) copies of resolutions of the Boards of Directors of (i) the Borrower authorizing the execution and delivery of the Loan Documents and (ii) Holdings authorizing the execution and delivery of the Loan Documents and the Merger Agreement, (y) copies of the Borrower's and Holdings' articles or certificate of incorporation, by-laws, and other governing or organizational documents, and (z) a certificate of good standing from the Office of the Secretary of State of the state of organization of each of the Borrower and Holdings.

(e) Amendments of Existing Credit Agreement and the Existing LC Reimbursement Agreements. Prior to or simultaneously with the effectiveness of this Agreement, an amendment to each of the Existing Credit Agreement and each Existing LC Reimbursement Agreement shall have become effective, in form and substance reasonably acceptable to the Arranger.

(f) PATRIOT Act. The Borrower and Holdings shall have delivered to the Administrative Agent at least 10 days prior to the Effective Date all documentation and other information requested by the Administrative Agent that is required to satisfy applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act.

On and after the Effective Date, the rights and obligations of the parties hereto shall be governed by the provisions hereof.

Without limiting the generality of the provisions of Section 9, for purposes of determining compliance with the conditions specified in this Section 5.1, each Lender 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 Lender, other than the payment of fees required to be paid under Section 5.1(b), which requirement shall be satisfied only upon a Lender's receipt of such payment in immediately available funds, unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

5.2 Conditions to the Loans. The agreement of each Lender to make any extension of credit requested to be made by it on the Closing Date is subject to the additional satisfaction on the Closing Date of the following conditions precedent:

(a) Certain Documents. The Administrative Agent shall have received on or prior to the Closing Date each of the following, each dated the Closing Date unless otherwise indicated or agreed to by the Administrative Agent:

(i) a closing certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments;

(ii) a "bring-down" certificate of the applicable Secretary of State, dated as of the Closing Date, as to the good standing of Holdings and the Borrower in their respective jurisdictions of incorporation; and

(iii) a fully executed and delivered Funding Notice.

(b) Fees. The Lenders, the Arrangers and the Administrative Agent shall have received all fees required to be paid (including, without limitation, all fees due under the Fee Letter), and all expenses for which reasonably detailed invoices have been presented (but only the reasonable fees and out-of-pocket expenses of one legal counsel to the Administrative Agent), on or before the Closing Date.

(c) Company Material Adverse Effect.

Except (A) as disclosed in the Company SEC Documents filed with the SEC since January 1, 2008 but prior to December 6, 2010 (excluding any risk factor disclosures contained under the heading "Risk Factors", any disclosure of risk included in any "forward-looking statements" disclaimer or any other statements that are similarly predictive or forward-looking in nature) and (B) as disclosed in the Company Disclosure Letter (as defined in the Merger Agreement as in effect on December 6, 2010), there not having occurred, since December 31, 2009, any change, event or development which has had, or would reasonably be expected to have, a Company Material Adverse Effect.

(d) Holdings Material Adverse Effect. Except (A) as disclosed in the Holdings SEC Documents filed with the SEC since January 1, 2008 but prior to December 6, 2010 (excluding any risk factor disclosures contained under the heading "Risk Factors", any disclosure of risk included in any "forward-looking statements" disclaimer or any other statements that are similarly predictive or forward-looking in nature) and (B) as disclosed in the Parent Disclosure Letter (as defined in the Merger Agreement as in effect on December 6, 2010), there not having occurred, since December 31, 2009, any change, event or development which has had, or would reasonably be expected to have, a Holdings Material Adverse Effect.

(e) Representations and Warranties.

(i) Each of the Merger Agreement Representations shall be true and correct; and

(ii) each of the Closing Date Specified Representations shall be true and correct.

(f) Agreement and Plan of Merger.

The Administrative Agent and Arranger shall have received fully executed and conformed copies of the Merger Documents. The Merger shall be consummated, substantially concurrently with or prior to any funding pursuant to the Transactions, in accordance with all applicable laws and the terms of the Merger Agreement, without giving effect to any amendments, supplements, extensions, waivers or other modifications by any party thereto (other than waivers or modifications solely by the Company with respect to breaches of representations and warranties made by Holdings or one of its Subsidiaries under the Merger Agreement) which are material and adverse to the Lenders or the Arranger (including without limitation, with respect to the conditions precedent referred to therein), or consents thereunder, without the consent of the Arranger (it being understood that (x) any increase or reduction in the Merger Consideration in excess of $150,000,000 in the aggregate since December 6, 2010, or any change in the percentage of the Merger Consideration constituting the Merger Cash Consideration, shall be deemed to be material and adverse and (y) any increase or reduction in the Merger Consideration equal to or less than $150,000,000 in the aggregate since December 6, 2010 shall not be deemed to be material and adverse).

(g) Indebtedness.

On the Closing Date, (i) the Company and its Subsidiaries shall have repaid in full all outstanding Indebtedness for borrowed money, terminated any commitments to lend or make other extensions of credit thereunder, delivered to Administrative Agent all documents or instruments necessary to release all Liens securing such Indebtedness or other obligations of the Company and its Subsidiaries thereunder being repaid on the Closing Date, and made arrangements satisfactory to the Administrative Agent and Arranger with respect to the cancellation of any letters of credit outstanding thereunder and (ii) neither Holdings nor any of its Subsidiaries shall have any outstanding Indebtedness for borrowed money or preferred stock other than (a) the Loans, (b) any Permanent Financing, (c) any Indebtedness set forth on Schedule 5.2(c) hereto, (d) certain commercial paper or Permitted Letters of Credit of Holdings and its Subsidiaries (but expressly not the Company) with new commercial paper or Permitted Letters of Credit or, with the prior written consent of the Administrative Agent, other Indebtedness satisfactory to the Administrative Agent and (e) any Permitted Debt.

(h) No Default. No Default or Event of Default pursuant to Section 8(c) of this Agreement, but solely with respect to any default by a Loan Party in the observance or performance of the “Consolidated Total Debt to Total Capitalization” covenant set forth in Section 7.1 of this Agreement, shall have occurred and be continuing on the Closing Date after giving effect to the Transactions, including the funding of the Loans. No default, event or condition of the type described in clauses (i), (ii) or (iii) of Section 8(e) shall have occurred and be continuing on the Closing Date with respect to any other Indebtedness of any Group Member having an aggregate principal amount outstanding in excess of $100,000,000 (which, in the case of Indebtedness arising under any Hedge Agreement, shall be determined as the amount, if any, that would then be payable by the Group Member thereunder if such Hedge Agreement were to be terminated as a result of default by such Group Member), except to the extent resulting solely from the consummation of the Transactions and to the extent such Indebtedness is not outstanding after the Closing Date.

(i) Financial Statements. The Arranger shall have received:

(i) at least 30 days prior to the Closing Date, U.S. GAAP audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of each of Holdings and the Company for the three most recent fiscal years ended at least 95 days prior to the Closing Date and meeting the requirements of Regulation S-X under the Securities Act and all other accounting rules and regulations of the SEC promulgated thereunder applicable to a registration statement under the Securities Act on Form S-1 (the "Closing Date Audited Financial Statements");

(ii) as soon as available, and in any event at least 30 days prior to the Closing Date, U.S. GAAP unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Holdings and the Company for each subsequent interim period or periods ended at least 45 days prior the Closing Date (the "Closing Date Unaudited Financial Statements"); and

(iii) additional audited (if available) and unaudited balance sheets and related statements of income, stockholders' equity and cash flows for all recent, probable or pending acquisitions (other than the Company) occurring at least 30 days prior to the Closing Date meeting the requirements of Regulation S-X under the Securities Act and all other accounting rules and regulations of the SEC promulgated thereunder applicable to a registration statement under the Securities Act on Form S-1.

(j) Pro Forma Balance Sheet.

The Arranger shall have received a pro forma consolidated balance sheet and related pro forma consolidated statement of income of Holdings and the Company as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period for which financial statements have been delivered pursuant to clause (i)(ii) above, prepared after giving effect to the Transactions and, to the extent applicable, any probable or pending acquisitions or divestitures, as if the Transactions (or such pending acquisitions or divestitures) had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of the income statement), which pro forma financial statements shall meet the requirements of Regulation S-X under the Securities Act and all other accounting rules and regulations of the SEC promulgated thereunder applicable to a registration statement under the Securities Act on Form S-1.

(k) Minimum Liquidity.

After giving effect to the Transactions, including the funding of this Facility, the Borrower shall have (A) unfunded commitments available for borrowing under the Existing Credit Agreement, any Permitted Incremental Facility, any Permitted Nicor Revolver Refinancing and any Permitted Combined Revolver Refinancing less the aggregate amount of any outstanding commercial paper of Holdings and its Subsidiaries plus (B) unrestricted cash and Cash Equivalents on hand at Holdings and the Borrower in an aggregate amount, in the case of (A) plus (B), equal to at least $200,000,000.

(l) No Litigation or Injunction. There shall not exist any ongoing or pending action, suit, proceeding, in any court or before any arbitrator or Governmental Authority affecting the Facility. There shall not exist any outstanding injunction affecting the Transactions.

(m) Governmental Authorizations and Third Party Consents. The Loan Parties shall have obtained evidence of (A) clearance from the SEC of the joint proxy statement and requisite approvals from the shareholders of Holdings and the Company, (B) state regulatory approvals from each of the Illinois Commerce Commission and the California Public Utilities Commission, and (C) requisite approval of the Federal Communications Commission and compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended), and the rules and regulations promulgated thereunder, and other applicable foreign or supranational antitrust and competition laws.

(n) Solvency Certificate. The Arrangers shall have received a Solvency Certificate from the chief financial officer of Holdings in the form attached as Exhibit H or otherwise in form and substance reasonably satisfactory to the Arranger certifying that as of the Closing Date Holdings and its Subsidiaries, on a consolidated basis after giving effect to the Transactions and the other transactions contemplated hereby to occur on the Closing Date, are Solvent.

(o) Compliance with Other Obligations.

(i) The Borrower shall have complied in all material respects with all of its other obligations under the Commitment Letter, the Fee Letter and the Engagement Letter referred to therein, including the “market flex” and the “clear market” provisions thereunder.

(ii) The Borrower shall have used commercially reasonable efforts to cause the Senior Notes to be issued or placed on or prior to the Closing Date, which efforts will include, without limitation, (A) the completion and delivery to the Financial Institution at least twenty (20) consecutive business days prior to the Closing Date (the period between such delivery and the Closing Date, the “Senior Notes Marketing Period”), of a preliminary prospectus, preliminary offering memorandum or preliminary private placement memorandum (each, an “Offering Memorandum”) for the offer and sale of the Senior Notes pursuant to a registration statement, Rule 144A or other private placement, in each case, under the Securities Act, containing such disclosures as may be required by applicable laws, as are customary for such a document (including, to the extent applicable, all audited, unaudited, pro forma and other financial statements and schedules of Holdings and the Borrower as would be required in a registered public offering of Senior Notes by the Borrower), which Offering Memorandum will be in a form that will enable the independent registered public accountants of the Borrower to render a customary “comfort letter” (including customary “negative assurances”), and (B) delivery by such independent registered public accountants of draft customary “comfort letters” in the form that such accountants are prepared to issue upon completion of customary procedures at pricing and closing of such Senior Notes (such drafts shall be delivered for review and comment by the Financial Institution within a reasonable time prior to their issuance); provided, that such Senior Notes Marketing Period shall not include (i) any period during which the Senior Notes cannot be offered or sold because of a black-out period imposed by the Borrower for any reason or by applicable securities law or (ii) any day from and including (A) December 17, 2010 through and including January 3, 2011, (B) August 19, 2011 through and including September 5, 2011, (C) November 18, 2011 through and including November 28, 2011 or (D) December 16, 2011 through and including January 2, 2012.

(p) Ratings Condition. As of the Closing Date,

the Borrower shall have a S&P Rating of at least BBB- and a Moody's Rating of at least Baa3, in each case pro forma for the Transactions and with a stable or better outlook. All such ratings shall be determined from the most recent public announcement or publication of any changes in such ratings and shall have continued through the Closing Date.

(q) Closing Date. The Closing Date shall have occurred on or prior to the Commitment Termination Date.

The borrowing by the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

SECTION 6.

AFFIRMATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of Holdings and the Borrower shall and shall cause each other Group Member to:

6.1 Financial Statements. Furnish to the Administrative Agent for delivery to the Lenders:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of Holdings, a copy of the audited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on for such fiscal year without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Holdings' independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of Holdings (other than the last fiscal quarter of each fiscal year), a copy of the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries, as at the end of such quarter and the related unaudited statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as having been prepared in accordance with GAAP (other than the omission of footnotes and subject to normal year end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein and in the case of quarterly financial statements except for the omission of footnotes and subject to normal year end audit adjustments). Holdings, the Borrower and each Lender acknowledge that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to this Section 6.1 or otherwise are being distributed through the Platform, any document or notice that Holdings or Borrower has indicated contains Non-Public Information shall not be posted on that portion of the Platform designated for such Public Lenders. Each of Holdings and the Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of Holdings or the Borrower which is suitable to make available to Public Lenders. If Holdings or the Borrower has not indicated whether a document or notice delivered pursuant to this Section 6.1 contains Non-Public Information, the Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material non-public information with respect to Holdings, its Subsidiaries and their securities.

6.2 Certificates; Other Information. Furnish to the Administrative Agent for delivery to the Lenders (or, in the case of clause (d), to the relevant Lender):

(a) concurrently with the delivery of any financial statements pursuant to Section 6.1. (i) a certificate of a Responsible Officer stating that, to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) a Compliance Certificate containing all information and calculations necessary for determining compliance by each Group Member with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of Holdings, as the case may be;

(b) (i) prompt notice to the Administrative Agent of any failure by Holdings or the Borrower to file with the SEC any annual report on Form 10-K or quarterly report on Form 10-Q on or before the date such report is required to be filed pursuant to SEC regulations, and (ii) within five days after the same is filed, notice to the Administrative Agent of the filing of any such annual report on Form 10-K or quarterly report on Form 10-Q that had not previously been filed by Holdings or the Borrower as described in the preceding clause (i), and the availability to the Lenders of such filing through electronic access;

(c) within five days after the same is filed, notice to the Administrative Agent of the filing by Holdings or the Borrower with the SEC of any proxy statement, and the availability to the Lenders of such filing through electronic access;

(d) at least three (3) Business Days prior to the consummation of the Merger (or at such other time as the Administrative Agent may agree), a certificate of a Responsible Officer in form reasonably satisfactory to the Administrative Agent supplementing or reaffirming, as the case may be, the information set forth on Schedule 7.2(j), it being understood that any modification to such Schedule may not be deemed or construed to amend such Schedule in any respect unless such modification is satisfactory to the Administrative Agent in its reasonable discretion;

(e) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its Federal, state and other material taxes and other material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

6.4 Maintenance of Existence; Compliance.

(a) (i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.3 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain insurance (either with financially sound insurance companies or through self-insurance) on all its property in at least such amounts and against at least such risks (but including in any event public liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in respect of Holdings, the Borrower, and their respective Subsidiaries in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to their business and activities and (b) permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records during normal business hours and, if no Event of Default has occurred and is continuing, upon reasonable notice and as often as may reasonably be desired and to discuss their respective businesses, operations, properties and financial and other condition with their respective officers and employees and with their independent certified public accountants; provided, that unless an Event of Default has occurred and is continuing, the Administrative Agent and the Lenders shall use their reasonable efforts to coordinate any such visits or inspections so as to minimize disruption of the conduct of their respective businesses, as applicable.

6.7 Notices. Promptly, and in any event within three Business Days after any Responsible Officer of the Borrower or Holdings knows or has reason to know of the same, give notice to the Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) the following events, at such time as a Responsible Officer has knowledge thereof; any (i) default or event of default under any material Contractual Obligation of any of Holdings, the Borrower, or their respective Subsidiaries or (ii) litigation or governmental proceeding that may exist at any time between any of Holdings, the Borrower, or their respective Subsidiaries and any Governmental Authority, and (iii) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan, that in any of the foregoing cases (i) through (iii) singly or in the aggregate, could reasonably be expected to result in liabilities, losses or claims to the Group Members in an aggregate amount in excess of $100,000,000; and

(c) any adverse change in or downgrade of, or withdrawal or suspension of, the Moody's Rating or the S&P Rating of which Holdings or the Borrower has received written notification or of which Holdings or the Borrower becomes aware of the public announcement thereof.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.8 Environmental Laws.

(a) Comply in all material respects with, and contractually require compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and contractually require that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws except where such non-compliance would not reasonably be expected to have a Material Adverse Effect.

(b) Conduct and complete in all material respects all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and comply in a timely manner in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9 Maintenance of Ownership. In the case of Holdings, own 100% of the Capital Stock of the Borrower, Atlanta Gas Light Company, Pivotal Utilities Holdings, Inc., Virginia Natural Gas, Inc. and, after the Closing Date, the Company, and directly or indirectly, Northern Illinois Gas Company.

6.10 OFAC, PATRIOT Act Compliance. Each of the Borrower and Holdings will, and will cause each Group Member to, (i) refrain from doing business in a Sanctioned Country or with a Sanctioned Person in violation of the economic sanctions of the United States administered by OFAC, and (ii) provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the PATRIOT Act.

6.11 Distribution of Proceeds. Each of the Borrower and Holdings will, and will cause each Group Member to, use commercially reasonable efforts to cause any Net Cash Proceeds received by an Excluded Subsidiary in respect of any Disposition, Recovery Event, Specified Equity Issuance or Specified Debt Incurrence (other than, in the case of any Disposition or Recovery Event, Net Cash Proceeds (without giving effect to the Asset Sale Proceeds Threshold) in an aggregate principal amount of less than $100,000,000 individually or in the aggregate for all such Dispositions and Recovery Events since December 6, 2010) to be distributed as soon as practicable after receipt thereof by such Excluded Subsidiary to Holdings, the Borrower or any Subsidiary (other than any Excluded Subsidiary); provided that in the event that one or more of the regulatory approvals described in Section 5.2(m) requires any Disposition as a condition to such approval, the use of "commercially reasonable efforts" required pursuant to the foregoing proviso shall include Holdings and its Subsidiaries requesting the approval of such regulator to distribute the proceeds of such Disposition to Holdings, the Borrower or another Wholly-Owned Subsidiary of Holdings that is not an Excluded Subsidiary as soon as practicable.

6.12 Compliance with Other Obligations. The Borrower shall comply in all material respects with all of its other obligations under the Commitment Letter and the Fee Letter, including the "market flex" and the "clear market" provisions thereunder, and shall have used commercially reasonable efforts to market the Senior Notes as previously agreed by the Borrower and the Arranger.

6.13 Refinancing of Loans. Each of the Borrower and Holdings will use commercially reasonable efforts to refinance the Loans as promptly as practicable following the Closing Date.

6.14 Ratings. Holdings and the Borrower shall use commercially reasonable efforts to maintain a Moody's Rating and a S&P Rating.

SECTION 7.

NEGATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, during the term of this Agreement, and so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of Holdings and the Borrower shall not, and shall not permit any of the other Group Members to, directly or indirectly:

7.1 Financial Condition Covenant. Permit the ratio of Consolidated Total Debt to Total Capitalization to be greater than 0.70:1.00 as of the end of any fiscal month of Holdings (as determined by Holdings and the Borrower based on their internal fiscal month-end consolidated balance sheet prepared not later than ten days following the end of such fiscal month) or at the end of any fiscal quarter of Holdings (as reflected on the consolidated financial statements delivered to the Lenders pursuant to Section 6.1).

7.2 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Mechanics', materialmen's, carriers', and other similar Liens arising in the ordinary course of business that are not overdue for a period longer than 30 days or that are being contested in good faith by appropriate proceedings;

(b) Pledges or deposits in connection with workers' compensation, unemployment insurance, and other social security legislation;

(c) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the consolidated books of Holdings in conformity with GAAP;

(d) Liens in respect of judgments or awards pending appeal (other than judgments or awards not constituting an Event of Default under Section 8(h)) so long as execution is not levied thereunder, and Liens in favor of plaintiff or defendant in any action before a court or a tribunal as security for costs or expenses where such action is being prosecuted or defended in the bona fide interest of Holdings or any other Group Member;

(e) Liens on deposits to secure, or any Lien otherwise securing, the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety bonds, appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) Liens on any fixed or capital assets to secure the purchase of or the cost of construction or improvement of such fixed or capital assets or to secure Indebtedness permitted under Section 7.12(h); provided, that (i) such Lien secures Indebtedness which on the date incurred and after giving pro forma effect thereto is permitted under Section 7.1; (ii) such Lien attaches to such asset concurrently or within 90 days after the acquisition, improvement or completion of the construction thereof; (iii) such Lien does not extend to any other asset of any Group Member; and (iv) the Indebtedness secured by such Lien does not exceed the cost of acquiring, constructing or improving such fixed or capital assets;

(g) Liens securing Indebtedness permitted by Section 7.12(e), provided any such Lien shall encumber only those assets which secured such Indebtedness at the time such assets were acquired by Holdings or any other Group Member;

(h) Liens constituted by a right of set off, or rights over a margin call account, or any form of cash collateral, or any similar arrangement, in any such case for obligations incurred in respect of any Hedge Agreements, as renewed or extended upon the renewal or extension or refinancing or replacement of the obligations secured thereby;

(i) Liens existing on the Effective Date and set forth on Schedule 7.2(i) as renewed, extended, refinanced or replaced, provided that such renewal, extension, refinancing, or replacement does not cover any other Assets or increase the obligations secured thereby;

(j) (1) Liens on the property of the Company and its Subsidiaries existing at the time the Merger is consummated and not incurred in contemplation of the Merger (but in the case of Liens securing Indebtedness for borrowed money, only to the extent set forth on Schedule 7.2(j) as such Schedule may be supplemented pursuant to Section 6.2(d) hereof) and (2) other Liens on the property of a Person existing at the time such Person is merged into or consolidated with Holdings or any other Group Member and not incurred in contemplation with such merger or consolidation (for the avoidance of doubt, not including any Liens described in the foregoing clause (1)) in an aggregate principal amount which does not exceed $100,000,000; and

(k) Liens created or outstanding on Assets of Holdings or other Group Members, provided that the aggregate outstanding principal, capital and nominal amounts secured by all Liens created or outstanding as permitted under clauses (f), (g), (h), (i) and (j)(2) above and this clause (k), together with the amount of any unsecured Indebtedness permitted under Section 7.12(j) shall not at any time exceed $400,000,000.

7.3 Fundamental Changes. Other than the Merger, merge, consolidate or amalgamate, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that so long as no Default or Event of Default has occurred and is continuing or would result therefrom:

(a) any entity may be merged or consolidated with or into Holdings (provided that Holdings shall be the continuing or surviving corporation) or any other Subsidiary of Holdings (provided that such Subsidiary shall be the continuing or surviving corporation); and

(b) any Subsidiary of Holdings may Dispose of any or all of its Assets (i) to (x) Holdings or Borrower or (y) except in the case of the Borrower, any other Subsidiary of Holdings (upon voluntary liquidation or otherwise) or (ii) pursuant to a Disposition permitted by Section 7.4 and may thereafter liquidate, wind up or dissolve.

7.4 Disposition of Property. Dispose of any of its Assets (including pursuant to any sale-leaseback transactions), whether now owned or hereafter acquired, or, in the case of Holdings or any of its Subsidiaries, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) Dispositions in the ordinary course of business of obsolete or worn out property or property no longer used or useful;

(b) sales of inventory in the ordinary course of business;

(c) Dispositions permitted by Section 7.3(b)(i);

(d) sales or issuances of the Capital Stock of any Subsidiary (other than the Borrower) to Holdings or to any Subsidiary of Holdings; and

(e) the Disposition of other Assets, the aggregate net book value of which, when combined with all such other Assets sold, leased, transferred or otherwise disposed of since September 30, 2010, would not exceed 20% of Holdings' consolidated Assets at the end of the preceding fiscal quarter (including the fourth fiscal quarter) of Holdings for which financial statements have most recently been delivered to the Administrative Agent pursuant to Section 6.1; provided, that (1) the consideration received for such Dispositions shall be in an amount at least equal to (y) the fair market value thereof (determined in good faith by the board of directors of Borrower (or similar governing body)) or (z) in the case of an Excluded Subsidiary, such amount as may be approved by any Governmental Authority having regulatory jurisdiction over such Excluded Subsidiary, (2) no less than 75% thereof shall be paid in Cash, and (3) the Net Cash Proceeds thereof shall be applied as required by Section 2.7 or 2.9, as applicable.

7.5 Restricted Payments; Repayment of Debt.

(a) Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

(i) any Subsidiary may make Restricted Payments to Holdings or to any Subsidiary of Holdings or to any third-party investors in any Subsidiary of Holdings;

(ii) so long as no Event of Default shall have occurred and be continuing or result therefrom, Holdings may pay ordinary cash dividends on shares of its Capital Stock in a manner consistent with the past practice of Holdings (on a per share basis after giving effect to any stock splits); provided that Holdings may pay dividends on shares of its Capital Stock within 60 days after the date of declaration thereof, so long as on the date of declaration no Event of Default shall have occurred and be continuing or result therefrom; and

(iii) so long as no Event of Default shall have occurred and be continuing or result therefrom, Holdings may repurchase any outstanding shares of its Capital Stock in a manner consistent with the past practice of Holdings.

(b) Repay, redeem, retire or defease any Indebtedness in order to cure any default or defaults thereunder; provided, that each of Holdings and the Borrower is permitted, and is permitted to permit any of the other Group Members, to repay, redeem, retire or defease (x) up to $25,000,000 in aggregate principal amount of all such Indebtedness in order to cure any default or defaults thereunder and (y) Indebtedness set forth in Schedule 5.2(g) in order to cure any default or defaults thereunder; provided, that in the case of this sub-clause (y), such Indebtedness shall be repaid or repurchased in full and all commitments relating thereto shall be terminated on or prior to the Closing Date.

7.6 **[***Reserved***]**.

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) Guarantee Obligations otherwise permitted by this Agreement;

(d) loans and advances to employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed $2,000,000 at any one time outstanding;

(e) the Acquisition;

(f) (x) acquire (by merger or otherwise) a majority of Equity Interests (with ordinary voting power) or all or substantially all of the assets of any other Person (other than Holdings, the Borrower and their Subsidiaries) or (y) make investments in any other Person (other than Holdings, the Borrower and their Subsidiaries) by acquiring less than a majority of the Equity Interests (with ordinary voting power) of such Person (excluding any investments made in connection with Holdings', the Borrower's and any Subsidiary's normal cash management activities) in an aggregate amount, together with amounts permitted under clause (i) below, not to exceed $350,000,000; provided that no Event of Default shall have occurred and be continuing or result therefrom;

(g) (x) intercompany Investments between Holdings and the Borrower, (y) intercompany Investments between Group Members (other than Holdings and the Borrower) and (z) intercompany Investments between any Group Member (other than Holdings and the Borrower) and Holdings and the Borrower to the extent necessary (i) in the ordinary course of business or (ii) as may be reasonably necessary to effectuate the Merger;

(h) any Investments made by the Company or its Subsidiaries existing at the time the Merger is consummated; provided, that such Investment was not made in contemplation of the Merger; and

(i) other Investments, together with amounts permitted under clause (f) above, not to exceed $350,000,000.

7.8 Negative Pledge Clauses. Except for the agreements listed or described on Schedule 7.8, enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (c) any agreement in effect at the time any Person becomes a Subsidiary of Holdings (including by way of merger or consolidation); provided that such agreement was not entered into in contemplation of such Person becoming a Subsidiary.

7.9 Clauses Restricting Subsidiary Distributions. Except for the agreements listed on Schedule 7.8, enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of Holdings to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, Holdings or any other Subsidiary of Holdings, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of Holdings or (c) transfer any of its assets to Holdings or any other Subsidiary of Holdings, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions with respect to a Subsidiary imposed pursuant to an agreement permitted hereunder that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or Assets of such Subsidiary (in which case, any restriction shall only be effective against such Capital Stock or Assets), (ii) any agreements with joint venture partners in connection with joint ventures permitted by this Agreement, (iii) any agreement in effect at the time any Person becomes a Subsidiary of Holdings (including by way of merger or consolidation); provided that such agreement was not entered into in contemplation of such Person becoming a Subsidiary, (iv) solely in the case of clause (c) above, any agreement governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (v) solely in the case of clause (c) above, customary provisions in leases, licenses and other contracts restricting the assignment thereof.

7.10 Lines of Business and Hedge Activities. (a) With respect to Holdings and each Subsidiary (other than the Borrower), enter into any business, either directly or through any Subsidiary, except for (i) those businesses in which Holdings and its Subsidiaries (other than the Borrower) and its existing joint ventures are engaged on the date of this Agreement (or, in the case of the Company and its Subsidiaries, the Closing Date), (ii) that are reasonably related to the businesses referred to in the preceding clause (i), or (iii) that are being undertaken by comparable companies in the natural gas and electricity industries, (b) with respect to the Borrower, enter into any business, except for that in which the Borrower is engaged on the Effective Date, or (c) with respect to Holdings, the Borrower, and each other Group Member, enter into any Hedge Agreement except in the ordinary course of their business and consistent with industry practices.

7.11 **[***Reserved***]**.

7.12 Indebtedness.

Incur, create, assume or permit to exist, or permit any Indebtedness (including Guarantees Obligations) except:

(a) the Obligations and any extensions, renewals, replacements or refinancings thereof whether in whole or in part (including any Permanent Financing) and, to the extent issued in lieu thereof on or prior to the Closing Date, any Permanent Financing;

(b) the Permitted Term Facility (and, to the extent issued in lieu thereof, any Permitted 2011 Notes Refinancing), as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of the Permitted 2011 Notes Refinancing or any other sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture) in an aggregate principal amount not to exceed $300,000,000;

(c) (i) the Existing Credit Agreement (including any extensions, renewals, replacements or refinancings thereof pursuant to any Permitted Nicor Revolver Refinancing or Permitted Combined Revolver Refinancing) in an aggregate principal amount not to exceed $1,750,000,000 and (ii) other Indebtedness existing as of the Effective Date and anticipated to be existing as of the Closing Date and set forth on Schedule 5.2(c) and any extensions, renewals, replacements or refinancings thereof;

(d) Indebtedness under Hedge Agreements permitted under Section 7.10(c);

(e) Indebtedness assumed in connection with any acquisition, merger or consolidation permitted under Section 7.7 that is secured only by the assets or business acquired in the applicable acquisition, merger or consolidation (including any acquired Equity Interests) in an aggregate principal amount which does not exceed $100,000,000 at any time and so long as both immediately prior to and after giving effect thereto, no Event of Default shall have occurred and be continuing or would result therefrom;

(f) Indebtedness of Holdings in an aggregate principal amount which does not exceed $5,000,000 at any time;

(g) (i) Indebtedness of the Group Members (other than Holdings and the Borrower) to other Group Members (other than Holdings and the Borrower), (ii) Indebtedness of Holdings to the Borrower, (iii) Indebtedness of the Borrower to Holdings, (iv) Indebtedness of the Group Members (other than Holdings and the Borrower) to Holdings and the Borrower to the extent necessary in the ordinary course of business, and (v) Indebtedness of the Borrower and Holdings to the other Group Members to the extent necessary in the ordinary course of business;

(h) (i) purchase money Indebtedness of Holdings, Borrower or any of their respective Subsidiaries; provided, any such Indebtedness (A) shall be secured only by the asset acquired in connection with the incurrence of such Indebtedness and (B) shall constitute not less than 75% of the aggregate consideration paid with respect to such asset and (ii) Indebtedness of Holdings, the Borrower or any of their respective Subsidiaries with respect to Capital Leases;

(i) Indebtedness of the Borrower; provided that when taken as a whole (other than interest rate and redemption premiums) are not more restrictive to the Borrower and the other Group Members than those set forth in this Agreement; and

(j) other Indebtedness, the aggregate principal amount of which does not exceed, as together with Indebtedness permitted to be secured pursuant to clause (k) of Section 7.2 above, $400,000,000 at any time.

7.13 Transactions with Affiliates.

Enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of Holdings on terms that are less favorable to Holdings or its applicable Subsidiaries, as the case may be, than those that might be obtained at the time from a person who is not such a holder or Affiliate; provided, the foregoing restriction shall not apply to (a) any transaction between Borrower and Holdings; (b) reasonable and customary fees paid to members of the board of directors (or similar governing body) of Holdings and its Subsidiaries; (c) compensation arrangements for officers and other employees of Holdings and its Subsidiaries entered into in the ordinary course of business; (d) transactions described in Schedule 7.13; (e) transactions among Group Members in the ordinary course of business; and (f) in the case of an Excluded Subsidiary, any transaction approved by any Governmental Authority having regulatory jurisdiction over such Excluded Subsidiary.

7.14 Sales and Leasebacks.

Become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which such Loan Party (a) has sold or transferred or is to sell or to transfer to any other Person (other than Holdings or any of its Subsidiaries to the extent such sale or transfer is otherwise permitted hereunder), or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by such Loan Party to any Person (other than Holdings or any of its Subsidiaries to the extent such sale or transfer is otherwise permitted hereunder) in connection with such lease, unless (i) such sale or transfer is permitted pursuant to Section 7.4, (ii) if such lease is a Capital Lease, it is permitted pursuant to Section 7.12(h) and (iii) the proceeds resulting from such transaction are used to reduce Commitments to the extent required by Section 2.8 or to prepay Loans to the extent required by Section 2.9.

SECTION 8.

EVENTS OF DEFAULT

If any of the following events shall occur and be continuing; *provided*, that notwithstanding anything to the contrary herein, the occurrence of any event described in clauses (a) through (j) below shall not constitute a Default or Event of Default until the later of the Closing Date (after giving effect to the funding of the Loans on the Closing Date) and, in the case of a Default, the end of any applicable grace period (if such Default is then continuing):

(a) the Borrower shall fail to pay (i) any principal of any Loan when due in accordance with the terms hereof, or (ii) any interest on any Loan or any other amount payable hereunder or under any other Loan Document (other than any amount referred to in clause (i) above), within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; provided, that, to the extent any representation is already qualified by materiality or by reference to material adverse effect, such representation shall be true and correct (to such extent) in all respects when made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to Holdings and the Borrower only), Section 6.7(a), Section 6.9 or Section 7.1 of this Agreement; or

(d) any Loan Party shall default in the observance or performance of (i) Section 6.11 or Section 6.12 or (ii) any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section 8), and such default shall continue unremedied for a period of, in the case of clause (i), 10 days, and in the case of clause (ii), 30 days, in each case, after the earlier of (A) knowledge thereof by any Responsible Officer of any Loan Party or (B) notice to the Borrower from the Administrative Agent or the Required Lenders; or

(e) any Group Member shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto (after giving effect to any applicable cure periods); or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace or notice and cure, if any, provided in any instrument or agreement under which such Indebtedness was created; or (iii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders) to cause, the acceleration of the maturity of such Indebtedness; or any such Indebtedness shall be declared due and payable, or be required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case prior to the scheduled maturity thereof by reason of such event or condition; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the total principal amount of which exceeds in the aggregate $40,000,000 (which, in the case of Indebtedness arising under any Hedge Agreement, shall be determined as the amount, if any, that would then be payable by the Group Member thereunder if such Hedge Agreement were to be terminated as a result of default by such Group Member); or

(f) (i) any Group Member shall commence any case, proceeding or other action (A) under any Debtor Relief Law seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief under any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against any Group Member any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Group Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any failure by any Plan to satisfy the "minimum funding standard" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, results in liabilities of the Group Members in respect thereof in excess of $40,000,000; or

(h) one or more judgments or decrees shall be entered against any Group Member involving in the aggregate liabilities (not paid or not fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $40,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) the guarantee contained in Section 2 of the Guarantee Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(j) (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 30% of the outstanding common stock of Holdings or (ii) the board of directors of Holdings shall cease to consist of a majority of Continuing Directors;

then, and in any such event, (A) if such event is an Event of Default specified in paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare all or any portion of the Commitments to be terminated forthwith, whereupon such portion of the Commitments shall immediately terminate; (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable; and (iii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and applicable law. Except as expressly provided above in this Section 8, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9.

THE AGENT

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the Agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, 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 Administrative Agent. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings or any of its Subsidiaries. Except as set forth in Section 9.9, the provisions of this Section 9 are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the gross negligence or willful misconduct of any agents or attorneys in fact selected by it with reasonable care.

9.3 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) 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) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of their respective Affiliates that is communicated to or obtained by the Person serving as the 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 (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8 and 10.1) or (ii) in the absence of its own gross negligence or willful misconduct.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings or the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys in fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or affiliates.

9.7 Indemnification. To the extent that the Borrower for any reason fails to pay any amount required under Section 10.5 to be paid by it to the Administrative Agent (or any sub-agent thereof) or any other Indemnitee, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such other Indemnitee, as the case may be, such Lender's proportion (based on the percentages as used in determining the Required Lenders as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, 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 (or any such sub-agent) in its capacity as such or against any other Indemnitee of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon ten days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is ten days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

9.10 Co-Documentation Agents and Co-Syndication Agents. None of the Co-Documentation Agents or the Co- Syndication Agents shall have any duties or responsibilities hereunder in its capacity as such.

9.11 **[***Reserved***]**

SECTION 10.

MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1.

The Required Lenders and each Loan Party (any required response to the matters described in clauses (a) or (b) of this Section 10.1 not to be unreasonably delayed by any party) party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party (any required response to the matters described in clauses (a) or (b) of this Section 10.1 not to be unreasonably delayed by any party) party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive any principal amount or extend the final scheduled date of maturity of any Loan beyond the Maturity Date, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, increase the amount or extend the expiration date of any Lender's Commitment, or amend, modify or waive any provision of Section 2.8 or Section 2.9, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, or release the Guarantor from its obligations under the Guarantee Agreement without the written consent of all Lenders; (iv) amend, modify or waive any provision of Section 9.1 without the written consent of the Administrative Agent; or (v) modify or waive the definition of "Percentage", Sections 2.1(c) or 2.15 or the pro rata treatment of any Lender without the written consent of all Lenders directly affected thereby. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Notwithstanding anything to the contrary herein, (1) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended, or the final maturity thereof extended, amounts payable to such Lender hereunder may not be permanently reduced (other than reductions in fees and interest in which such reduction does not disproportionately affect such Lender), and neither this clause (x) nor the following clause (y) may be amended, in each case, without the consent of such Lender, (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender and (2) if the Administrative Agent and the Borrower shall have jointly identified (each in its sole discretion) an obvious error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the applicable Loan Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within ten (10) Business Days following the posting of such amendment to the Lenders and (3) the Commitment Letter and Fee Letter may be amended, supplemented or modified, and the rights and privileges thereunder waived, in accordance with their own terms and any amendments, supplements and modifications to the Loan Documents permitted by the Fee Letter may be made in consultation with the Borrower and without the consent of the Lenders.

10.2 Notices.

(a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

To Holdings:	AGL Resources Inc. Ten Peachtree Place NE, Suite 1000 Atlanta, Georgia 30309 Attention: Chief Financial Officer Telecopy: (404) 584-3509 Telephone: (404) 584-3580
With a copy to:	AGL Resources Inc. Ten Peachtree Place NE, Suite 1000 Atlanta, Georgia 30309 Attention: General Counsel Telecopy: (404) 584-3419 Telephone: (404) 584-3430
To the Borrower:	AGL Capital Corporation 2325-B Renaissance Drive, Suite 10 Las Vegas, Nevada 89119 Attention: President Telecopy: 702-966-4247 Telephone: 702-966-4246
To the Administrative Agent:	Goldman Sachs Bank USA 200 West Street New York, New York 10282-2198 Attention: Blake Longstaff Telecopy: 646-769-7965 Telephone: 212-902-2382
With a copy to:	Milbank, Tweed, Hadley & McCloy LLP One Chase Manhattan Plaza New York, New York 10005-1433 Attention: Lauren A. Hanrahan Telecopy: (212) 822-5339 Telephone: (212) 530-5339
To any other Lender:	the address set forth in the Administrative Questionnaire or the Assignment and Acceptance Agreement executed by such Lender

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

(b) The Borrower agrees that the Administrative Agent may make the Communications (as defined below) available to the Lenders by posting the Communications on Intralinks/Intra Agency, SyndTrak or a substantially similar electronic transmission system (the "Platform"). THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." The Agent Parties (as defined below) do not warrant the adequacy of the platform and expressly disclaim liability for errors or omissions in the communications effected thereby (the "Communications"). No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party, any Lender or any other Person or entity for damages of any kind arising out of any Loan Party's or the Administrative Agent's transmission of Communications through the Platform other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Agent Party as determined by a final and nonappealable judgment of a court of competent jurisdiction; provided, however, that in no event will any Agent Party or any of their respective affiliates have any liability for any indirect, consequential, special or punitive damages.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents 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. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder and for a period of one year after the indefeasible payment in full of all Obligations and the termination of this Agreement and the other Loan Documents.

10.5 Payment of Expenses and Taxes; Indemnity; Damage Waiver. The Borrower agrees (a) to pay or reimburse the Arranger and the Administrative Agent for all of their reasonable out of pocket costs and expenses incurred in connection with the development,

preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender, the Arranger, the Administrative Agent and each other Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable and out-of-pocket fees and disbursements of counsel (but limited in the case of fees and disbursements of counsel to one counsel for the Administrative Agent and one additional counsel to the Lenders (and appropriate specialty and local counsel for each); provided, however, that in the event any Lender or its counsel reasonably determines that it would create an actual or potential conflict of interest to not have individual counsel, such Lender may engage and be reimbursed for its own counsel in accordance with the foregoing), (c) to pay, indemnify, and hold each Lender, the Arranger, the Administrative Agent and each other Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, the Arranger, the Administrative Agent, each other Agent and their respective officers, directors, partners, employees, affiliates, agents and controlling persons (each, an “Indemnitee”) harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of any Group Member or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the “Indemnified Liabilities”); provided that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. To the maximum extent permitted by applicable law, each party to this Agreement agrees that it shall not assert, and hereby waives, any right or claim against any other party to this Agreement, 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, the transactions contemplated by this Agreement or any other Loan Document, any Loan or the use of the proceeds thereof; provided, however, that Indemnified Liabilities arising out of a claim by any Person against an Indemnitee shall be considered direct damages for purposes of this Section 10.5, even if such claim may constitute consequential, special, indirect or punitive damages with respect to the Person asserting such claim. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems (including Intralinks, SyndTrak or similar systems) in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than ten days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to the Borrower to the attention of the Treasurer as set forth in Section 10.2. or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of Holdings, the Borrower, the Lenders, the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that (i) the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender and (ii) no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (x) to an assignee in accordance with the provisions of Section 10.6(c), (y) by way of participation in accordance with the provisions of Section 10.6(b) or (iii) by way of pledge or assignment of a security interest in accordance with the provisions of Section 10.6(h) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void).

(b) Any Lender may, without the consent of the Borrower, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, postpone the date of the final maturity of the Loans or release the Guarantor from its obligations under the Guarantee Agreement, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff 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 Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.7(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.16, 2.17 and 10.5 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it was a Lender; provided, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(c) From the Effective Date until the termination of primary syndication as determined by the Arranger, GS Bank may assign all or a portion of its rights and obligations under this Agreement in accordance with the terms and conditions of the Commitment Letter. Thereafter, any Lender may assign to one or more Eligible 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); provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $3,000,000, in the case of any assignment of a Loan, unless each of the Administrative Agent and (unless an Event of Default has occurred and is continuing at the time of such assignment) the Borrower otherwise consents to such lesser amount (each such consent not to be unreasonably withheld or delayed), (ii) 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 with respect to the Loan or the Commitment assigned and (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 (except in the case of assignment by or to GS Bank or any of its Affiliates), and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire. Upon (i) the execution and delivery of the Assignment and Acceptance by the assigning Lender (the "Assignor") and assignee Lender (the "Assignee"), (ii) acceptance and recording thereof by the Administrative Agent pursuant to paragraph (g) of this Section 10.6, (iii) consent thereof from the Borrower to the extent required pursuant to this paragraph (c) and (iv) if such assignee Lender is a Non-U.S. Lender, compliance by such Person with Section 2.17(e), from and after the effective date specified in each Assignment and Acceptance, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, 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 Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance 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 2.16, 2.17, 2.18 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph 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 (b) of this Section 10.6. In connection with any consent required from Borrower with respect to an assignment hereunder, Borrower shall be deemed to have consented to such assignment unless it shall object thereto by written notice to Administrative Agent within ten (10) Business Days after having received notice thereof.

(d) Notwithstanding anything to the contrary contained in this Agreement, no assignment or participation shall be made (i) to the Borrower, Holdings or any of their respective Subsidiaries or Affiliates, or (ii) to any Defaulting Lender or any of its Subsidiaries, or any Person, who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii) of this Section 10.6(d).

(e) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment (but not including any Loan Parties) shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(f) The Administrative Agent shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain at its address referred to in Section 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and the principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each other Loan Party, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Notes evidencing the Loans recorded therein for all purposes of this Agreement. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a Note shall be registered on the Register only upon surrender for registration of assignment or transfer of the Note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new Notes shall be issued to the designated Assignee.

(g) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 10.6(c), together with payment to the Administrative Agent of a registration and processing fee of $3,500 (if applicable), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(h) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender to any Federal Reserve Bank in accordance with applicable law.

(i) The Borrower, upon receipt of written notice from the relevant Lender, agrees (at the Borrower's expense) to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (f) above.

(j) **[***Reserved***]**

10.7 Adjustments; Set off.

(a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under the Facility, if any Lender (a "Benefited Lender") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 8, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, unless they have agreed to the contrary, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrower, as the case may be. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.9, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.10 Integration. This Agreement, the other Loan Documents, the Commitment Letter and Fee Letter represent the entire agreement of Holdings, the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT THE INTERPRETATION OF THE DEFINITION OF HOLDINGS MATERIAL ADVERSE EFFECT AND COMPANY MATERIAL ADVERSE EFFECT, IN EACH CASE, AS SET FORTH HEREIN, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

10.12 Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof sitting in New York, New York;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

10.13 Acknowledgements. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders.

10.14 Confidentiality. Each Agent, the Arranger and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein shall prevent the Agents, the Arranger or any Lender from disclosing any such information (a) to the Agents, the Arranger, any other Lender, any Affiliate of any Agent or of the Arranger or any Lender Affiliate, (b) subject to an agreement to comply with the provisions of this Section 10.14, to any actual or prospective Transferee or any direct or indirect counterparty to any Hedge Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates who are directly involved in the consideration of the Facility and who have been informed of the confidential nature of such information and who have agreed to treat such information confidentially, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document or (j) to market data collectors, similar service providers to the lending industry and service providers to the Agents, the Arranger and the Lenders in connection with the administration and management of this Agreement and the other Loan Documents. Notwithstanding the foregoing, the parties agree that this Agreement does not limit the ability of any party hereto (or any employee, representative, or other agent of such party) to disclose to any Person the tax treatment or tax structure of the financing transactions evidenced by this Agreement; provided, however, the foregoing is not intended to waive the attorney-client privilege or any other privileges, including the tax advisor privilege under Section 7525 of the Code.

10.15 WAIVERS OF JURY TRIAL. HOLDINGS, THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.16 PATRIOT Act Notice. Each of the Lenders and the Agents hereby notifies the Borrower and Holdings that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower and Holdings, which information includes the names and addresses of the Borrower and Holdings and any other information that will allow such Lender or Agent, as applicable, to identify the Borrower and Holdings in accordance with the PATRIOT Act.

10.17 **[***Reserved***]**.

10.18 No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Loan Parties. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and each Loan Party and their respective stockholders or its affiliates. Each Loan Party acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of each Loan Party and their respective management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of any Loan Party with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its affiliates has advised or is currently advising any Loan Party on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (iv) it has consulted its own legal and financial advisors to the extent it deemed appropriate. Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to Borrower, in connection with such transaction or the process leading thereto.

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.

AGL RESOURCES INC.

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

AGL CAPITAL CORPORATION

By: /s/Paul R. Shlanta
Name: Paul R. Shlanta
Title: President

GOLDMAN SACHS BANK USA,
as Administrative Agent and a Lender

By: /s/Craig Packer
Authorized Signatory

SUNTRUST BANK,
as Co-Syndication Agent and a Lender

By: /s/Andrew Johnson
Name: Andrew Johnson
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agent and a Lender

By: /s/Lawrence P. Sullivan
Name: Lawrence P. Sullivan
Title: Managing Director

BANK OF AMERICA, N.A.,

as Co-Documentation Agent and a Lender

By: /s/Michael Mason
Name: Michael Mason
Title: Senior Vice President

MORGAN STANLEY SENIOR FUNDING, INC.,
as Co-Documentation Agent

By: /s/Subhalakshmi Ghosh-Kohli
Name: Subhalakshmi Ghosh-Kohli
Title: Authorized Signatory

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/Subhalakshmi Ghosh-Kohli
Name: Subhalakshmi Ghosh-Kohli
Title: Authorized Signatory

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as a Lender

By: /s/Dixon Schultz
Name: Dixon Schultz
Title: Director

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as a Lender

By: /s/Sharada Manne
Name: Sharada Manne
Title: Director

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/Thane Rattew
Name: Thane Rattew
Title: Managing Director

The Bank of Tokyo-Mitsubishi UFJ, Ltd.,
as a Lender

By: /s/Chi-Cheng Chen
Name: Chi-Cheng Chen
Title: Authorized Signatory

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /S/Philippe Sandmeier
Name: Philippe Sandmeier
Title: Managing Director

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/Oliver Schwarz
Name: Oliver Schwarz
Title: Director

THE ROYAL BANK OF SCOTLAND,
as a Lender

By: /s/Matthew Main
Name: Matthew Main
Title: Managing Director

U.S Bank National Association,
as a Lender

By: /s/Michael T. Sagges
Name: Michael T. Sagges
Title: Vice President

SCHEDULE 1.1

COMMITMENTS

COMMITMENT AMOUNTS

Lender	Commitment Amount
Goldman Sachs Bank USA	$263,000,000
SunTrust Bank	$151,000,000
Wells Fargo Bank, National Association	$151,000,000
Bank of America, N.A.	$151,000,000
Morgan Stanley Bank, N.A.	$151,000,000
The Bank of Nova Scotia	$30,500,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	$30,500,000
Credit Agricole Corporate and Investment Bank	$30,500,000
Deutsche Bank AG New York Branch	$30,500,000
The Royal Bank of Scotland PLC	$30,500,000
U.S. Bank National Association	$30,500,000
Total:	**$1,050,000,000**

SCHEDULE 2.9

EXCLUDED DEBT

1. Indebtedness incurred pursuant to a Permitted Incremental Facility and/or a Permitted Combined Revolver Refinancing, proceeds of which are used to refinance that certain Credit Agreement, dated as of September 15, 2010, among AGL Resources Inc., AGL Capital Corporation, the Lenders party thereto, Wells Fargo Bank, National Association as Administrative Agent, and the other agents party thereto, as amended by that certain First Amendment to Credit Agreement, dated December 21, 2010.

2. Indebtedness incurred pursuant to a Permitted Term Facility or a Permitted 2011 Notes Refinancing, proceeds of which are used to refinance the $300 million aggregate principal amount of 7.125% Senior Notes issued by AGL Capital Corporation due 2011.

3. Indebtedness incurred for purposes of refinancing the Credit Agreement, dated as of November 2, 2006, among Southstar Energy Services LLC, as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer and the other Lenders party thereto from time to time, as amended, restated, modified, renewed, refunded, replaced or refinanced, provided that such refinancing will not commence prior to July 1, 2011.

4. Indebtedness incurred pursuant to a Permitted Nicor Revolver Refinancing or Permitted Combined Revolver Refinancing, proceeds of which are used to refinance the Three Year Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company and Nicor, Inc., as Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto from time to time, as amended, amended and restated, supplemented or otherwise modified from time to time through the date hereof.

5. Indebtedness incurred to refinance the 364-Day Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company, as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto from time to time, as amended, amended and restated, supplemented or otherwise modified from time to time through the date hereof.

6. Refinancing of the 6.625% first mortgage bonds issued by Northern Illinois Gas Company maturing February 1, 2011, issued pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, provided, that such financing (x) does not exceed an amount equal to $75.0 million, and (y) will commence on or after the date that is six months prior to the stated maturity thereof (as in effect on the date hereof) or at a lower cost of funds (calculating such cost on an aggregate after-tax basis).

7. Refinancing of the 6.79% Senior Secured Notes issued pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced, provided that such refinancing will (x) not exceed $49.8 million and (y) commence on or after the date that is six months prior to the stated maturity thereof (as in effect on the date hereof) or at a lower cost of funds (calculating such cost on an aggregate after-tax basis).

8. Indebtedness in an amount not to exceed $120,000,000 incurred for the benefit of Central Valley, provided that such financing will not commence prior to September 30, 2011 and such financing will be done in consultation with the Administrative Agent as to structure, terms and conditions thereof.

SCHEDULE 4.14

SUBSIDIARIES

Name	Jurisdiction of Organization	Additional Jurisdictions Qualified	% of Capital Stock owned by AGL Resources Inc. or its Subsidiaries
AGL C&I Energy Services, Inc.	Delaware	PA, VA	100%
AGL Capital Corporation	Nevada	None	100%
AGL Capital Trust I	Delaware	None	100%
AGL Capital Trust II	Delaware	None	100%
AGL Capital Trust III	Delaware	None	100%
AGL Investments, Inc.	Georgia	None	100%
AGL Macon Holdings, Inc.	Georgia	None	100%
AGL Renewables, LLC	Georgia	None	100%
AGL Resources Inc. Political Action Committee, Inc.	Georgia	None	Nonprofit Corporation
AGL Resources Private Foundation Inc.	Georgia	None	Nonprofit Corporation
AGL Rome Holdings, Inc.	Georgia	None	100%
AGL Services Company	Georgia	FL, NJ, TN TX, VA	100%
AGL Southeast LNG, L.L.C.	Georgia	None	100%
AGL Utilipro Holdings, LLC	Georgia	None	100%
Atlanta Gas Light Company	Georgia	WV	100%
BioSolids Holdings, LLC	Georgia	None	100%
Chattanooga Gas Company	Tennessee	None	100%
Compass Energy Consulting, LLC	Virginia	PA	100%
Compass Energy Gas Services, LLC	Virginia	OH	100%
Compass Energy Services, Inc.	Virginia	MD, PA, TN	100%
Customer Care Services, Inc.	Georgia	None	100%
Employee Care Program, Inc.	Georgia	None	Nonprofit Corporation
Energy Risk Integrated Services Corporation	Hawaii	GA	100%
Georgia Gas Company	Georgia	AL	100%
Georgia Natural Gas Company	Georgia	None	100%
GERIC Insurance Risk Retention Group, Inc.	Hawaii	None	100%
Global Energy Resources Insurance Corporation	Hawaii	None	100%
Golden Triangle Storage, Inc.	Delaware	TX	100%
HPMT, Kft.	Hungary	None	100%
Jefferson Island Storage & Hub, LLC	Delaware	LA, TX	100%
Magnolia Enterprise Holdings, Inc.	Georgia	SC	100%
NUI Capital Corp.	Florida	None	100%
NUI Corporation	New Jersey	NY	100%
NUI Energy Brokers, Inc.	Delaware	NJ	100%
NUI Hungary, Inc.	Delaware	None	100%
NUI International, Inc.	Delaware	None	100%
NUI Sales Management, Inc.	Delaware	None	100%
NUI Saltville Storage, Inc.	Delaware	None	100%
Pivotal Energy Services, Inc.	Georgia	VA	100%
Pivotal Jefferson Island Storage & Hub, LLC	Delaware	None	100%
Pivotal LNG, Inc.	Delaware	VA	100%
Pivotal Propane of Virginia, Inc.	Delaware	VA	100%
Pivotal Storage, Inc.	Delaware	None	100%
Pivotal Utility Holdings, Inc.	New Jersey	FL, MD, NC, NY, PA	100%
PTC BioSolids, LLC	Georgia	None	100%
Renewco, LLC	Delaware	None	50%
Renewco-Meadow Branch, LLC	Delaware	GA, TN	100%
SanGroup, LLC	Florida	None	27.7721%
Sequent Energy Canada Corp.	Delaware	Canada: AB, BC, MB, ON, QC, SK	100%
Sequent Energy Management, L.P.	Georgia	IA, IL, MI, NJ, NY, PA, TX, VA,WV	100%
Sequent Energy Services Inc.	Delaware	NJ, PA	100%
Sequent Holdings, LLC	Georgia	None	100%
Sequent, LLC	Georgia	TX	100%
Southeast LNG Distribution Company, L.L.C.	Delaware	None	50%
Southeastern LNG, Inc.	Georgia	VA	100%
T.I.C. Enterprises, LLC	Delaware	GA, NJ, PA, SC	100%
Triple Diamond Storage, Inc.	Delaware	None	100%
Trustees Investments, Inc.	Georgia	None	100%

Utilipro Services, LLC	Delaware	GA	33.33%
Virginia Gas Company	Delaware	VA	100%
Virginia Natural Gas, Inc.	Virginia	GA	100%

***- All entities are Restricted Subsidiaries**

SCHEDULE 4.16

ENVIRONMENTAL MATTERS

AGL Resources Matters

1) Manufactured Gas Plants.

Georgia and Florida. Atlanta Gas Light Company ("AGLC") is required to investigate possible environmental contamination at manufactured gas plants ("MGP") and, if necessary, clean up any contamination. AGLC has been associated with ten MGP sites in Georgia and three in Florida. One new former MGP site has been recently identified adjacent to an existing MGP remediation site. Based on investigations to date, cleanup has either already occurred or is likely at most of these sites. As of June 30, 2010, the remediation program in Georgia was approximately 100% complete, except for a few remaining areas of recently discovered impact, although ground water remediation continues. Investigation is concluded for one phase of the Orlando, Florida site; however, the Environmental Protection Agency has not approved the clean up plans. For elements of the Georgia and Florida sites where we still cannot provide engineering cost estimates, considerable variability remains in future cost estimates. As reported in Holdings Annual Report on Form 10-K for 2009, the projected costs of the remaining remediation at these sites are estimated to be $64-113 million.

New Jersey. In New Jersey, Pivotal Utility Holdings, Inc. (f/k/a NUI Utilities, Inc.) ("PUHI") owns five properties where former MGPs were operated. A sixth MGP site, formerly operated by Elizabethtown Gas, a division of PUHI, operating in New Jersey ("ETG"), is now owned by a church. PUHI is currently conducting remediation activities with oversight from the New Jersey Department of Environmental Protection. Various investigation and cleanup investigations have been conducted and are progressing slowly, but cleanups are likely at most sites. Because we still cannot provide engineering cost estimates, considerable variability remains in future cost estimates. As reported in Holdings Annual Report on Form 10-K for 2009, the projected costs of the remaining remediation at these sites are estimated to be $69-134 million.

Other States. Outside of New Jersey, subsidiary NUI Corporation owns, or previously owned, ten properties located in the states of North Carolina, South Carolina, Pennsylvania, New York and Maryland on which MGPs were operated by NUI or by other parties in the past. Two sites (Athens, Pennsylvania; Reidsville, North Carolina) have been sold to third parties, who have agreed to indemnify NUI against environmental liabilities.

Of these ten sites, only one site (Elizabeth City, North Carolina) has had any regulatory activity over the past ten years. The Elizabeth City site is subject to an Administrative Consent Order with the North Carolina Department of Environment and Natural Resources ("NCDENR"), dated October 31, 2001, and under such order, the Company has entered the formal site investigation stage.

Currently, there is only limited information available to assess the potential environmental liability associated with these non-New Jersey sites, and the liability for these sites will remain an uncertainty until a more vigorous environmental assessment is performed. As reported in Holdings Annual Report on Form 10-K for 2009, the projected costs of the remediation at the Elizabeth City site is estimated to be $11-16 million.

For additional discussion and detailed description of MGP matters, including regulatory recovery mechanism, see Holdings' 2009 10-K filing.

2) Pipeline Replacement.

See Holdings' 2009 10-K filing for a detailed discussion of Holdings' ongoing pipeline replacement efforts throughout Holdings' subsidiary utility territories.

Nicor Inc. Matters

Nicor Inc. Manufactured Gas Plants

- 424 S. River St., Aurora, IL
- 820 Locust St., Belvidere, IL
- 16th St. & State, Chicago Heights, IL
- 14th St. & Market, DeKalb, IL
- 216 S. Liberty Ave., Freeport, IL
- 115 W. Division St., Lockport, IL
- 5th St. & 9th Ave., Mendota, IL
- 722 Walker Street, Pontiac, IL
- Oakton St. & McCormick Rd., Skokie, IL
- 909 Clinton St., Ottawa, IL
- 1201 W. Washington St., Bloomington, IL
- 300 N. Washington St., Paxton, IL
- Second Ave. & Second St., Rochelle, IL
- James St. & Ann, Blue Island, IL
- 900 University Place, Evanston, IL
- Broadway & Ingalls, Joliet, IL
- 103 3rd St., Lincoln, IL
- 17401 Broadway St., Lockport Township, IL
- 17401 Broadway St., Lockport Township North, IL

- Jefferson St. & Nettle St., Morris, IL
- 100 S. Orange St., Morrison, IL
- 1001 S. Lombard Ave., Oak Park, IL
- Miller St. & Bass St., Sterling, IL
- Cedar St. & the Vermillion River, Streator, IL
- 130 E. First St., Geneseo, IL
- 570 N. Harrison Ave., Kankakee, IL
- 601-609 E. 47th St., LaGrange, IL
- 500 Walker Street, Ottawa, IL

For additional discussion and detailed description of MGP matters, including regulatory recovery mechanism, see Nicor Inc.'s and Nicor Gas's 2009 10-K filing.

Nicor Inc. has received inquiries from the Illinois Attorney General, the U.S. Environmental Protection Agency and the Illinois Environmental Protection Agency regarding several incidents where liquids containing PCBs traveled through the Company's equipment into several customers' homes in Park Ridge, IL.

Claims have been made relating to damage and/or injury allegedly caused by the removal of mercury regulators from the homes of Nicor Gas customers.

Nicor Inc. has received notice of a potential citizens' suit for damage related to deprivation of use of a waterway for kayaking due to contamination resulting from a former manufactured gas plant.

Claims have been made for remediation of a Superfund site located at a property on 37th Avenue in Miami that was formerly owned by Nicor Inc subsidiary Tropical Shipping. The property has been in clean-up since the early 1990s and all monitoring wells were closed in 2007.

Claims have been made for remediation of two Superfund sites where Nicor Inc subsidiary Tropical Shipping and others disposed of various oils.

Nicor Inc subsidiary Nicor Gas owns a reporting center at 715 Parkwood Avenue in Romeoville, Illinois. On 9/9/2010 Enbridge's pipeline located on Parkwood Avenue in the front of the Nicor Gas facility ruptured resulting in 250,000 gallons of oil leaking into the surrounding area and the Nicor Gas facility. Enbridge has accessed the Nicor Gas property for purposes of conducting its recovery objectives. Nicor Gas and Enbridge have signed a settlement agreement, which provides for Enbridge buying the Nicor Gas facility and settles all of Nicor Gas's claims arising from the Enbridge incident for $1.2MM. Nicor Gas and Enbridge anticipate closing on the sale of the Nicor Gas property during the month of December, 2010. The settlement amount will be paid to Nicor Gas upon closing.

SCHEDULE 5.2(c)

CONTINUING INDEBTEDNESS

1. Credit Agreement, dated as of September 15, 2010, among AGL Resources Inc., AGL Capital Corporation, the Lenders party thereto, Wells Fargo Bank, National Association as Administrative Agent, and the other agents party thereto
2. AGL Letter of Credit Facilities
(i) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT)
(ii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005
(iii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996 A
(iv) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005
3. AGL Loan Agreements (Revenue Bonds)
(i) Loan Agreement, dated June 1, 1996, between NUI Utilities, Inc. (f/k/a NUI Corporation) and New Jersey Economic Development Authority pursuant to which Pivotal Utility Holdings Inc. (f/k/a NUI Utilities, Inc.) issued $39.0 million bonds, due June 1, 2026, as amended by that certain First Amendment to Loan Agreement, dated September 1, 2010
(ii) Loan Agreement, dated December 1, 1998, between NUI Utilities, Inc. (f/k/a NUI Corporation) and New Jersey Economic Development Authority, pursuant to which NUI Utilities issued $40.0 million 5.25% bonds due November 1, 2033
(iii) Loan Agreement, dated April 1, 2005, between Pivotal Utility Holdings, Inc. and Brevard County, FL, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, as further amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which Pivotal Utility Holdings, Inc. issued $20 million bonds due October 1, 2024
(iv) Loan Agreement, dated May 1, 2005, between Pivotal Utility Holdings, Inc. and New Jersey Economic Development Authority, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, as further amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which Pivotal Utility Holdings, Inc. issued $46.5 million bonds due October 1, 2022
(v) Loan Agreement, dated May 1, 2007, between Pivotal Utility Holdings, Inc. (f/k/a NUI Utilities, Inc. and NUI Corporation) and New Jersey Economic Development Authority, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, as further amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which NUI Utilities issued $54.6 million bonds due June 1, 2032.
4. AGL Medium Term Notes issued pursuant to that certain Indenture, dated as of December 1, 1989, between Atlanta Gas Light Company and Bankers Trust Company, as the Trustee.
(i) $5 million aggregate principal amount of 8.4% medium term notes issued by Atlanta Gas Light Company maturing June 5, 2012
(ii) $5 million aggregate principal amount of 8.3% medium term notes issued by Atlanta Gas Light Company maturing June 19, 2012
(iii) $5 million aggregate principal amount of 8.3% medium term notes issued by Atlanta Gas Light Company maturing July 1, 2012
(iv) $22 million aggregate principal amount of 7.2% medium term notes issued by Atlanta Gas Light Company due 2017
(v) $30 million aggregate principal amount of 9.1% medium term notes issued by Atlanta Gas Light Company due 2021
(vi) $5 million aggregate principal amount of 8.55% medium term notes issued by Atlanta Gas Light Company due 2022
(vii) $25 million aggregate principal amount of 8.7% medium term notes issued by Atlanta Gas Light Company due 2022
(viii) $6 million aggregate principal amount of 8.55% medium term notes issued by Atlanta Gas Light Company due 2022
(ix) $10 million aggregate principal amount of 8.55% medium term notes issued by Atlanta Gas Light Company due 2022
(x) $30 million aggregate principal amount of 6.55% medium term notes issued by Atlanta Gas Light Company due 2026

(xi) $53.5 million aggregate principal amount of 7.3% medium term notes issued by Atlanta Gas Light Company due 2027.

5. AGL Senior Notes (issued pursuant to that certain Indenture, dated as of February 20, 2001, among AGL Capital Corporation, as Issuer, AGL Resources Inc., as Guarantor, and The Bank of New York, as Trustee)

(i) $300 million aggregate principal amount of 7.125% Senior Notes issued by AGL Capital Corporation due 2011

(ii) $225 million aggregate principal amount of 4.45% Senior Notes issued by AGL Capital Corporation due 2013

(iii) $200 million aggregate principal amount of 4.95% Senior Notes issued by AGL Capital Corporation due 2015

(iv) $300 million aggregate principal amount of 6.375% Senior Notes issued by AGL Capital Corporation due 2016

(v) $300 million aggregate principal amount of 5.25% Senior Notes issued by AGL Capital Corporation due 2019

(vi) $250 million aggregate principal amount of 6.00% Senior Notes issued by AGL Capital Corporation due 2034

6. Florida Capital Leases to the extent existing as of December 06, 2010

7. Nicor First Mortgage Bonds (issued pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago)

(i) 6.625% first mortgage bonds issued by Northern Illinois Gas Company maturing February 1, 2011

(ii) $50 million of 7.20% first mortgage bonds issued by Northern Illinois Gas Company due 2016

(iii) $50 million of 4.70% first mortgage bonds issued by Northern Illinois Gas Company due 2019

(iv) $50 million of 5.80% first mortgage bonds issued by Northern Illinois Gas Company due 2023

(v) $50 million of 6.58% first mortgage bonds issued by Northern Illinois Gas Company due 2028

(vi) $50 million of 5.90% first mortgage bonds issued by Northern Illinois Gas Company due 2032

(vii) $50 million of 5.90% first mortgage bonds issued by Northern Illinois Gas Company due 2033

(viii) $50 million of 5.85% first mortgage bonds issued by Northern Illinois Gas Company due 2036

(ix) $75 million of 6.25% first mortgage bonds issued by Northern Illinois Gas Company due 2038

8. Refinancing of 6.79% Senior Secured Notes issued pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C., as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced

9. $120 MM Central Valley debt financing - March 2012

10. Term Loan Credit Agreement, dated as of December 21, 2010, among Holdings, Borrower, the several banks and other financial institutions or entities from time to time parties thereto and GS Bank as administrative agent

SCHEDULE 5.2(g)

INDEBTEDNESS TO BE REPAID

1. AGL Senior Notes (issued pursuant to that certain Indenture, dated as of February 20, 2001, among AGL Capital Corporation, as Issuer, AGL Resources Inc., as Guarantor, and The Bank of New York, as Trustee)

(i) $300 million aggregate principal amount of 7.125% Senior Notes issued by AGL Capital Corporation due 2011

SCHEDULE 7.2(i)

EXISTING LIENS

NONE.

SCHEDULE 7.2(j)

NICOR LIENS SECURING DEBT FOR BORROWED MONEY

1. Liens granted pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced.

2. Liens granted pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

SCHEDULE 7.8

AGREEMENTS PROHIBITING OR LIMITING LIENS

1. Indenture, dated December 1, 1989, as amended, between Atlanta Gas Light Company and The Bank of New York Mellon, as successor trustee, pursuant to which Atlanta Gas Light Company issued its medium term notes.

2. Loan Agreement, dated June 1, 1996, between NUI Utilities, Inc. (f/k/a NUI Corporation) and New Jersey Economic Development Authority pursuant to which Pivotal Utility Holdings Inc. (f/k/a NUI Utilities, Inc.) issued $39.0 million bonds, due June 1, 2026, as amended by that certain First Amendment to Loan Agreement, dated September 2, 2010.

3. Loan Agreement, dated December 1, 1998, between NUI Utilities, Inc. (f/k/a NUI Corporation) and New Jersey Economic Development Authority, pursuant to which NUI Utilities issued $40.0 million 5.25% bonds due November 1, 2033.

4. Loan Agreement, dated April 1, 2005, between Pivotal Utility Holdings, Inc. and Brevard County, FL, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, and as subsequently to be amended, pursuant to which Pivotal Utility Holdings, Inc. issued $20 million bonds due October 1, 2024.

5. Loan Agreement, dated May 1, 2005, between Pivotal Utility Holdings, Inc. and New Jersey Economic Development Authority, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, and as subsequently amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which Pivotal Utility Holdings, Inc. issued $46.5 million bonds due October 1, 2022.

6. Loan Agreement, dated May 1, 2007, between Pivotal Utility Holdings, Inc. (f/k/a NUI Utilities, Inc. and NUI Corporation) and New Jersey Economic Development Authority, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, and as subsequently amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which NUI Utilities issued $54.6 million bonds due June 1, 2032.

7. Reimbursement Agreement, dated October 14, 2010, by and among Pivotal Utility Holdings, Inc., as Borrower, AGL Resources Inc., as Guarantor and JPMorgan Chase Bank, N.A. as Administrative Agent and Lender, as amended by that certain First Amendment to Reimbursement Agreement, dated December 21, 2010, pursuant to which direct pay letters of credit will be posted to support the bonds for which the Loan Agreement referred to in item 2 above was executed.

8. Reimbursement Agreement, dated October 14, 2010, by and among Pivotal Utility Holdings, Inc., as Borrower, AGL Resources Inc., as Guarantor and JPMorgan Chase Bank, N.A. as Administrative Agent and Lender, as amended by that certain First Amendment to Reimbursement Agreement, dated December 21, 2010, pursuant to which direct pay letters of credit will be posted to support the bonds for which the Loan Agreement referred to in item 6 above was executed.

9. Reimbursement Agreement, dated October 14, 2010, by and among Pivotal Utility Holdings, Inc., as Borrower, AGL Resources Inc., as Guarantor and The Bank of Tokyo-Mitsubushi UFJ, Ltd., New York Branch, as Administrative Agent and Lender, as amended by that certain First Amendment to Reimbursement Agreement, dated December 21, 2010, pursuant to which direct pay letters of credit will be posted to support the bonds for which the Loan Agreement referred to in item 4 above was executed.

10. Reimbursement Agreement, dated October 14, 2010, by and among Pivotal Utility Holdings, Inc., as Borrower, AGL Resources Inc., as Guarantor and The Bank of Tokyo-Mitsubushi UFJ, Ltd., New York Branch, as Administrative Agent and Lender, as amended by that certain First Amendment to Reimbursement Agreement, dated December 21, 2010, pursuant to which direct pay letters of credit will be posted to support the bonds for which the Loan Agreement referred to in item 5 above was executed.

11. Master Program Agreements, Consent and Assignment Agreements, Loan Agreements or other similar financing documents pursuant to which lending institutions lend money to subsidiaries of Holdings to finance capital improvements made to departments, instrumentalities, agencies, and other entities of the United States government by such Holdings subsidiaries pursuant to government area-wide contracts, such loans being secured by liens on accounts receivable payable by the U.S. Government to Holdings or Holdings subsidiaries.

12. A $300,000,000 term loan credit agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will use the proceeds to refinance its 7.125% notes due January 14, 2011, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

13. Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company and Nicor Inc., as Borrowers, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, , as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

14. 364-Day Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company, as Borrower, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

15. Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced

16. Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

17. $120,000,000 in Central Valley Gas Storage, L.L.C. debt financing currently anticipated to be incurred in March 2012.

18. Credit Agreement, dated as of September 15, 2010, among AGL Resources Inc., AGL Capital Corporation, the Lenders party thereto, Wells Fargo Bank, National Association as Administrative Agent, and the other agents party thereto, as amended by that certain First Amendment to Credit Agreement, dated December 21, 2010.

SCHEDULE 7.13

TRANSACTIONS WITH AFFILIATES

1. Operation and Maintenance Agreement, dated as of November 1, 2000 (as amended) between Company and Natural Gas Pipeline Company of America.
2. Lease Agreement, dated as of January 18, 2000 (as amended) between the Company and Natural Gas Pipeline Company of America.
3. Compression Services Agreement, dated as of January 18, 2000 (as amended), between the Company and Natural Gas Pipeline Company of America.
4. Services Agreements between AGL Services Company and affiliates of AGL Resources for the provision of shared support services.

EXHIBIT A

FORM OF GUARANTEE

GUARANTEE, dated as of December 21, 2010, made by AGL RESOURCES INC., a Georgia corporation (the "Guarantor"), in favor of GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the "Administrative Agent") for the several banks and other financial institutions or entities from time to time party to the Bridge Term Loan Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Guarantor, AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the Lenders, and GOLDMAN SACHS BANK USA, as Administrative Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Loans to the Borrower under the Credit Agreement that the Guarantor shall have executed and delivered this Guarantee to the Administrative Agent for the ratable benefit of the Lenders; and

WHEREAS, the Guarantor is the parent of the Borrower, and it is to the advantage of the Guarantor that the Lenders make the Loans to the Borrower.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Loans to the Borrower under the Credit Agreement, the Guarantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) The following term shall have the meaning set forth below:

"Lender": Each Person that at any time, and from time to time, is a party to the Credit Agreement as a Lender (as such term is defined in the Credit Agreement).

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and section references are to this Guarantee unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee.

(a) The Guarantor hereby unconditionally, absolutely and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower from time to time as and when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) The Guarantor further agrees (i) to pay any and all reasonable out-of-pocket expenses (including, without limitation, all fees and disbursements of counsel actually incurred) which may be paid or incurred by the Administrative Agent or any Lender in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantor under this Guarantee, (ii) to pay any and all reasonable out-of-pocket expenses (including, without limitation, all fees and disbursements of counsel actually incurred) which may be paid or incurred by the Administrative Agent in connection with any amendment, modification or waiver hereof or consent pursuant hereto and (iii) to pay, indemnify and hold the Administrative Agent and each Lender and each of their directors, officers, employees, agents and Affiliates (collectively, the "Indemnified Parties") harmless from and against any and all claims, losses, damages, obligations, liabilities, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) of any kind or nature whatsoever, whether direct, indirect or consequential, that may at any time be imposed on, incurred by or asserted against any such Indemnified Party as a result of, arising from or in any way relating to this Guarantee or the collection or enforcement of the Obligations against the Guarantor (collectively, the "Indemnified Liabilities"); provided, that the Guarantor shall have no obligation hereunder to any Indemnified Party with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Party. This Guarantee shall remain in full force and effect until the Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto the Borrower may be free from any Obligations.

(c) No payment or payments made by the Borrower or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor hereunder which shall, notwithstanding any such payment or payments (other than payments made by the Guarantor in respect of the Obligations or payments received or collected from the Guarantor in respect of the Obligations), remain liable for the Obligations until the Obligations are paid in full and the Commitments are terminated.

(d) The Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability hereunder, it will notify the Administrative Agent and such Lender in writing that such payment is made under this Guarantee for such purpose.

3. Right of Set-off. Upon the occurrence of any Event of Default, the Administrative Agent and each Lender is hereby irrevocably authorized at any time and from time to time (unless the Administrative Agent or such Lender, as applicable, has agreed to the contrary) without notice to the Guarantor, any such notice being expressly waived by the Guarantor, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of the Guarantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against or on account of the Obligations and liabilities of the Guarantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against the Guarantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or such Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify the Guarantor promptly as of any such set-off and the application made by the Administrative Agent or such Lender, as the case may be, of the proceeds thereof; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 3 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

4. No Subrogation. Notwithstanding any payment or payments made by the Guarantor hereunder, or any set-off or application of funds of the Guarantor by the Administrative Agent or any Lender, the Guarantor shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower in respect of payments made by the Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations are paid in full and the Commitments terminated. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by the Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Administrative Agent in the exact form received by the Guarantor (duly indorsed by the Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine. Additionally, in the event the Borrower becomes a “debtor” within the meaning of the Bankruptcy Code, the Administrative Agent shall be entitled, at its option, on behalf of itself and the Lenders and as attorney-in-fact for the Guarantor, and is hereby authorized and appointed by the Guarantor, to file proofs of claim on behalf of the Guarantor and vote the rights of the Guarantor in any plan of reorganization, and to demand, sue for, collect and receive every payment and distribution on any indebtedness of the Borrower to the Guarantor in any such proceeding, the Guarantor hereby assigning to the Administrative Agent all of its rights in respect of any such claim, including the right to receive payments and distributions in respect thereof.

5. Amendments, etc. with respect to the Obligations; Waiver of Rights. The Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Guarantor, and without notice to or further assent by the Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement, any other Loan Document and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be) may deem advisable from time to time, and any guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto and the Guarantor hereby waives any defense based on any acts or omissions of the Administrative Agent or any Lender in the administration of the Obligations, any guarantee or other liability in respect thereof or any security for the Obligations or this Guarantee. When making any demand hereunder against the Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on the Borrower or any other guarantor, and any failure by the Administrative Agent or any Lender to make any such demand or to collect any payments from the Borrower or any such other guarantor or any release of the Borrower or such other guarantor shall not relieve the Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any Lender against the Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

6. Guarantee Absolute and Unconditional. The Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Borrower or the Guarantor, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. The Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or the Guarantor with respect to the Obligations. This Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or the Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Obligations, or of the Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Guarantor, the Administrative Agent and any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrower or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from the Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve the Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against the Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor and its successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Obligations and the obligations of the Guarantor under this Guarantee shall have been satisfied by payment in full and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Obligations.

7. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

8. Payments. The Guarantor hereby agrees that the Obligations will be paid to the Administrative Agent without set-off or counterclaim in U.S. Dollars at the office of the Administrative Agent set forth in Section 10.2 of the Credit Agreement.

9. Authority of Administrative Agent. The Guarantor acknowledges that the rights and responsibilities of the Administrative Agent under this Guarantee with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Guarantee shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Guarantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and the Guarantor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

10. Notices. All notices, requests and demands to or upon the Administrative Agent, any Lender or the Guarantor shall be given in the manner and at the addresses identified in Section 10.2 of the Credit Agreement or at such other address as shall be identified by such party in accordance with Section 10.2 of the Credit Agreement.

11. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Integration. This Guarantee represents the entire agreement of the Guarantor with respect to the subject matter hereof and there are no promises or representations by the Administrative Agent or any Lender relative to the subject matter hereof not reflected herein.

13. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Guarantor and the Administrative Agent, provided that any provision of this Guarantee may be waived by the Administrative Agent and the Lenders in a letter or agreement executed by the Administrative Agent or by telex or facsimile transmission from the Administrative Agent.

(b) Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 13(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion.

(c) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

14. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

15. Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the Guarantor, the Administrative Agent, all future holders of the Loans and their respective successors and assigns except that the Guarantor may not assign or transfer any of its rights or obligations under this Guarantee without the prior written consent of each Lender.

16. GOVERNING LAW. THIS GUARANTEE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

17. Submission to Jurisdiction; Waivers. The Guarantor hereby irrevocably and unconditionally:

(a) Submits for itself and its property in any legal action or proceeding relating to this Guarantee and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof sitting in New York, New York;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Guarantor at its address referred to in Section 10 hereof or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 17 any special, exemplary, punitive or consequential damages.

18. WAIVER OF JURY TRIAL. THE GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

AGL RESOURCES INC.

By:

Name:
Title:

Address for Notices:
Ten Peachtree Place NE, Suite 1000
Atlanta, Georgia 30309
Attention: Chief Financial Officer
Telecopy: (404) 584-3509
Telephone: (404) 584-3580

With a copy to:

AGL Resources Inc.
Ten Peachtree Place NE, Suite 1000
Atlanta, Georgia 30309
Attention: General Counsel
Telecopy: (404) 584-3419
Telephone: (404) 584-3430

EXHIBIT B

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered to you pursuant to Section 6.2(a) of the Bridge Term Loan Credit Agreement, dated as of December 21, 2010, as amended, restated, supplemented or modified from time to time (the "Credit Agreement"), among AGL RESOURCES INC., a Georgia corporation ("Holdings"), AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders") and GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the "Administrative Agent"). Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

1. I am the duly elected, qualified and acting [Chief Financial Officer] [Treasurer] of Holdings.

2. 1 have reviewed and am familiar with the contents of this Certificate.

3. I have reviewed the terms of the Credit Agreement and the other Loan Documents and have made or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Holdings and its Subsidiaries during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "Financial Statements"). During the accounting period covered by the Financial Statements, each Loan Party, to the best of my knowledge, has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in the Credit Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Certificate, of any condition or event which constitutes a Default or Event of Default [, except as set forth below].

4. Attached hereto as Attachment 2 are the computations showing compliance with the covenants set forth in Section 7.1 of the Credit Agreement.

[SIGNATURE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, I execute this Certificate this _____ day of _____, _____.

AGL RESOURCES INC.

By: _____
Name:

Title:

Attachment 1 to

Compliance Certificate

[Attach Applicable Financial Statements]

B - Attachment 1

Attachment 2 to

Compliance Certificate

The information described herein is as of _____, 20 _____, and pertains to the period from _____, 20_____ to _____, 20__.

[Set forth Covenant Calculations]

EXHIBIT C

CLOSING CERTIFICATE

_____,2010

Pursuant to Section 5.2(a) of the Bridge Term Loan Credit Agreement dated as of December 21, 2010 (the "Credit Agreement": terms defined therein being used herein as therein defined), among AGL RESOURCES INC., a Georgia corporation ("Holdings"), AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), and GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the "Administrative Agent"), the undersigned _____, in his/her capacity as _____ of [the Borrower][Holdings] hereby certifies as follows:

1. Each of the (i) Merger Agreement Representations are true and correct and (ii) Closing Date Specified Representations are true and correct.

2. No Default or Event of Default pursuant to Section 8(c) of the Credit Agreement, but solely with respect to any default by a Loan Party in the observance or performance of the "Consolidated Total Debt to Total Capitalization" covenant set forth in Section 7.1 of the Credit Agreement, has occurred and is continuing on the Closing Date after giving effect to the Transactions, including the funding of the Loans. No default, event or condition of the type described in clauses (i), (ii) or (iii) of Section 8.1(e) of the Credit Agreement has occurred and is continuing on the Closing Date with respect to any other Indebtedness of any Group Member having an aggregate principal amount outstanding in excess of $100,000,000 (which, in the case of Indebtedness arising under any Hedge Agreement, is determined as the amount, if any, that would then be payable by the Group Member thereunder if such Hedge Agreement were to be terminated as a result of default by such Group Member), except to the extent resulting solely from the consummation of the Transactions and to the extent such Indebtedness is not outstanding after the Closing Date.

3. After giving effect to the Transactions, including the funding of the Facility, the Borrower has (A) unfunded commitments available for borrowing under the Existing Credit Agreement, any Permitted Incremental Facility, any Permitted Nicor Revolver Refinancing and any Permitted Combined Revolver Refinancing less the aggregate amount of any outstanding commercial paper of Holdings and its Subsidiaries plus (B) unrestricted cash and Cash Equivalents on hand at Holdings and the Borrower in an aggregate amount, in the case of (A) plus (B), equal to at least $200,000,000.

4. The conditions precedent set forth in Section 5.2 of the Credit Agreement are satisfied as of the Closing Date.

[signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Closing Certificate as of the date set forth below.

[AGL RESOURCES INC.]

[AGL CAPITAL CORPORATION]

By: _____

Name:

Title:

Date:

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Assignment and Assumption") is dated as of the Assignment Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Bridge Term Loan Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] 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][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] 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][the respective Assignors] under the respective facilities identified below (including without limitation any 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 Lender)][the respective Assignors (in their respective capacities as Lenders)] 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 by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

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1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
3 Select as appropriate.
4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: _____

_____

2. Assignee[s]: _____

_____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]

3. Borrower: AGL Capital Corporation

4. Administrative Agent: Goldman Sachs Bank USA, as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement dated as of December 21, 2010 among AGL Resources Inc., a Georgia corporation, AGL Capital Corporation, a Nevada corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto, and Goldman Sachs Bank USA, as administrative agent (in such capacity, the "Administrative Agent").

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of Commitment/Loans for all Lenders[7]	Amount of Commitment/Loans Assigned[8]	Percentage Assigned of Commitment/Loans[8]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

[7. Trade Date: _____][9]

Assignment Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
8 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
9 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][10]
[NAME OF ASSIGNOR]

By:_____
Title:

[NAME OF ASSIGNOR]

By:_____
Title:

ASSIGNEE[S][11]
[NAME OF ASSIGNEE]

By:_____
Title:

[NAME OF ASSIGNEE]

By:_____
Title:

---

10 Add additional signature blocks as needed.
11 Add additional signature blocks as needed.

[Consented to and][12] Accepted:

GOLDMAN SACHS BANK USA, as
Administrative Agent

By_____
Title:

[Consented to:][13]

AGL CAPITAL CORPORATION

By_____
Title:

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12 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
13 To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (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 (iv) the sale and assignment of the Assigned Interest is made by this Assignment and Assumption in accordance with the terms and conditions contained in the Credit Agreement; 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[s]. [The][Each] 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 meets all the requirements to be an assignee under Section 10.6 of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.6(c)(iv) of the Credit Agreement), (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) 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 Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) 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][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] 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 Assignment Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Assignment Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Assignment 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 E-l

FORM OF KILPATRICK STOCKTON LLP LEGAL OPINION

EXHIBIT E-2

FORM OF WOODBURN AND WEDGE LEGAL OPINION

EXHIBIT E-3

FORM OF DEWEY & LEBOEUF LLP LEGAL OPINION

EXHIBIT F

Borrower's Taxpayer Identification No._____

NOTE

_____, 20__

New York, New York

FOR VALUE RECEIVED, AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), hereby promises to pay to the order of

_____(the "Lender"), at the offices of GOLDMAN SACHS BANK USA (the "Administrative Agent") located at 200 West Street, New York, New York (or at such other place or places as the Administrative Agent may designate), at the times and in the manner provided in the Bridge Term Loan Credit Agreement, dated as of December [ ], 2010 (as amended, modified, restated or supplemented from time to time, the "Credit Agreement"), among the Borrower, AGL Resources Inc., a Georgia corporation, the Lenders from time to time parties thereto, and GOLDMAN SACHS BANK USA, as Administrative Agent, the principal sum of

_____**DOLLARS** ($ _____), or such lesser amount as may constitute the unpaid principal amount of the Loans made by the Lender, under the terms and conditions of this promissory note (this "Note") and the Credit Agreement. The defined terms in the Credit Agreement are used herein with the same meaning. The Borrower also promises to pay interest on the aggregate unpaid principal amount of this Note at the rates applicable thereto from time to time as provided in the Credit Agreement.

This Note is one of a series of Notes referred to in the Credit Agreement and is issued to evidence the Loans made by the Lender pursuant to the Credit Agreement. All of the terms, conditions and covenants of the Credit Agreement are expressly made a part of this Note by reference in the same manner and with the same effect as if set forth herein at length, and any holder of this Note is entitled to the benefits of and remedies provided in the Credit Agreement and the other Loan Documents. Reference is made to the Credit Agreement for provisions relating to the interest rate, maturity, payment, prepayment and acceleration of this Note.

In the event of an acceleration of the maturity of this Note, this Note shall become immediately due and payable, without presentation, demand, protest or notice of any kind, all of which are hereby waived by the Borrower.

In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees.

This Note and the rights and obligations of the Borrower under this Note shall be governed by and construed and interpreted in accordance with the law of the State of New York. The Borrower hereby submits to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof sitting in New York, New York, although the Lender shall not be limited to bringing an action in such courts.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed by its duly authorized corporate officer as of the day and year first above written.

AGL CAPITAL CORPORATION

By: _____

Title: _____

EXHIBIT G

FUNDING NOTICE

Reference is made to the Bridge Term Loan Credit Agreement, dated as of December 21, 2010 (as amended, modified, restated or supplemented from time to time, the "Credit Agreement"), among AGL Capital Corporation, a Nevada corporation (the "Borrower"), AGL Resources Inc., a Georgia corporation, the Lenders from time to time party thereto and Goldman Sachs Bank USA, as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to Section 2.2 of the Credit Agreement, the Borrower desires that the Lenders make the following Loans to the Borrower in accordance with the applicable terms and conditions of the Credit Agreement on [_____], 20[__] (the "Closing Date") :

Loans

☐ ABR Loans: $[___,___,___]

☐ Eurodollar Loans, with an initial Interest Period of [one] [two] [three] [six] month(s)[14]: $[___,___,___]

Date: [ ], 201[ ]

AGL Capital Corporation

By: _____
Name:
Title:

---

14 Subject to the provisions of the definition of "Interest Period".

Exhibit H

FORM OF SOLVENCY CERTIFICATE

SOLVENCY CERTIFICATE
OF
AGL RESOURCES INC. AND ITS SUBSIDIARIES

I, the chief financial officer of AGL Resources Inc., a Georgia corporation ("**Holdings**"), in that capacity only and not in my individual capacity (and without personal liability) **DO HEREBY CERTIFY AS FOLLOWS:**

1. Reference is made to that certain Bridge Loan Credit Agreement, dated as of December 21, 2010 (as it may be amended, supplemented or otherwise modified, the "**Credit Agreement**" the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among AGL Capital Corporation, a Nevada corporation, AGL Resources Inc., as Guarantor, the Lenders party thereto from time to time, Goldman Sachs Bank USA, as Administrative Agent, and the other agents parties thereto.

2. I have reviewed the terms of the Credit Agreement and the definitions and provisions contained in the Credit Agreement relating thereto, together with each of the Merger Documents, and, in my opinion, have made, or have caused to be made under my supervision, such examination or investigation as is necessary to enable me to express an informed opinion as to the matters referred to herein.

3. Based upon my review and examination described in paragraph 2 above, I certify that as of the date hereof, after giving effect to the consummation of the Transactions:

(a) the present fair saleable value of all present assets of Holdings and its Subsidiaries, taken as a whole, is greater than the debt (including contingent liabilities) of Holdings and its Subsidiaries, taken as a whole;

(b) the capital of Holdings and its Subsidiaries, taken as a whole, is not unreasonably small in relation to their business as contemplated on the Closing Date and reflected in the Projections or with respect to any transaction contemplated to be undertaken after the Closing Date;

(c) Holdings and its Subsidiaries, taken as a whole, have not incurred and do not intend to incur, or believe (nor should they reasonably believe) that they will incur, debts beyond their ability to pay such debts as they mature in the ordinary course of business; and

(d) the sum of the debts of Holdings and its Subsidiaries, taken as a whole, is less than all of the property, at fair valuation, of Holdings and its Subsidiaries, taken as a whole, exclusive of property transferred, concealed or removed with intent to hinder, delay or defraud the creditors of Holdings and its Subsidiaries and (ii) property that may be exempted from the bankruptcy estate of Holdings and its Subsidiaries.

provided, that, for purposes of the foregoing clauses (a) through (d), the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No.5).

The foregoing certifications are made and delivered as of **[ ]**.

_____
Name:
Title: Chief Financial Officer

EXHIBIT A

FORM OF GUARANTEE

GUARANTEE, dated as of December 21, 2010, made by AGL RESOURCES INC., a Georgia corporation (the "Guarantor"), in favor of GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the "Administrative Agent") for the several banks and other financial institutions or entities from time to time party to the Bridge Term Loan Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Guarantor, AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the Lenders, and GOLDMAN SACHS BANK USA, as Administrative Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Loans to the Borrower under the Credit Agreement that the Guarantor shall have executed and delivered this Guarantee to the Administrative Agent for the ratable benefit of the Lenders; and

WHEREAS, the Guarantor is the parent of the Borrower, and it is to the advantage of the Guarantor that the Lenders make the Loans to the Borrower.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Loans to the Borrower under the Credit Agreement, the Guarantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) The following term shall have the meaning set forth below:

"Lender": Each Person that at any time, and from time to time, is a party to the Credit Agreement as a Lender (as such term is defined in the Credit Agreement).

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and section references are to this Guarantee unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee.

(a) The Guarantor hereby unconditionally, absolutely and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower from time to time as and when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) The Guarantor further agrees (i) to pay any and all reasonable out-of-pocket expenses (including, without limitation, all fees and disbursements of counsel actually incurred) which may be paid or incurred by the Administrative Agent or any Lender in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantor under this Guarantee, (ii) to pay any and all reasonable out-of-pocket expenses (including, without limitation, all fees and disbursements of counsel actually incurred) which may be paid or incurred by the Administrative Agent in connection with any amendment, modification or waiver hereof or consent pursuant hereto and (iii) to pay, indemnify and hold the Administrative Agent and each Lender and each of their directors, officers, employees, agents and Affiliates (collectively, the "Indemnified Parties") harmless from and against any and all claims, losses, damages, obligations, liabilities, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) of any kind or nature whatsoever, whether direct, indirect or consequential, that may at any time be imposed on, incurred by or asserted against any such Indemnified Party as a result of, arising from or in any way relating to this Guarantee or the collection or enforcement of the Obligations against the Guarantor (collectively, the "Indemnified Liabilities"); provided, that the Guarantor shall have no obligation hereunder to any Indemnified Party with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Party. This Guarantee shall remain in full force and effect until the Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto the Borrower may be free from any Obligations.

(c) No payment or payments made by the Borrower or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor hereunder which shall, notwithstanding any such payment or payments (other than payments made by the Guarantor in respect of the Obligations or payments received or collected from the Guarantor in respect of the Obligations), remain liable for the Obligations until the Obligations are paid in full and the Commitments are terminated.

(d) The Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability hereunder, it will notify the Administrative Agent and such Lender in writing that such payment is made under this Guarantee for such purpose.

3. Right of Set-off. Upon the occurrence of any Event of Default, the Administrative Agent and each Lender is hereby irrevocably authorized at any time and from time to time (unless the Administrative Agent or such Lender, as applicable, has agreed to the contrary) without notice to the Guarantor, any such notice being expressly waived by the Guarantor, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of the Guarantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against or on account of the Obligations and liabilities of the Guarantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against the Guarantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or such Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify the Guarantor promptly as of any such set-off and the application made by the Administrative Agent or such Lender, as the case may be, of the proceeds thereof; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 3 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

4. No Subrogation. Notwithstanding any payment or payments made by the Guarantor hereunder, or any set-off or application of funds of the Guarantor by the Administrative Agent or any Lender, the Guarantor shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower in respect of payments made by the Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations are paid in full and the Commitments terminated. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by the Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Administrative Agent in the exact form received by the Guarantor (duly indorsed by the Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine. Additionally, in the event the Borrower becomes a “debtor” within the meaning of the Bankruptcy Code, the Administrative Agent shall be entitled, at its option, on behalf of itself and the Lenders and as attorney-in-fact for the Guarantor, and is hereby authorized and appointed by the Guarantor, to file proofs of claim on behalf of the Guarantor and vote the rights of the Guarantor in any plan of reorganization, and to demand, sue for, collect and receive every payment and distribution on any indebtedness of the Borrower to the Guarantor in any such proceeding, the Guarantor hereby assigning to the Administrative Agent all of its rights in respect of any such claim, including the right to receive payments and distributions in respect thereof.

5. Amendments, etc. with respect to the Obligations; Waiver of Rights. The Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Guarantor, and without notice to or further assent by the Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement, any other Loan Document and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be) may deem advisable from time to time, and any guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto and the Guarantor hereby waives any defense based on any acts or omissions of the Administrative Agent or any Lender in the administration of the Obligations, any guarantee or other liability in respect thereof or any security for the Obligations or this Guarantee. When making any demand hereunder against the Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on the Borrower or any other guarantor, and any failure by the Administrative Agent or any Lender to make any such demand or to collect any payments from the Borrower or any such other guarantor or any release of the Borrower or such other guarantor shall not relieve the Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any Lender against the Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

6. Guarantee Absolute and Unconditional. The Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Borrower or the Guarantor, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. The Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or the Guarantor with respect to the Obligations. This Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or the Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Obligations, or of the Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Guarantor, the Administrative Agent and any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrower or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from the Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve the Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against the Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor and its successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Obligations and the obligations of the Guarantor under this Guarantee shall have been satisfied by payment in full and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Obligations.

7. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

8. Payments. The Guarantor hereby agrees that the Obligations will be paid to the Administrative Agent without set-off or counterclaim in U.S. Dollars at the office of the Administrative Agent set forth in Section 10.2 of the Credit Agreement.

9. Authority of Administrative Agent. The Guarantor acknowledges that the rights and responsibilities of the Administrative Agent under this Guarantee with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Guarantee shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Guarantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and the Guarantor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

10. Notices. All notices, requests and demands to or upon the Administrative Agent, any Lender or the Guarantor shall be given in the manner and at the addresses identified in Section 10.2 of the Credit Agreement or at such other address as shall be identified by such party in accordance with Section 10.2 of the Credit Agreement.

11. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Integration. This Guarantee represents the entire agreement of the Guarantor with respect to the subject matter hereof and there are no promises or representations by the Administrative Agent or any Lender relative to the subject matter hereof not reflected herein.

13. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Guarantor and the Administrative Agent, provided that any provision of this Guarantee may be waived by the Administrative Agent and the Lenders in a letter or agreement executed by the Administrative Agent or by telex or facsimile transmission from the Administrative Agent.

(b) Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 13(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion.

(c) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

14. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

15. Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the Guarantor, the Administrative Agent, all future holders of the Loans and their respective successors and assigns except that the Guarantor may not assign or transfer any of its rights or obligations under this Guarantee without the prior written consent of each Lender.

16. GOVERNING LAW. THIS GUARANTEE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

17. Submission to Jurisdiction; Waivers. The Guarantor hereby irrevocably and unconditionally:

(a) Submits for itself and its property in any legal action or proceeding relating to this Guarantee and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof sitting in New York, New York;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Guarantor at its address referred to in Section 10 hereof or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 17 any special, exemplary, punitive or consequential damages.

18. WAIVER OF JURY TRIAL. THE GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

AGL RESOURCES INC.

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

Address for Notices:
Ten Peachtree Place NE, Suite 1000
Atlanta, Georgia 30309
Attention: Chief Financial Officer
Telecopy: (404) 584-3509
Telephone: (404) 584-3580

With a copy to:

AGL Resources Inc.
Ten Peachtree Place NE, Suite 1000
Atlanta, Georgia 30309
Attention: General Counsel
Telecopy: (404) 584-3419
Telephone: (404) 584-3430

Exhibit 10.3

TERM LOAN CREDIT AGREEMENT

among

AGL RESOURCES INC.,

as Guarantor,

AGL CAPITAL CORPORATION,

as Borrower,

The Several Lenders

from Time to Time Parties Hereto,

GOLDMAN SACHS BANK USA

as Administrative Agent,

JPMORGAN CHASE BANK, N.A. and
BANK OF AMERICA, N.A.
as Co-Syndication Agents,

and

THE ROYAL BANK OF SCOTLAND PLC and
MORGAN STANLEY SENIOR FUNDING, INC.
as Co-Documentation Agents

Dated as of December 21, 2010

GOLDMAN SACHS BANK USA

as Sole Lead Arranger and Sole Bookrunner

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Exhibit F - Form of Note
Exhibit G - Form of Funding Notice

TERM LOAN CREDIT AGREEMENT (this "Agreement"), dated as of December 21, 2010, among AGL RESOURCES INC., a Georgia corporation ("Holdings"), AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), GOLDMAN SACHS BANK USA ("GS Bank"), as administrative agent (in such capacity, the "Administrative Agent") and JPMORGAN CHASE BANK, N.A. and BANK OF AMERICA, N.A., as co-syndication agents (in such capacity, the "Co-Syndication Agents") and THE ROYAL BANK OF SCOTLAND PLC and MORGAN STANLEY SENIOR FUNDING, INC., as co-documentation agent (in such capacity, the "Co-Documentation Agents").

W I T N E S S E T H:

WHEREAS, the Borrower has requested that the Lenders establish a $300,000,000 term loan credit facility in favor of the Borrower; and

WHEREAS, subject to the terms and conditions of this Agreement, the Lenders, to the extent of their respective Commitments as defined herein, are willing severally to establish the requested credit facility in favor of the Borrower.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Borrower, the Lenders and the Administrative Agent agree as follows:

SECTION 1.

DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"2011 Notes": the 7.125% notes issued by the Borrower due January 14, 2011.

"ABR": 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 Eurodollar Rate for a one month Interest Period plus 1.0%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum as published from time to time by *The Wall Street Journal*. Any change in the ABR due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Administrative Agent": GS Bank, in its capacity as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors and permitted assigns.

"Affiliate": as to any Person, any other Person that directly or indirectly is in Control of, is Controlled by, or is under common Control with, such Person. For purposes of this definition, "Control" means the possession, direct or indirect, of the power to direct or to cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, neither the Administrative Agent nor any Lender shall be deemed an "Affiliate" of any Group Member.

"Agent Parties": as defined in Section 10.2(b).

"Agents": the collective reference to (a) the Administrative Agent, (b) the Co-Syndication Agents and (c) the Co-Documentation Agents.

"Agreement": as defined in the preamble hereto.

"Applicable Margin": for each Type of Loan outstanding on any day, the rate per annum set forth below opposite the Status Level in effect on such day:

Status Level	ABR Loans	Eurodollar Loans
Level I Status	0.500%	1.500%
Level II Status	0.750%	1.750%
Level III Status	1.000%	2.000%
Level IV Status	1.250%	2.250%
Level V Status	1.500%	2.500%

"Approved Fund": any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger": GS Bank, in its capacity as Sole Lead Arranger and Sole Bookrunner.

"Assets": with respect to any Person, all or any part of its business, property and assets wherever situated.

"Assignee": as defined in Section 10.6(c).

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit D.

"Assignor": as defined in Section 10.6(c).

"Benefited Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

''Borrower": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Business": as defined in Section 4.16(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation (including, but not limited to, mandatorily convertible securities, trust preferred securities, hybrid equity securities and preferred stock), any and all equivalent ownership interests in a partnership, limited liability company or other Person (other than a corporation), and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-l by S&P or P-l by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A2 by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; or (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

"Change in Law": the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority. Notwithstanding anything to the contrary herein, it is understood and agreed that the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173), all requests, rules, guidelines and directives relating thereto, all interpretations and applications thereof and any compliance by a Lender with any request or directive relating thereto, shall, for the purposes of this Agreement, be deemed to be adopted subsequent to the date hereof.

"Closing Date": the first date all the conditions precedent in Section 5.2 are satisfied or waived in accordance with Section 10.1 and the Loans are borrowed.

"Code": the Internal Revenue Code of 1986.

"Commitment": as to any Lender, the obligation of such Lender, if any, to make Loans in an aggregate principal amount not to exceed the amount set forth under the heading "Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, pursuant to the terms hereof.

"Commitment Period": the period from and including the Effective Date to and including January 13, 2011.

"Commonly Controlled Entity'": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Communications": as defined in Section 10.2(b).

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Consolidated Net Worth": as of any date, the shareholders' equity or net worth of Holdings and the other Group Members (including, but not limited to, the value of all Capital Stock, noncontrolling interests, accumulated other comprehensive income or loss component of shareholders' equity ("AOCI") and other equity accounts; but excluding AOCI items recorded in accordance with GAAP and related to any non-cash pension, other post-retirement benefits liability adjustments and accounting adjustments for hedges designated as cash flow hedges, which have not yet settled and for which Holdings and other Group Members have not funded required margin account cash collateral amounts), on a consolidated basis, as determined in accordance with GAAP except as otherwise noted above.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of Holdings and the other Group Members at such date (excluding Indebtedness of the type described in clause (k) of the definition of the term Indebtedness), determined on a consolidated basis in accordance with GAAP.

"Continuing Directors": the directors of Holdings on December 6, 2010 and each other director, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least a majority of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Co-Documentation Agents": as defined in the preamble hereto.

"Co-Syndication Agents": as defined in the preamble hereto.

"Debtor Relief Laws": the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": subject to Section 2.23(b), any Lender that, as reasonably determined by the Administrative Agent (with notice to the Borrower of such determination), (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans, within three Business Days of the date required to be funded by it hereunder (excluding expense and similar reimbursements that are the subject of a good faith dispute), (b) has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations (excluding expense and similar reimbursements that are the subject of a good faith dispute) or has made a public statement to that effect with respect to its funding obligations hereunder or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after written request by the Administrative Agent, to confirm that it will comply with its funding obligations hereunder, which request may only be made after all conditions to funding have been satisfied; provided, that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent, or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in such a Lender or any direct or indirect parent company thereof by a Governmental Authority.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Documentation Agent": as defined in the preamble hereto.

"Dollars" and "$": dollars in lawful currency of the United States.

"Effective Date": the first date all the conditions precedent in Section 5.1 are satisfied or waived in accordance with Section 10.1.

"Eligible Assignee": (i) a Lender; (ii) an Affiliate of a Lender; (iii) an Approved Fund; and (iv) any other Person (other than a natural Person) approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed), and unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed).

"Engagement Letter": the Engagement Letter dated as of December 6, 2010 between GS Bank and the Borrower.

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"ERISA": the Employee Retirement Income Security Act of 1974.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Reuters Screen LIBOR01 Page (or any successor page) as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Reuters Screen L1BOR 01 Page (or any successor page), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest l/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans under the Facility, the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excluded Taxes": as defined in Section 2.17(a).

"Exchange Act": as defined in Section 8(j).

"Existing Credit Agreement": the Credit Agreement dated as of September 15, 2010, by and among the Guarantor, the Borrower, the lenders parties thereto, and Wells Fargo Bank, National Association, as administrative agent, as the same may have been amended, restated, supplemented or otherwise modified.

"Existing LC Reimbursement Agreements": collectively, (i) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT), (ii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005, (iii) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, JPMorgan Chase Bank, N.A., as Administrative Agent, the other banks party thereto, with respect to the $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996 A and (iv) Reimbursement Agreement, dated as of October 14, 2010, among Pivotal Utility Holdings, Inc., as Applicant, AGL Resources Inc., as Guarantor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent, the other banks party thereto, with respect to the $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005.

"Extensions of Credit": as to any Lender at any time, an amount equal to the aggregate principal amount of all Loans held by such Lender then outstanding.

"Facility": the Commitments and the extensions of credit made thereunder.

"FATCA": Sections 1471 through 1474 of the Code and any Treasury regulations promulgated thereunder.

"Federal Funds Effective Rate": for any day, the weighted average 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 of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Funding Notice": a notice substantially in the form of Exhibit G.

"Funding Office": the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": those accounting principles, standards and practices generally accepted in the United States as in effect from time to time.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Group Members": the collective reference to Holdings, the Borrower and their respective Restricted Subsidiaries.

"GS Bank": as defined in the preamble hereto.

"Guarantee Agreement": the Guarantee Agreement to be executed and delivered by Holdings, substantially in the form of Exhibit A.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency 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 owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guarantor": Holdings.

"Hedge Agreements": all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies, and all commodity price protection agreements, or any other hedging arrangements.

"Holdings": as defined in the preamble hereto.

"Hybrid Securities": any trust preferred securities, or deferrable interest subordinated debt with a maturity of at least 20 years, which provides for the optional or mandatory deferral of interest or distributions, issued by Holdings or the Borrower, or any business trusts, limited liability companies, limited partnerships or similar entities (i) substantially all of the common equity, general partner or similar interests of which are owned (either directly or indirectly through one or more Wholly Owned Subsidiaries) at all times by Holdings or the Borrower or any Subsidiaries, (ii) that have been formed for the purpose of issuing such securities or deferrable interest subordinated debt, and (iii) substantially all the assets of which consist of (A) subordinated debt of Holdings or the Borrower or any Subsidiary, and (B) payments made from time to time on the subordinated debt.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business that are not more than 90 days past due unless being contested in good faith and for which any reserves required by GAAP have been provided), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all capital lease (within the meaning of GAAP) obligations of such Person, (f) all Securitization Facility Attributed Debt, (g) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (h) the liquidation value of all mandatorily redeemable preferred Capital Stock of such Person, (i) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (h) above, (j) all obligations of the kind referred to in clauses (a) through (i) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, (k) all obligations of such Person in respect of Hedge Agreements and (1) without duplication of any of the foregoing categories, all Off-Balance Sheet Liabilities. 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 under applicable law, contract or otherwise 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 expressly provide that such Person is not liable therefor. Notwithstanding the foregoing, obligations of any Person with respect to Park and Loan Transactions shall not be considered Indebtedness.

"Indemnitee": as defined in Section 10.5.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": (a) as to any Loan that is an ABR Loan, the last day of each of March, June, September and December to occur while such Loan is outstanding commencing on March 31, 2011 and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan the date of any repayment or prepayment made or required to be made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter or such other period as the Borrower and the Lenders may agree, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding 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 immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period under the Facility that would extend beyond the Maturity Date; and

(iii) 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 a calendar month.

"Investments": as defined in Section 7.7.

"Lender Affiliate": (a) any Affiliate of any Lender, (b) any Person that is administered or managed by any Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and (c) with respect to any Lender which is a fund that invests in commercial loans and similar extensions of credit, any other fund that invests in commercial loans and similar extensions of credit and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such Lender or investment advisor.

"Lender Presentation": the lender presentation dated December 8, 2010 and furnished to the Lenders.

"Lenders": as defined in the preamble hereto.

"Level I Status". "Level II Status". "Level III Status". "Level IV Status" and "Level V Status": as set forth below:

"Level I Status": exists at any date if, on such date, the Borrower's Moody's Rating is A2 or better *or* the Borrower's S&P Rating is A or better.

"Level II Status": exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status and (ii) the Borrower's Moody's Rating is A3 or better *or* the Borrower's S&P Rating is A- or better.

"Level III Status": exists at any date if, on such date, (i) the Borrower has not qualified for Level I or Level II Status and (ii) the Borrower's Moody's Rating is Baa1 or better *or* the Borrower's S&P Rating is BBB+ or better.

"Level IV Status": exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status, Level II Status or Level III Status and (ii) the Borrower's Moody's Rating is Baa2 or better *or* the Borrower's S&P Rating is BBB or better.

"Level V Status": exists at any date if, on such date, the Borrower has not qualified for Level I Status, Level II Status, Level III Status or Level IV Status.

Notwithstanding the foregoing, if the Borrower is split-rated and the ratings differential is one level, the higher rating will apply. If the Borrower is split-rated and the ratings differential is two Status Levels or more, the Status Level will be determined by reference to the rating at the midpoint. If there is no midpoint, the higher of the two intermediate ratings will determine the Status Level. If at any time the Borrower ceases to have a Moody's Rating or an S&P Rating, then the applicable Status Level shall be determined in accordance with the Guarantor's credit ratings in the same manner as the Borrower's status is determined. If at any time both the Borrower and the Guarantor cease to have a Moody's Rating or an S&P Rating, then Level V Status shall exist.

"Lien": any mortgage, pledge, lien, hypothecation, security interest or other charge, encumbrance, or other arrangement in the nature of a security interest in property to secure the payment or performance of Indebtedness or other obligations of any Person; provided, however, the term "Lien" shall not mean any easements, rights-of-way, zoning restrictions, leases, sub-leases, licenses, sublicenses, other restrictions on the use of property, defects in title to property or other similar encumbrances.

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, the Guarantee Agreement and the Notes.

"Loan Parties": the Borrower and the Guarantor.

"Margin Stock": as defined in Regulation U of the Board of Governors as in effect from time to time.

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations or financial condition of Holdings and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Maturity Date": 180 days after the Closing Date.

"Moody's": Moody's Investor Service, Inc.

"Moody's Rating": at any time, the rating issued by Moody's and then in effect with respect to the Borrower's senior unsecured long-term debt securities without third-party credit enhancement (or, if there is no such debt outstanding, the Borrower's issuer rating issued by Moody's then in effect for the Borrower).

"Multiemployer Plan": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Nonconsenting Lender": any Lender that does not approve a consent, waiver or amendment to any Loan Document requested by the Borrower or the Administrative Agent and that requires the approval of all Lenders (or all Lenders directly affected thereby) under Section 10.1 when the Required Lenders have agreed to such consent, waiver or amendment.

"Non-Excluded Taxes": as defined in Section 2.17(a).

"Non-Public Information": information which has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD.

"Non-U.S. Lender": with respect to the Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Note": with respect to any Lender requesting the same, the promissory note of the Borrower in favor of such Lender evidencing the Loans made by such Lender pursuant to Section 2.1(a), in substantially the form of Exhibit F.

"Obligations": the collective reference to the unpaid principal of and interest on (including interest accruing at the then applicable rate provided in this Agreement after the maturity of the Loans and after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred pursuant to this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, fees, indemnities, costs, expenses or otherwise (including all fees, charges and disbursements of counsel to the Administrative Agent, or to any Lender that are required to be paid by the Borrower pursuant hereto or any other Loan Document).

"OFAC": the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Off-Balance Sheet Liabilities": as to any Person (i) any due and owing repurchase obligation or liability of such Person with respect to notes or accounts receivable sold by such Person, (ii) any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, (iii) any liability of such Person under any so-called "synthetic" lease transaction and (iv) any obligation under any other transaction which is the functional equivalent of, or takes the place of, a borrowing but which does not constitute a liability on the balance sheet of such Person.

"Other Taxes": any and all present or future stamp, court or documentary taxes or any other excise, property, intangible, recording, filing or similar taxes arising from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document.

"Park and Loan Transactions": any tariff transaction offered by pipelines or other storage facilities, where the pipelines or other storage facilities allow the customers to park gas on or borrow gas from the pipelines or other storage facilities in one period and reclaim gas from or repay gas to the pipelines or other storage facilities in a subsequent period.

"Participant": as defined in Section 10.6(b).

"PATRIOT Act": the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act) of 2001.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Percentage": as to any Lender at any time, the percentage which such Lender's Commitment then constitutes of the Total Commitments or, at any time after the Commitments shall have expired or been terminated, the percentage which the aggregate principal amount of such Lender's Loans then outstanding constitutes of the aggregate principal amount of the Loans then outstanding.

"Person": an individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not having a separate legal personality).

"Plan": at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform": as defined in Section 10.2(b).

"Prime Rate": the rate of interest quoted in the print edition of The Wall Street Journal, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

"Properties": as defined in Section 4.16(a).

"Public Lenders": Lenders that do not wish to receive material non-public information with respect to Holdings, its Subsidiaries or their securities.

"Register": as defined in Section 10.6(f).

"Regulation FD": Regulation FD as promulgated by the SEC under the Securities Act and Exchange Act of 1934 as in effect from time to time.

"Regulation U": Regulation U of the Board.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under Sections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

“Required Lenders”: at any time, the holders of more than 50% of the Total Commitments then in effect or, if the Commitments have expired or been terminated, the Loans then outstanding; provided that the Commitment of any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Requirement of Law”: as to any Person, the articles or certificate of incorporation or organization, by laws, partnership agreement, limited liability company agreement, operating agreement, management agreement, or other organizational or governing documents of such Person, and any constitution, decree, judgment, legislation, order, ordinance, regulation, rule, statute or treaty, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer”: the chief executive officer, president, chief financial officer, treasurer or controller of Holdings or the Borrower, as the case may be, but in any event, with respect to financial matters, the chief financial officer or treasurer of Holdings.

“Restricted Payments”: as defined in Section 7.5.

“Restricted Subsidiary”: any Subsidiary other than an Unrestricted Subsidiary.

“Sanctioned Country”: a country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/programs/, or as otherwise published from time to time.

“Sanctioned Person”: (i) a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/-offices/enforcement/ofac/sdn/index.shtml, or as otherwise published from time to time, or (ii) (A) an agency of the government of a Sanctioned Country, (B) an organization controlled by a Sanctioned Country, or (C) a Person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

“SEC”: the Securities and Exchange Commission and any analogous Governmental Authority.

“Securitization Facility Attributed Debt”: at any time, the aggregate net outstanding amount theretofore paid to any of the Group Members (without duplication) in respect of securitization assets (whether accounts receivable, general intangibles, instruments, documents, chattel paper or other similar assets) sold or transferred in connection with any securitization financing program established by any of the Group Members in respect of such securitization assets (it being the intent of the parties that such Securitization Facility Attributed Debt at any time outstanding approximate as closely as possible the principal amount of Indebtedness that would be outstanding at such time under such financing program if the same were structured as a secured lending arrangement rather than a sale or securitization arrangement).

“Single Employer Plan”: any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"S&P": Standard & Poor's Rating Service, a division of the McGraw Hill Companies, Inc.

"S&P Rating": at any time, the rating issued by S&P and then in effect with respect to the Borrower's senior unsecured long-term debt securities without third-party credit enhancement (or, if there is no such debt outstanding, the Borrower's issuer rating issued by S&P then in effect for the Borrower).

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the sum of the value of the assets of such Person (based on either fair value or present fair saleable value, as applicable) will, as of such date, exceed the sum of the liabilities of such Person as of such date, (b) such Person will be able to pay its debts as they mature and (c) such Person has sufficient capital to conduct its business. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No.5).

"Status Level": the collective reference for Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership 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 corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of either or both of the Borrower and Holdings.

"Termination Date": the earlier of: (i) the last day of the Commitment Period and (ii) the date of any termination of the Commitments pursuant to Section 2.1(a), Section 2.7 or Section 8.

"Total Capitalization": at any date, the sum of Consolidated Net Worth and Consolidated Total Debt of the Group Members at such date, determined on a consolidated basis in accordance with GAAP.

"Total Commitments": at any time, the aggregate amount of the Commitments then in effect. The Total Commitments as of the Effective Date is $300,000,000.

"Total Extensions of Credit": at any time, the aggregate amount of the Extensions of Credit of the Lenders outstanding at such time.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"United States": the United States of America.

"Unrestricted Subsidiary": any Subsidiary which (i) is designated as an Unrestricted Subsidiary in accordance with Section 7.11, and (ii) has not incurred any Indebtedness that is guaranteed or otherwise supported by the credit of Holdings, the Borrower or any other of their respective Restricted Subsidiaries (but excluding any such guarantee or other credit support arrangement pursuant to which the liability of such guarantor or credit support provider is limited to loan amounts advanced by another Person against inventory claimed (by rights or claims of offset, ownership or similar claim) by such guarantor or credit support provider, and such guarantor or credit support provider is entitled to receive a pro rata interest in such inventory corresponding to the amounts paid in respect of such inventory).

1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP; provided, however, that for purposes of determining compliance with the covenants contained in Section 7.1, all accounting terms herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP as in effect on the date of this Agreement and applied on a basis consistent with the application used in the financial statements referred to in Section 4.1, and provided, further, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (ASC 825) (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) 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, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time and (vi) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

(c) The words “hereof, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2.

AMOUNT AND TERMS OF COMMITMENTS; LOANS

2.1 Commitments; Loans

(a) Subject to the terms and conditions hereof, each Lender severally agrees to make Loans to the Borrower on the Closing Date in an aggregate principal amount equal to such Lender’s Commitment. Amounts borrowed under this Section 2.1 and repaid or prepaid hereunder may not be reborrowed. Each Lender’s Commitment shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Lender’s Commitment on such date.

(b) The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 9.7 are several and not joint. The failure of any Lender to make Loans, or to make any such payment on any date shall not relieve any other Lender of its corresponding obligation, if any, hereunder to do so on such date, but no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make any such payment required hereunder.

(c) The Borrower shall repay all outstanding Loans on the Maturity Date.

2.2 Procedure for Loan Borrowing

. The Borrower shall give the Administrative Agent irrevocable notice substantially in the form of Exhibit G hereto (a “Funding Notice”) not later than 11:00 A.M. (New York time) (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) on the requested Borrowing Date, in the case of ABR Loans), specifying:

(i) the amount and Type of Loans to be borrowed;

(ii) the requested Borrowing Date; and

(iii) in the case of Eurodollar Loans, the respective lengths of the initial Interest Period therefor.

Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. Each Lender will make its Percentage of the borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 1:00 p.m., New York time, on the Borrowing Date requested by or on behalf of the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent by effecting a wire transfer of such amounts to an account designated by the Borrower to the Administrative Agent.

2.3 **[***Reserved***]**.

2.4 **[***Reserved***]**.

2.5 Evidence of Debt.

(a) Each Lender shall maintain in accordance with its usual practice appropriate records evidencing indebtedness of the Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time in respect of such Loans. The Administrative Agent shall maintain the Register pursuant to Section 10.6(f), and a record therein for each Lender, in which shall be recorded (i) the amount of each Loan made by such Lender, the interest rate applicable thereto and each Interest Payment Date applicable thereto, and (ii) the amount of any sum received by the Administrative Agent hereunder from the Borrower on account of such Loan. The entries made in the Register and the records of each Lender maintained pursuant to this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such record, or any error therein, either of which shall be promptly corrected, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made by such Lender in accordance with the terms of this Agreement. In the event of any conflict between the Register and the records of each Lender, the Register shall control in the absence of manifest error.

(b) At the request of any Lender at any time, the Borrower agrees that it will execute and deliver to such Lender a Note evidencing the Loans of such Lender, payable to such Lender.

2.6 Fees.

(a) **[***Reserved***]**

(b) The Borrower agrees to pay to the Administrative Agent and the Arranger the fees in the amounts and on the dates previously agreed to in the Engagement Letter.

2.7 Termination or Reduction of Commitments. The Borrower shall have the right, prior to the Closing Date, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Commitments or, from time to time, to ratably reduce the amount of the Commitments. Any such reduction shall be in an amount equal to $10,000,000, or an integral multiple of $1,000,000 in excess thereof, and shall reduce permanently the Commitments then in effect. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Commitments.

2.8 Prepayments.

(a) The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent at least three Business Days prior thereto in the case of Eurodollar Loans and no later than 11:00 a.m., New York time, on the date of such prepayment in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.18. Upon receipt of any such notice, the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid. Partial prepayments of the Loans shall be in an aggregate principal amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(b) On and after the Effective Date, the Loans shall be prepaid or the Total Commitments hereunder shall be permanently reduced, at 100% of the principal amount of the outstanding Loans being prepaid plus accrued interest to the date of prepayment by the amount of net proceeds to Holdings or any of its Subsidiaries (including, without limitation, the Borrower), but, in the case of proceeds received by a regulated Subsidiary of Holdings, solely to the extent such proceeds are distributed to Holdings, the Borrower or another unregulated Subsidiary of Holdings (and, in the case of joint ventures with unaffiliated third parties, to the extent of Holdings' direct or indirect Capital Stock therein), from any direct or indirect public offering or private placement of any debt securities or any other incurrence of debt (whether funded or unfunded) or bank borrowings; provided that the net proceeds thereof are designated to repay the Loans (with accrued interest thereon) and all other amounts owing under the Agreement.

2.9 **[***Reserved***]**.

2.10 Conversion and Continuation Options.

(a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan may be converted into a Eurodollar Loan when a Default or an Event of Default has occurred and is continuing. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such when any Default or Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.11 Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $5,000,000 or an integral multiple of $1,000,000 in excess thereof and (b) no more than six Eurodollar Tranches shall be outstanding at any one time.

2.12 Interest Rates and Payment Dates.

(a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin for Eurodollar Loans.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin for ABR Loans.

(c) **[***Reserved***]**.

(d) Upon the occurrence and during the continuance of any Event of Default under Sections 8(a) or 8(f), or (at the election of the Required Lenders) upon the occurrence and during the continuance of any other Event of Default, all outstanding principal amounts of the Loans and, to the greatest extent permitted by law, all interest accrued on the Loans and all other accrued and outstanding fees and other amounts hereunder, shall bear interest at a rate per annum equal to the interest rate applicable from time to time thereafter to such Loans (whether the ABR plus the Applicable Margin or the Eurodollar Rate plus the Applicable Margin) plus 2% (or, in the case of interest, fees and other amounts for which no rate is provided hereunder, at the ABR (plus the Applicable Margin) plus 2%), and, in each case, such default interest shall be payable on demand. To the greatest extent permitted by law, interest shall continue to accrue after the filing by or against the Borrower of any petition seeking any relief in bankruptcy or under any law pertaining to insolvency or debtor relief.

(e) Interest in respect of all Loans shall be payable in arrears on each Interest Payment Date. Notwithstanding the foregoing, interest accruing pursuant to paragraph (d) of this Section 2.12 shall be payable from time to time on demand.

2.13 Computation of Interest and Fees.

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.12(a).

2.14 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(i) the Administrative Agent shall have determined in its reasonable and good faith judgment (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the actual cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period;

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent (upon the instruction of the Required Lenders in the case of clause (ii) above), no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Loans to Eurodollar Loans. The Administrative Agent shall promptly withdraw such notice when Eurodollar Loans are again available.

2.15 Pro Rata Treatment and Payments.

(a) The borrowing by the Borrower from the Lenders hereunder, and any reduction of the Commitments of the Lenders shall be made according to the respective Percentage of each of the relevant Lenders.

(b) Subject to Section 2.23(a), each payment (including each prepayment) by the Borrower on account of principal of and interest on the Loans shall be made according to the respective Percentage of each Lender.

(c) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, New York time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans, on demand, from the Borrower.

(e) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

2.16 Requirements of Law.

(a) If any Change in Law:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.17 and changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any amounts pursuant to this paragraph, it shall promptly notify the Borrower in writing (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than three months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such period for which the Borrower shall be required to compensate the Lenders shall be extended to include the period of such retroactive effect.

(b) If any Lender shall have determined that any Change in Law regarding capital requirements shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than three months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such period for which the Borrower shall be required to compensate the Lenders shall be extended to include the period of such retroactive effect

(c) A certificate as to any additional amounts payable pursuant to this Section 2.16 submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of the Borrower pursuant to this Section 2.16 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.17 Taxes.

(a) Except as required by law, all payments made by the Borrower under this Agreement or any other Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding (i) net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (ii) Taxes that are attributable to such Lender's failure to comply with the requirements of paragraph (e) of this Section 2.17, (iii) U.S. withholding taxes imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement or designates a new lending office, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such taxes pursuant to this paragraph and (iv) withholding taxes imposed under FACTA (collectively, clauses (i)-(iv), "Excluded Taxes"). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement. For the avoidance of doubt, the parties acknowledge and agree that the term Non-Excluded Taxes shall not include Excluded Taxes.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender within ten days after demand therefor, for the full amount of any Non-Excluded Taxes or Other Taxes (including Non-Excluded Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.17) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Failure or delay on the part of the Administrative Agent or any Lender to demand compensation pursuant to this Section 2.17 shall not constitute a waiver of the Administrative Agent's or such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate the Administrative Agent or a Lender pursuant to this Section 2.17 for any Non-Excluded Taxes or Other Taxes imposed or asserted against the Administrative Agent or such Lender more than 90 days prior to the date that the Administrative Agent or such Lender, as the case may be, notifies the Borrower of the imposition or assertion of such Non-Excluded Taxes or Other Taxes and of the Administrative Agent's or such Lender's intention to claim indemnification therefor (except that, if the imposition or assertion of such Non-Excluded Taxes or Other Taxes giving rise to such claim for indemnification is retroactive, then the 90 day period referred to above shall commence on the date the Administrative Agent or such Lender obtains knowledge of the same). A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure,

(e) Any Non-U.S. Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding 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 applicable 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.

Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States, any Non-U.S. Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Non-U.S. Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) 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, (x) a certificate to the effect that such Non-U.S. 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, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) 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 fails 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 Borrower and the Administrative Agent (A) a certification signed by the chief financial officer, principal accounting officer, treasurer or controller, and (B) other documentation reasonably requested by the Borrower and the Administrative Agent sufficient for the Administrative Agent and the Borrower to comply with their obligations under FATCA and to determine that such Lender has complied with such applicable reporting requirements.

(g) The agreements in this Section 2.17 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder and for a period of one year after the indefeasible payment in full of all Obligations and the termination of this Agreement and the other Loan Documents.

2.18 Compensation. The Borrower will compensate each Lender upon demand for all losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund or maintain Eurodollar Loans) that such Lender may incur or sustain (i) if for any reason (other than a default by such Lender) a Borrowing or continuation of, or conversion into, a Eurodollar Loan does not occur on a date specified therefor in the notice of borrowing or notice of conversion/continuation provided by the Borrower to the Administrative Agent, (ii) if any repayment, prepayment or conversion of any Eurodollar Loan occurs on a date other than the last day of an Interest Period applicable thereto (including as a consequence of any assignment made pursuant to Section 2.21 or any acceleration of the maturity of the Loans pursuant to Section 8), (iii) if any prepayment of any Eurodollar Loan is not made on any date specified in a notice of prepayment given by the Borrower or (iv) as a consequence of any other failure by the Borrower to make any payments with respect to any Eurodollar Loan when due hereunder. Calculation of all amounts payable to a Lender under this Section 2.18 shall be made as though such Lender had actually funded its relevant Eurodollar Loan through the purchase of a Eurodollar deposit bearing interest at the Eurodollar Rate in an amount equal to the amount of such Eurodollar Loan, having a maturity comparable to the relevant Interest Period; provided, however, that each Lender may fund its Eurodollar Loans in any manner it sees fit and the foregoing assumption shall be utilized only for the calculation of amounts payable under this Section 2.18. A certificate (which shall be in reasonable detail) showing the bases for the determinations set forth in this Section 2.18 by any Lender as to any additional amounts payable pursuant to this Section 2.18 shall be submitted by such Lender to the Borrower either directly or through the Administrative Agent. Determinations set forth in any such certificate made in good faith for purposes of this Section 2.18 of any such losses, expenses or liabilities shall be conclusive absent manifest error.

2.19 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.16, 2.17(a) or 2.20 with respect to such Lender, to the extent permitted by law, it will designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, are not disadvantageous to such Lender, and provided, further, that nothing in this Section 2.19) shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.16, 2.17(a) or 2.20.

2.20 Illegality. If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof shall make it unlawful, impossible or impracticable for any Lender to make, maintain or fund any Eurodollar Loan and such Lender shall so notify the Administrative Agent and the Borrower thereof (with supporting documentation) of such event, then such Lender's Commitment shall be suspended and, 30 days following such notification, shall be canceled if such unlawfulness, impossibility or impracticability shall then be continuing. The Borrower shall prepay such Lender's Loans or convert such Eurodollar Loans to ABR Loans at the time or times and to the extent necessary to avoid such unlawfulness, together with unpaid accrued interest thereon, unpaid accrued fees and any other amounts due and payable to such Lender, unless, in either case, prior thereto, the Borrower shall have given notice to such Lender that the Borrower will require such Lender to assign and transfer all of its interests in this Agreement pursuant to Section 2.21 and shall have caused such Lender to have so assigned and transferred such interests.

2.21 Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.16 or 2.17(a). (b) requires relief pursuant to Section 2.20 or (c) is a Defaulting Lender or a Nonconsenting Lender, in each case with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.19 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.16 or 2.17(a) or relief pursuant to Section 2.20, (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender for any amounts owing under Section 2.18 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be an Eligible Assignee, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay to the Lender being replaced all additional amounts (if any) required pursuant to Section 2.16 or 2.17(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender. If any circumstances arise which result, or such Lender becomes aware of any circumstances which are expected to result, in the Borrower having to make such compensation or indemnification or in it becoming illegal for such Lender to make, fund or maintain such Lender's Eurodollar Loans, such Lender shall use its commercially reasonable efforts to notify the Borrower thereof and, in consultation with the Borrower, such Lender shall take all steps, if any, it determines are reasonable and the Borrower determines are acceptable to mitigate the effect of those circumstances; provided that no delay or failure by any Lender to provide any such notice shall affect the obligations of the Borrower hereunder.

2.22 **[***Reserved***]**.

2.23 Defaulting Lenders.

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 10.1.

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of any such Defaulting Lender that has failed to comply with its funding obligations under Section 9 hereof (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) shall be applied at such time or times as may be determined by the Administrative Agent to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent or any Indemnitee hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender and each Lender irrevocably consents hereto.

(b) If the Borrower and the Administrative Agent agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of the Borrower or any other party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 3.

[*RESERVED***]**

SECTION 4.

REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement on the Effective Date and to make the Loans on the Closing Date, Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender on the Effective Date and the Closing Date that:

4.1 Financial Condition. The audited consolidated balance sheet of Holdings as at December 31, 2009, and the related consolidated statements of income, retained earnings and cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from PricewaterhouseCoopers LLP, fairly present in all material respects the consolidated financial condition of Holdings as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The unaudited consolidated balance sheet of Holdings as at September 30, 2010, and the related unaudited consolidated statements of income, retained earnings and cash flows for the nine-month period ended on such date, fairly present in all material respects the consolidated financial condition of Holdings as at such date, and the consolidated results of its operations and its consolidated cash flows for the nine-month period then ended (subject to normal year end audit adjustments and, in the case of unaudited financial statements, the absence of footnotes). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein and in the case of unaudited financial statements except for the absence of footnotes and subject to normal year end audit adjustments). Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Holdings and the Borrower to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

4.2 No Change. Since December 31, 2009, no event or condition has occurred or changed that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that such non-compliance, singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No authorization or approval of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, other than any such consents, authorizations, filings and notices which have been obtained or made and are in full force and effect. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not violate any material Requirement of Law or any material Contractual Obligation of any of Holdings, the Borrower or their respective Subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation. No Requirement of Law or Contractual Obligation applicable to Holdings, the Borrower or any of their respective Subsidiaries could reasonably be expected to have a Material Adverse Effect.

4.6 Litigation. No litigation, arbitration or administrative proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened (i) against Holdings or the Borrower or any of their respective Subsidiaries to restrain the entry by Holdings or the Borrower into, the enforcement of or exercise of any rights by the Lenders or the Administrative Agent under, or the performance or compliance by the Borrower with any obligations under, this Agreement, the Notes, or the Guarantee Agreement, or (ii) against Holdings or the Borrower or any of their Subsidiaries which has had or would reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its real property which is material to the operation of such Group Member's business, and good title to, or a valid leasehold interest in, all its other property which is material to the operation of such Group Member's business, and none of such property is subject to any Lien except as permitted by Section 7.2.

4.9 Intellectual Property . (i) Each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted; (ii) no material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does Holdings or the Borrower know of any valid basis for any such claim and (iii) the use of Intellectual Property which is material to the operation of each Group Member's business does not infringe on the rights of any Person in any material respect.

4.10 Taxes. Each Group Member has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member); no tax Lien has been filed (except as permitted under Section 7.2(c)) and, to the knowledge of Holdings and the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge (other than any such tax, fee or charge, the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member).

4.11 Margin Regulation. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used in any manner which violates Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U 1, as applicable, referred to in Regulation U. After application of the proceeds of all Loans and any purchases funded thereby, less than 25% of the assets of Holdings and the Borrower and their Subsidiaries consist of "margin stock" (as defined in Regulation U).

4.12 ERISA. Neither a Reportable Event nor any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and, to the knowledge and belief of Holdings and the Borrower, each Plan has complied in all material respects with the applicable provisions of ERISA and the Code except where non-compliance, either singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by an amount that could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a liability or loss under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any liability or loss under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made, in any case where, either singly or in the aggregate, the aggregate amount of loss or liability could not reasonably be expected to have a Material Adverse Effect.

4.13 Investment Company Act; Other Regulations. No Loan Party is an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to borrow Loans under this Agreement.

4.14 Subsidiaries. As of the Effective Date, (a) Schedule 4.14 sets forth the name and jurisdiction of incorporation of each Subsidiary of each of Holdings and the Borrower and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party, and whether such Subsidiary is then a Restricted Subsidiary or Unrestricted Subsidiary, and (b) except as set forth on Schedule 4.14. there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock performance grants granted to employees or directors and directors’ qualifying shares) of any nature relating to any Capital Stock of the Borrower or any of Holdings’ or the Borrower’s respective Subsidiaries, except as created by the Loan Documents.

4.15 Use of Proceeds. The proceeds of the Loans shall be used to repay the 2011 Notes and/or to repay another financing source of the 2011 Notes, whether the refinancing thereof is from proceeds of other Indebtedness, commercial paper or other sources.

4.16 Environmental Matters. Except (i) as may be disclosed on Schedule 4.16. or (ii) as, either singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by any of Holdings, the Borrower, or their respective Subsidiaries (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) none of Holdings, the Borrower, or their respective Subsidiaries has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any of them (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings and the Borrower, threatened, under any Environmental Law to which any of Holdings, the Borrower, or their respective Subsidiaries is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

4.17 Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document, the Lender Presentation or any other document, certificate or written statement furnished by any Loan Party or other statement made or furnished by any Loan Party, in each case to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished (or, in the case of the Lender Presentation, as of the date of this Agreement), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, in the Lender Presentation or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.18 Solvency. Each Loan Party is, and after giving effect to the incurrence of all Obligations being incurred in connection herewith, will be and will continue to be, Solvent.

4.19 Status of Loans and Guarantee Agreement. The obligations of Borrower and Holdings in respect of the Loans and the Guarantee Agreement, respectively, constitute senior, unsubordinated, unsecured, direct obligations of such Loan Parties and rank *pari passu* with such Loan Parties' other senior, unsubordinated, unsecured obligations.

4.20 OFAC. No Loan Party (i) is a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such person in any manner violative of Section 2, or (iii) is a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other OFAC regulation or executive order.

4.21 PATRIOT Act. Each Loan Party is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the PATRIOT Act. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

SECTION 5.

CONDITIONS PRECEDENT

5.1 Conditions to Effectiveness. The effectiveness of this Agreement on the Effective Date is subject to the following conditions precedent:

(a) Credit Agreement; Guarantee Agreement. The Administrative Agent shall have received (i) this Agreement executed and delivered by the Agents, Holdings, the Borrower and each Lender, (ii) the Notes requested by the Lenders as executed and delivered by the Borrower, and (iii) the Guarantee Agreement executed and delivered by Holdings

(b) Certificate of Officers. The Administrative Agent shall have received certificates of the Secretary or an Assistant Secretary of the Borrower and Holdings containing specimen signatures of the persons authorized to execute the Loan Documents on behalf of the Borrower and Holdings, and any other documents provided for herein or therein, together with (x) copies of resolutions of the Boards of Directors of the Borrower and Holdings authorizing the execution and delivery of the Loan Documents, (y) copies of the Borrower's and Holdings' articles or certificate of incorporation, by-laws, and other governing or organizational documents and (z) a certificate of good standing from the Office of the Secretary of State of the state of organization of each of the Borrower and Holdings.

(c) Legal Opinions. The Administrative Agent shall have received the executed legal opinions of (1) Kilpatrick Stockton LLP, special Georgia counsel to Holdings, (2) Woodburn and Wedge, special Nevada counsel to the Borrower and (3) Dewey & LeBoeuf LLP, special New York counsel to Holdings and the Borrower, substantially in the forms of Exhibits E-l, E-2, and E-3. Such legal opinions shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

(d) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date, except to the extent any representation and warranty expressly relates to any earlier date, in which case such representation and warranty shall have been true and correct in all material respects on and as of such earlier date and except that for purposes of this Section 5.1, the representations and warranties contained in Section 4.1 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.1.

(e) Fees. The Lenders, the Arranger and the Administrative Agent shall have received all fees required to be paid (including, without limitation, all fees due under the Engagement Letter), and all expenses for which reasonably detailed invoices have been presented (but only the reasonable fees and out-of-pocket expenses of one legal counsel to the Administrative Agent).

(f) PATRIOT Act. The Borrower and Holdings shall have delivered to the Administrative Agent all documentation and other information requested by the Administrative Agent that is required to satisfy applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the PATRIOT Act.

Without limiting the generality of the provisions of Section 9, for purposes of determining compliance with the conditions specified in this Section 5.1, each Lender 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 Lender, unless the Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

5.2 Conditions to the Loans. The obligation of each Lender to make any Loan during the Commitment Period is subject to the additional satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date, except to the extent any representation and warranty expressly relates to any earlier date, in which case such representation and warranty shall have been true and correct in all material respects on and as of such earlier date and except that for purposes of this Section 5.2, the representations and warranties contained in Section 4.1 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.1.

(b) Fees. The Lenders, the Arranger and the Administrative Agent shall have received all fees required to be paid (including, without limitation, all fees due under the Engagement Letter), and all expenses for which reasonably detailed invoices have been presented (but only the reasonable fees and out-of-pocket expenses of one legal counsel to the Administrative Agent).

(c) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(d) Closing Certificate. The Administrative Agent shall have received a certificate of each Loan Party, dated the Effective Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(e) Other Documents. The Administrative Agent shall have received such other documents, certificates, information and legal opinions as it or the Required Lenders may have reasonably requested.

The borrowing by the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

SECTION 6.

AFFIRMATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of Holdings and the Borrower shall and shall cause each other Group Member to:

6.1 Financial Statements. Furnish to the Administrative Agent for delivery to the Lenders:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of Holdings, a copy of the audited consolidated balance sheet of Holdings and its consolidated Subsidiaries and a copy of the separate unaudited balance sheet (or, if audited financial statements are otherwise prepared or required to be prepared for such Unrestricted Subsidiary, audited balance sheet) of each Unrestricted Subsidiary, in each case as at the end of such year and the related audited (or, in the case of any Unrestricted Subsidiary for which audited statements are not required by this Section 6.1 (a), unaudited) consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on for such fiscal year without a “going concern” or like qualification or exception, or qualification arising out of the scope of the audit, by Holdings’ independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of Holdings (other than the last fiscal quarter of each fiscal year), a copy of the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries, and a copy of the separate unaudited consolidated balance sheet of each Unrestricted Subsidiary, in each case as at the end of such quarter and the related unaudited statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as having been prepared in accordance with GAAP (other than the omission of footnotes and subject to normal year end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein and in the case of quarterly financial statements except for the omission of footnotes and subject to normal year end audit adjustments). Holdings, the Borrower and each Lender acknowledge that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to this Section 6.1 or otherwise are being distributed through the Platform, any document or notice that Holdings or Borrower has indicated contains Non-Public Information shall not be posted on that portion of the Platform designated for such Public Lenders. Each of Holdings and the Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of Holdings or the Borrower which is suitable to make available to Public Lenders. If Holdings or the Borrower has not indicated whether a document or notice delivered pursuant to this Section 6.1 contains Non-Public Information, the Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material non-public information with respect to Holdings, its Subsidiaries and their securities.

6.2 Certificates; Other Information. Furnish to the Administrative Agent for delivery to the Lenders (or, in the case of clause (d), to the relevant Lender):

(a) concurrently with the delivery of any financial statements pursuant to Section 6.1. (i) a certificate of a Responsible Officer stating that, to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) a Compliance Certificate containing all information and calculations necessary for determining compliance by each Group Member with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of Holdings, as the case may be;

(b) (i) prompt notice to the Administrative Agent of any failure by Holdings or the Borrower to file with the SEC any annual report on Form 10-K or quarterly report on Form 10-Q on or before the date such report is required to be filed pursuant to SEC regulations, and (ii) within five days after the same is filed, notice to the Administrative Agent of the filing of any such annual report on Form 10-K or quarterly report on Form 10-Q that had not previously been filed by Holdings or the Borrower as described in the preceding clause (i), and the availability to the Lenders of such filing through electronic access;

(c) within five days after the same is filed, notice to the Administrative Agent of the filing by Holdings or the Borrower with the SEC of any proxy statement, and the availability to the Lenders of such filing through electronic access; and

(d) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its Federal, state and other material taxes and other material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

6.4 Maintenance of Existence; Compliance . (a) (i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.3 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain insurance (either with financially sound insurance companies or through self-insurance) on all its property in at least such amounts and against at least such risks (but including in any event public liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in respect of Holdings, the Borrower, and their respective Subsidiaries in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to their business and activities and (b) permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records during normal business hours and, if no Event of Default has occurred and is continuing, upon reasonable notice and as often as may reasonably be desired and to discuss their respective businesses, operations, properties and financial and other condition with their respective officers and employees and with their independent certified public accountants; provided, that unless an Event of Default has occurred and is continuing, the Administrative Agent and the Lenders shall use their reasonable efforts to coordinate any such visits or inspections so as to minimize disruption of the conduct of their respective businesses, as applicable.

6.7 Notices. Promptly, and in any event within three Business Days after any Responsible Officer of the Borrower or Holdings knows or has reason to know of the same, give notice to the Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) the following events, at such time as a Responsible Officer has knowledge thereof; any (i) default or event of default under any material Contractual Obligation of any of Holdings, the Borrower, or their respective Subsidiaries or (ii) litigation or governmental proceeding that may exist at any time between any of Holdings, the Borrower, or their respective Subsidiaries and any Governmental Authority, and (iii) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan, that in any of the foregoing cases (i) through (iii) singly or in the aggregate, could reasonably be expected to result in liabilities, losses or claims to the Group Members in an aggregate amount in excess of $100,000,000; and

(c) any adverse change in or downgrade of, or withdrawal or suspension of, the Moody's Rating or the S&P Rating of which Holdings or the Borrower has received written notification or of which Holdings or the Borrower becomes aware of the public announcement thereof.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.8 Environmental Laws.

(a) Comply in all material respects with, and contractually require compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and contractually require that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws except where such non-compliance would not reasonably be expected to have a Material Adverse Effect.

(b) Conduct and complete in all material respects all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and comply in a timely manner in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9 Maintenance of Ownership. In the case of Holdings, own 100% of the Capital Stock of the Borrower, Atlanta Gas Light Company, Pivotal Utilities Holdings, Inc., Virginia Natural Gas, Inc.

6.10 OFAC, PATRIOT Act Compliance. Each of the Borrower and Holdings will, and will cause each Group Member to, (i) refrain from doing business in a Sanctioned Country or with a Sanctioned Person in violation of the economic sanctions of the United States administered by OFAC, and (ii) provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the PATRIOT Act.

SECTION 7.

NEGATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, during the term of this Agreement, and so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of Holdings and the Borrower shall not, and shall not permit any of the other Group Members to, directly or indirectly:

7.1 Financial Condition Covenant. Permit the ratio of Consolidated Total Debt to Total Capitalization to be greater than 0.70:1.00 as of the end of any fiscal month of Holdings (as determined by Holdings and the Borrower based on their internal fiscal month-end consolidated balance sheet prepared not later than ten days following the end of such fiscal month) or at the end of any fiscal quarter of Holdings (as reflected on the consolidated financial statements delivered to the Lenders pursuant to Section 6.1). For purposes of the foregoing, to the extent Consolidated Total Debt includes outstanding amounts under Hybrid Securities, then a portion of the amount of such Hybrid Securities not to exceed a total of 15% of Total Capitalization may be excluded from Consolidated Total Debt.

7.2 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Mechanics’, materialmen’s, carriers’, and other similar Liens arising in the ordinary course of business that are not overdue for a period longer than 30 days or that are being contested in good faith by appropriate proceedings;

(b) Pledges or deposits in connection with workers’ compensation, unemployment insurance, and other social security legislation;

(c) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the consolidated books of Holdings in conformity with GAAP;

(d) Liens in respect of judgments or awards pending appeal (other than judgments or awards not constituting an Event of Default under Section 8(h)) so long as execution is not levied thereunder, and Liens in favor of plaintiff or defendant in any action before a court or a tribunal as security for costs or expenses where such action is being prosecuted or defended in the bona fide interest of Holdings or any other Group Member;

(e) Liens on deposits to secure, or any Lien otherwise securing, the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety bonds, appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) Liens on any fixed or capital assets to secure the purchase of or the cost of construction or improvement of such fixed or capital assets or to secure Indebtedness incurred solely for the purpose of financing the acquisition, construction or improvement of such fixed or capital assets (including Liens securing capital lease obligations); provided, that (i) such Lien secures Indebtedness which on the date incurred and after giving pro forma effect thereto is permitted under Section 7.1; (ii) such Lien attaches to such asset concurrently or within 90 days after the acquisition, improvement or completion of the construction thereof; (iii) such Lien does not extend to any other asset of any Group Member; and (iv) the Indebtedness secured by such Lien does not exceed the cost of acquiring, constructing or improving such fixed or capital assets;

(g) Liens (x) outstanding on or over any Assets acquired after the Effective Date, (y) in existence at the date of such acquisition and not created in contemplation thereof, and (z) where the principal amount secured thereby is not increased over the amount so secured and outstanding at the time of such acquisition (other than in the case of Liens for a fluctuating balance facility, by way of utilization of that facility within the limits applicable thereto at the time of acquisition);

(h) Liens constituted by a right of set off, or rights over a margin call account, or any form of cash collateral, or any similar arrangement, in any such case for obligations incurred in respect of any Hedge Agreements, as renewed or extended upon the renewal or extension or refinancing or replacement of the obligations secured thereby;

(i) Liens existing on the Effective Date and set forth on Schedule 7.2(i) as renewed, extended, refinanced or replaced, provided that such renewal, extension, refinancing, or replacement does not cover any other Assets or increase the obligations secured thereby;

(j) Liens on the property of a Person existing at the time such Person is merged into or consolidated with Holdings or any other Group Member and not incurred in contemplation with such merger or consolidation; and

(k) Liens created or outstanding on Assets of Holdings or other Group Members, provided that the aggregate outstanding principal, capital and nominal amounts secured by all Liens created or outstanding as permitted under clauses (f) through (j) above and this clause (k) shall not at any time exceed 15% of Consolidated Net Worth.

7.3 Fundamental Changes. Merge, consolidate or amalgamate, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that so long as no Default or Event of Default has occurred and is continuing or would result therefrom:

(a) any entity may be merged or consolidated with or into Holdings (provided that Holdings shall be the continuing or surviving corporation) or any other Restricted Subsidiary of Holdings (provided that such Restricted Subsidiary shall be the continuing or surviving corporation); and

(b) any Restricted Subsidiary of Holdings may Dispose of any or all of its Assets (i) to Holdings or any other Restricted Subsidiary of Holdings (upon voluntary liquidation or otherwise) or (ii) pursuant to a Disposition permitted by Section 7.4 and may thereafter liquidate, wind up or dissolve.

7.4 Disposition of Property. Dispose of any of its Assets, whether now owned or hereafter acquired, or, in the case of Holdings or any of its Restricted Subsidiaries, issue or sell any shares of such Restricted Subsidiary's Capital Stock to any Person, except:

(a) Dispositions in the ordinary course of business of obsolete or worn out property or property no longer used or useful;

(b) sales of inventory in the ordinary course of business;

(c) Dispositions permitted by Section 7.3(b)(i);

(d) sales or issuances of any Restricted Subsidiary's Capital Stock to Holdings or to any Restricted Subsidiary of Holdings; and

(e) the Disposition of other Assets, the aggregate net book value of which, when combined with all such other Assets sold, leased, transferred or otherwise disposed of since September 30, 2010, would not exceed 20% of Holdings' consolidated Assets at the end of the preceding fiscal quarter (including the fourth fiscal quarter) of Holdings for which financial statements have most recently been delivered to the Administrative Agent pursuant to Section 6.1.

7.5 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

(a) any Restricted Subsidiary may make Restricted Payments to Holdings or to any Restricted Subsidiary of Holdings or to any third-party investors in any Restricted Subsidiary of Holdings;

(b) so long as no Event of Default shall have occurred and be continuing or result therefrom, Holdings may declare and pay dividends on shares of its Capital Stock (provided that Holdings may pay dividends on shares of its Capital Stock within 60 days after the date of declaration thereof, so long as on the date of declaration no Event of Default shall have occurred and be continuing or result therefrom); and

(c) so long as no Event of Default shall have occurred and be continuing or result therefrom, Holdings may buy back any outstanding shares of its Capital Stock.

7.6 Intentionally Omitted.

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) Guarantee Obligations otherwise permitted by this Agreement;

(d) loans and advances to employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed $2,000,000 at any one time outstanding;

(e) other Investments made by Holdings or its Restricted Subsidiaries (other than the Borrower) subsequent to September 30, 2010 where such Investments consist of purchases of, or other investments in, the Capital Stock or other equity or ownership interests, assets, obligations or other interests in, Subsidiaries, joint ventures, or other Persons, in each case that are engaged principally in the business of purchasing, gathering, compression, transportation, generation, distribution, exploration, production, processing or storage of natural gas or electricity, or asset management with respect to the foregoing (the foregoing collectively referred to as "Permitted Acquisitions");

(f) $150,000,000 in respect of Investments other than those described in the preceding clause (e); and

(g) (x) intercompany Investments between Holdings and the Borrower, (y) intercompany Investments between Group Members (other than Holdings and the Borrower) and (z) intercompany Investments between any Group Member (other than Holdings and the Borrower) and Holdings and the Borrower to the extent necessary in the ordinary course of business.

7.8 Negative Pledge Clauses. Except for the agreements listed or described on Schedule 7.8, enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, other than (a) this Agreement and the other Loan Documents; (b) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby); and (c) any agreement in effect at the time any Person becomes a Subsidiary of Holdings (including by way of merger or consolidation); provided that such agreement was not entered into in contemplation of such Person becoming a Subsidiary.

7.9 Clauses Restricting Subsidiary Distributions. Except for the agreements listed on Schedule 7.8, enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary of Holdings to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Indebtedness owed to, Holdings or any other Restricted Subsidiary of Holdings, (b) make loans or advances to, or other Investments in, the Borrower or any other Restricted Subsidiary of Holdings or (c) transfer any of its assets to Holdings or any other Restricted Subsidiary of Holdings, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions with respect to a Restricted Subsidiary imposed pursuant to an agreement permitted hereunder that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or Assets of such Restricted Subsidiary (in which case, any restriction shall only be effective against such Capital Stock or Assets); (ii) any agreements with joint venture partners in connection with joint ventures permitted by this Agreement; (iii) any agreement in effect at the time any Person becomes a Subsidiary of Holdings (including by way of merger or consolidation); provided that such agreement was not entered into in contemplation of such Person becoming a Subsidiary, (iv) solely in the case of clause (c) above, any agreement governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (v) solely in the case of clause (c) above, customary provisions in leases, licenses and other contracts restricting the assignment thereof.

7.10 Lines of Business and Hedge Activities. (a) With respect to Holdings and each Subsidiary (other than the Borrower), enter into any business, either directly or through any Subsidiary, except for (i) those businesses in which Holdings and its Subsidiaries (other than the Borrower) and its existing joint ventures are engaged on the date of this Agreement, (ii) that are reasonably related to the businesses referred to in the preceding clause (i), or (iii) that are being undertaken by comparable companies in the natural gas and electricity industries, (b) with respect to the Borrower, enter into any business, except for that in which the Borrower is engaged on the Effective Date, or (c) with respect to Holdings, the Borrower, and each other Group Member, enter into any Hedge Agreement except in the ordinary course of their business and consistent with industry practices.

7.11 Designation of Subsidiaries. Holdings may not designate or redesignate any Unrestricted Subsidiary as a Restricted Subsidiary, or designate or redesignate any Restricted Subsidiary as an Unrestricted Subsidiary, unless (a) Holdings shall have given not less than ten days' prior written notice to the Lenders that the Board of Directors of Holdings has made such determination, (b) at the time of such designation or redesignation, and immediately after giving effect thereto, no Default or Event of Default would exist, (c) in the case of the designation of a Restricted Subsidiary as an Unrestricted Subsidiary and after giving effect thereto, (i) such Unrestricted Subsidiary so designated shall not, directly, or indirectly, hold or own any Indebtedness or Capital Stock of Holdings or any Restricted Subsidiary, and (ii) such designation shall be deemed a sale of assets and shall be permitted by the provisions of Section 7.4, (d) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary and after giving effect thereto, all outstanding Indebtedness and all existing Liens of such Restricted Subsidiary so designated shall be permitted within the applicable limitations of Sections 7.1 and 7.2, (e) in the case of the designation of a Restricted Subsidiary as an Unrestricted Subsidiary, such Restricted Subsidiary shall not at any time after the date of this Agreement have previously been designated as an Unrestricted Subsidiary more than once, and (f) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary, such Unrestricted Subsidiary shall not at any time after the date of this Agreement have previously been designated as a Restricted Subsidiary more than once.

SECTION 8.

EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay (i) any principal of any Loan when due in accordance with the terms hereof, or (ii) any interest on any Loan or any other amount payable hereunder or under any other Loan Document (other than any amount referred to in clause (i) above), within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) (i) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to Holdings and the Borrower only), Section 6.7(a), Section 6.9 or Section 7.1 of this Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after the earlier of (i) knowledge thereof by any Responsible Officer of any Loan Party or (ii) notice to the Borrower from the Administrative Agent or the Required Lenders; or

(e) any Group Member shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto (after giving effect to any applicable cure periods); or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace or notice and cure, if any, provided in any instrument or agreement under which such Indebtedness was created; or (iii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to cause the acceleration of the maturity of such Indebtedness; or any such Indebtedness shall be declared due and payable, or be required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case prior to the scheduled maturity thereof by reason of such event or condition; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one *or* more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the total principal amount of which exceeds in the aggregate $100,000,000 (which, in the case of Indebtedness arising under any Hedge Agreement, shall be determined as the amount, if any, that would then be payable by the Group Member thereunder if such Hedge Agreement were to be terminated as a result of default by such Group Member); or

(f) (i) any Group Member shall commence any case, proceeding or other action (A) under any Debtor Relief Law seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief under any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against any Group Member any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Group Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any Person shall engage in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any failure by any Plan to satisfy the “minimum funding standard” (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, results in liabilities of the Group Members in respect thereof in excess of $100,000,000; or

(h) one or more judgments or decrees shall be entered against any Group Member involving in the aggregate liabilities (not paid or not fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $100,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) the guarantee contained in Section 2 of the Guarantee Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(j) (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 30% of the outstanding common stock of Holdings or (ii) the board of directors of Holdings shall cease to consist of a majority of Continuing Directors;

then, and in any such event, (A) if such event is an Event of Default specified in paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare all or any portion of the Commitments to be terminated forthwith, whereupon such portion of the Commitments shall immediately terminate; (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable; and (iii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and applicable law. Except as expressly provided above in this Section 8, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9.

THE AGENT

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the Agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, 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 Administrative Agent. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings or any of its Subsidiaries. Except as set forth in Section 9.9, the provisions of this Section 9 are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the gross negligence or willful misconduct of any agents or attorneys in fact selected by it with reasonable care.

9.3 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) 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) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of their respective Affiliates that is communicated to or obtained by the Person serving as the 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 (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8 and 10.1) or (ii) in the absence of its own gross negligence or willful misconduct.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings or the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys in fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or affiliates.

9.7 Indemnification. To the extent that the Borrower for any reason fails to pay any amount required under Section 10.5 to be paid by it to the Administrative Agent (or any sub-agent thereof) or any other Indemnitee, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such other Indemnitee, as the case may be, such Lender's proportion (based on the percentages as used in determining the Required Lenders as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, 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 (or any such sub-agent) in its capacity as such, or against any other Indemnitee of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon ten days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is ten days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

9.10 Documentation Agent and Syndication Agent. None of the Documentation Agent or the Syndication Agent shall have any duties or responsibilities hereunder in its capacity as such.

SECTION 10.

MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party (any required response to the matters described in clauses (a) or (b) of this Section 10.1 not to be unreasonably delayed by any party) party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party (any required response to the matters described in clauses (a) or (b) of this Section 10.1 not to be unreasonably delayed by any party) party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive any principal amount or extend the final scheduled date of maturity of any Loan beyond the Maturity Date, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, or release the Guarantor from its obligations under the Guarantee Agreement without the written consent of all Lenders; (iv) amend, modify or waive any provision of Section 9.1 without the written consent of the Administrative Agent; (v) amend, modify or waive any prepayment provisions (including, but not limited to, Sections 2.8); or (vi) modify or waive the definition of "Percentage", Sections 2.1(c) or 2.15 or the pro rata treatment of any Lender without the written consent of all Lenders directly affected thereby. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Notwithstanding anything to the contrary herein, (1) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended, or the final maturity thereof extended, amounts payable to such Lender hereunder may not be permanently reduced (other than reductions in fees and interest in which such reduction does not disproportionately affect such Lender), and neither this clause (x) nor the following clause (y) may be amended, in each case, without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender and (2) if the Administrative Agent and the Borrower shall have jointly identified (each in its sole discretion) an obvious error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the applicable Loan Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within ten (10) Business Days following the posting of such amendment to the Lenders.

10.2 Notices.

(a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

To Holdings:	AGL Resources Inc. Ten Peachtree Place NE, Suite 1000 Atlanta, Georgia 30309 Attention: Chief Financial Officer Telecopy: (404) 584-3509 Telephone: (404) 584-3580

With a copy to:	AGL Resources Inc. Ten Peachtree Place NE, Suite 1000 Atlanta, Georgia 30309 Attention: General Counsel Telecopy: (404) 584-3419 Telephone: (404) 584-3430
To the Borrower:	AGL Capital Corporation 2325-B Renaissance Drive, Suite 10 Las Vegas, Nevada 89119 Attention: President Telecopy: 702-966-4247 Telephone: 702-966-4246
To the Administrative Agent:	Goldman Sachs Bank USA 200 West Street New York, New York 10282-2198 Attention: Blake Longstaff Telecopy: 646-769-7965 Telephone: 212-902-2382
With a copy to:	Milbank, Tweed, Hadley & McCloy LLP One Chase Manhattan Plaza New York, New York 10005-1433 Attention: Lauren A. Hanrahan Telecopy: (212) 822-5339 Telephone: (212) 530-5339
To any other Lender:	the address set forth in the Administrative Questionnaire or the Assignment and Acceptance Agreement executed by such Lender

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

(b) The Borrower agrees that the Administrative Agent may make the Communications (as defined below) available to the Lenders by posting the Communications on Intralinks/Intra Agency, SyndTrak or a substantially similar electronic transmission system (the "Platform"). THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." The Agent Parties (as defined below) do not warrant the adequacy of the platform and expressly disclaim liability for errors or omissions in the communications effected thereby (the "Communications"). No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party, any Lender or any other Person or entity for damages of any kind, arising out of any Loan Party's or the Administrative Agent's transmission of Communications through the Platform other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Agent Party as determined by a final and nonappealable judgment of a court of competent jurisdiction; provided, however, that in no event will any Agent Party or any of their respective affiliates have any liability for any indirect, consequential, special or punitive damages.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents 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. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder and for a period of one year after the indefeasible payment in full of all Obligations and the termination of this Agreement and the other Loan Documents.

10.5 Payment of Expenses and Taxes; Indemnity; Damage Waiver. The Borrower agrees (a) to pay or reimburse the Arranger and the Administrative Agent for all of their reasonable out of pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to,

this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender, the Arranger , the Administrative Agent and each other Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable and out-of-pocket fees and disbursements of counsel (but limited in the case of fees and disbursements of counsel to one counsel for the Administrative Agent and one additional counsel to the Lenders (and appropriate specialty and local counsel for each); provided, however, that in the event any Lender or its counsel reasonably determines that it would create an actual or potential conflict of interest to not have individual counsel, such Lender may engage and be reimbursed for its own counsel in accordance with the foregoing), (c) to pay, indemnify, and hold each Lender, the Arranger, the Administrative Agent and each other Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, the Arranger, the Administrative Agent, each other Agent and their respective officers, directors, partners, employees, affiliates, agents and controlling persons (each, an “Indemnitee”) harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of any Group Member or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the “Indemnified Liabilities”); provided that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. To the maximum extent permitted by applicable law, each party to this Agreement agrees that it shall not assert, and hereby waives, any right or claim against any other party to this Agreement, 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, the transactions contemplated by this Agreement or any other Loan Document, any Loan or the use of the proceeds thereof; provided, however, that Indemnified Liabilities arising out of a claim by any Person against an Indemnitee shall be considered direct damages for purposes of this Section 10.5, even if such claim may constitute consequential, special, indirect or punitive damages with respect to the Person asserting such claim. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems (including Intralinks, SyndTrak or similar systems) in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than ten days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to the Borrower to the attention of the Treasurer as set forth in Section 10.2 or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of Holdings, the Borrower, the Lenders, the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, without the consent of the Borrower, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, postpone the date of the final maturity of the Loans or release the Guarantor from its obligations under the Guarantee Agreement, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff 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 Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.7(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.16, 2.17 and 10.5 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it was a Lender; provided, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(c) Any Lender may assign to one or more Eligible 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); provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $3,000,000, in the case of any assignment of a Loan, unless each of the Administrative Agent and (unless an Event of Default has occurred and is continuing at the time of such assignment) the Borrower otherwise consents to such lesser amount (each such consent not to be unreasonably withheld or delayed), (ii) 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 with respect to the Loan or the Commitment assigned and (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 (except in the case of assignment by or to GS Bank or any of its Affiliates), and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire. Upon (i) the execution and delivery of the Assignment and Acceptance by the assigning Lender (the "Assignor") and assignee Lender (the "Assignee"), (ii) acceptance and recording thereof by the Administrative Agent pursuant to paragraph (g) of this Section 10.6, (iii) consent thereof from the Borrower to the extent required pursuant to this paragraph (c) and (iv) if such assignee Lender is a Non-U.S. Lender, compliance by such Person with Section 2.17(e), from and after the effective date specified in each Assignment and Acceptance, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, 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 Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance 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 2.16, 2.17, 2.18 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph 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 (b) of this Section 10.6. In connection with any consent required from Borrower with respect to an assignment hereunder, Borrower shall be deemed to have consented to such assignment unless it shall object thereto by written notice to Administrative Agent within ten (10) Business Days after having received notice thereof.

(d) Notwithstanding anything to the contrary contained in this Agreement, no assignment or participation shall be made (i) to the Borrower, Holdings or any of their respective Subsidiaries or Affiliates, or (ii) to any Defaulting Lender or any of its Subsidiaries, or any Person, who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii) of this Section 10.6(d).

(e) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment (but not including any Loan Parties) shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(f) The Administrative Agent shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain at its address referred to in Section 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and the principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each other Loan Party, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Notes evidencing the Loans recorded therein for all purposes of this Agreement. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a Note shall be registered on the Register only upon surrender for registration of assignment or transfer of the Note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new Notes shall be issued to the designated Assignee.

(g) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 10.6(c), together with payment to the Administrative Agent of a registration and processing fee of $3,500 (if applicable), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(h) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender to any Federal Reserve Bank in accordance with applicable law.

(i) The Borrower, upon receipt of written notice from the relevant Lender, agrees (at the Borrower's expense) to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (f) above.

(j) **[***Reserved***]**.

10.7 Adjustments; Set off.

(a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under the Facility, if any Lender (a "Benefited Lender") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 8, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, unless they have agreed to the contrary, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrower, as the case may be. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.9, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof sitting in New York, New York;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

10.13 Acknowledgements. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders.

10.14 Confidentiality. Each Agent, the Arranger and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein shall prevent the Agents, the Arranger or any Lender from disclosing any such information (a) to the Agents, the Arranger, any other Lender, any Affiliate of any Agent or Arranger or any Lender Affiliate, (b) subject to an agreement to comply with the provisions of this Section 10.14, to any actual or prospective Transferee or any direct or indirect counterparty to any Hedge Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates who are directly involved in the consideration of the Facility and who have been informed of the confidential nature of such information and who have agreed to treat such information confidentially, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document or (j) to market data collectors, similar service providers to the lending industry and service providers to the Agents, the Arranger and the Lenders in connection with the administration and management of this Agreement and the other Loan Documents. Notwithstanding the foregoing, the parties agree that this Agreement does not limit the ability of any party hereto (or any employee, representative, or other agent of such party) to disclose to any Person the tax treatment or tax structure of the financing transactions evidenced by this Agreement; provided, however, the foregoing is not intended to waive the attorney-client privilege or any other privileges, including the tax advisor privilege under Section 7525 of the Code.

10.15 WAIVERS OF JURY TRIAL

. HOLDINGS, THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.16 PATRIOT Act Notice. Each of the Lenders and the Agents hereby notifies the Borrower and Holdings that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower and Holdings, which information includes the names and addresses of the Borrower and Holdings and any other information that will allow such Lender or Agent, as applicable, to identify the Borrower and Holdings in accordance with the PATRIOT Act.

10.17 **[***Reserved***]**.

10.18 No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Loan Parties. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and each Loan Party and their respective stockholders or its affiliates. Each Loan Party acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of each Loan Party and their respective management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of any Loan Party with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its affiliates has advised or is currently advising any Loan Party on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (iv) it has consulted its own legal and financial advisors to the extent it deemed appropriate. Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to Borrower, in connection with such transaction or the process leading thereto.

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.

AGL RESOURCES INC.

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

AGL CAPITAL CORPORATION

By: /s/Paul R. Shlanta
Name: Paul R. Shlanta
Title: President

GOLDMAN SACHS BANK USA, as Administrative Agent and a Lender

By: /s/Craig Packer
Authorized Signatory

JPMORGAN CHASE BANK, N.A.,
as Co-Syndication Agent and a Lender

By: /s/Helen D. Davis
Name: Helen D. Davis
Title: Authorized Officer

BANK OF AMERICA, N.A.,
as Co-Syndication Agent and a Lender

By: /s/Michael Mason
Name: Michael Mason
Title: Senior Vice President

THE ROYAL BANK OF SCOTLAND PLC, as Co-Documentation Agent and a Lender

By: /s/Matthew Main
Name: Matthew Main
Title: Managing Director

MORGAN STANLEY SENIOR FUNDING, INC.,
as Co-Documentation Agent

By: /s/Subhalakshmi Ghosh-Kohli
Name: Subhalakshmi Ghosh-Kohli
Title: Authorized Signatory

MORGAN STANLEY BANK, N.A, as a Lender

By: /s/Subhalakshmi Ghosh-Kohli
Name: Subhalakshmi Ghosh-Kohli
Title: Authorized Signatory

SCHEDULE 1.1

COMMITMENTS

Lender	Commitment Amount
Bank of America, N.A.	$75,000,000
JPMorgan Chase Bank, N.A.	$75,000,000
Morgan Stanley Bank, N.A.	$75,000,000
The Royal Bank of Scotland PLC	$75,000,000
Total:	**$300,000,000**

SCHEDULE 4.14

SUBSIDIARIES

Name	Jurisdiction of Organization	Additional Jurisdictions Qualified	% of Capital Stock owned by AGL Resources Inc. or its Subsidiaries
AGL C&I Energy Services, Inc.	Delaware	PA, VA	100%
AGL Capital Corporation	Nevada	None	100%
AGL Capital Trust I	Delaware	None	100%
AGL Capital Trust II	Delaware	None	100%
AGL Capital Trust III	Delaware	None	100%
AGL Investments, Inc.	Georgia	None	100%
AGL Macon Holdings, Inc.	Georgia	None	100%
AGL Renewables, LLC	Georgia	None	100%
AGL Resources Inc. Political Action Committee, Inc.	Georgia	None	Nonprofit Corporation
AGL Resources Private Foundation Inc.	Georgia	None	Nonprofit Corporation
AGL Rome Holdings, Inc.	Georgia	None	100%
AGL Services Company	Georgia	FL, NJ, TN TX, VA	100%
AGL Southeast LNG, L.L.C.	Georgia	None	100%
AGL Utilipro Holdings, LLC	Georgia	None	100%
Atlanta Gas Light Company	Georgia	WV	100%
BioSolids Holdings, LLC	Georgia	None	100%
Chattanooga Gas Company	Tennessee	None	100%
Compass Energy Consulting, LLC	Virginia	PA	100%
Compass Energy Gas Services, LLC	Virginia	OH	100%
Compass Energy Services, Inc.	Virginia	MD, PA, TN	100%
Customer Care Services, Inc.	Georgia	None	100%
Employee Care Program, Inc.	Georgia	None	Nonprofit Corporation
Energy Risk Integrated Services Corporation	Hawaii	GA	100%
Georgia Gas Company	Georgia	AL	100%
Georgia Natural Gas Company	Georgia	None	100%
GERIC Insurance Risk Retention Group, Inc.	Hawaii	None	100%
Global Energy Resources Insurance Corporation	Hawaii	None	100%
Golden Triangle Storage, Inc.	Delaware	TX	100%
HPMT, Kft.	Hungary	None	100%
Jefferson Island Storage & Hub, LLC	Delaware	LA, TX	100%
Magnolia Enterprise Holdings, Inc.	Georgia	SC	100%
NUI Capital Corp.	Florida	None	100%
NUI Corporation	New Jersey	NY	100%
NUI Energy Brokers, Inc.	Delaware	NJ	100%
NUI Hungary, Inc.	Delaware	None	100%
NUI International, Inc.	Delaware	None	100%
NUI Sales Management, Inc.	Delaware	None	100%
NUI Saltville Storage, Inc.	Delaware	None	100%
Pivotal Energy Services, Inc.	Georgia	VA	100%
Pivotal Jefferson Island Storage & Hub, LLC	Delaware	None	100%
Pivotal LNG, Inc.	Delaware	VA	100%
Pivotal Propane of Virginia, Inc.	Delaware	VA	100%
Pivotal Storage, Inc.	Delaware	None	100%
Pivotal Utility Holdings, Inc.	New Jersey	FL, MD, NC, NY, PA	100%
PTC BioSolids, LLC	Georgia	None	100%
Renewco, LLC	Delaware	None	50%
Renewco-Meadow Branch, LLC	Delaware	GA, TN	100%
SanGroup, LLC	Florida	None	27.7721%
Sequent Energy Canada Corp.	Delaware	Canada: AB, BC, MB, ON, QC, SK	100%
Sequent Energy Management, L.P.	Georgia	IA, IL, MI, NJ, NY, PA, TX, VA,WV	100%
Sequent Energy Services Inc.	Delaware	NJ, PA	100%
Sequent Holdings, LLC	Georgia	None	100%
Sequent, LLC	Georgia	TX	100%
Southeast LNG Distribution Company, L.L.C.	Delaware	None	50%
Southeastern LNG, Inc.	Georgia	VA	100%
T.I.C. Enterprises, LLC	Delaware	GA, NJ, PA, SC	100%
Triple Diamond Storage, Inc.	Delaware	None	100%
Trustees Investments, Inc.	Georgia	None	100%
Utilipro Services, LLC	Delaware	GA	33.33%

Virginia Gas Company	Delaware	VA	100%
Virginia Natural Gas, Inc.	Virginia	GA	100%

***- All entities are Restricted Subsidiaries**

SCHEDULE 4.16

ENVIRONMENTAL MATTERS

AGL Resources Matters

1) Manufactured Gas Plants.

Georgia and Florida. Atlanta Gas Light Company ("AGLC") is required to investigate possible environmental contamination at manufactured gas plants ("MGP") and, if necessary, clean up any contamination. AGLC has been associated with ten MGP sites in Georgia and three in Florida. One new former MGP site has been recently identified adjacent to an existing MGP remediation site. Based on investigations to date, cleanup has either already occurred or is likely at most of these sites. As of June 30, 2010, the remediation program in Georgia was approximately 100% complete, except for a few remaining areas of recently discovered impact, although ground water remediation continues. Investigation is concluded for one phase of the Orlando, Florida site; however, the Environmental Protection Agency has not approved the clean up plans. For elements of the Georgia and Florida sites where we still cannot provide engineering cost estimates, considerable variability remains in future cost estimates. As reported in Holdings Annual Report on Form 10-K for 2009, the projected costs of the remaining remediation at these sites are estimated to be $64-113 million.

New Jersey. In New Jersey, Pivotal Utility Holdings, Inc. (f/k/a NUI Utilities, Inc.) ("PUHI") owns five properties where former MGPs were operated. A sixth MGP site, formerly operated by Elizabethtown Gas, a division of PUHI, operating in New Jersey ("ETG"), is now owned by a church. PUHI is currently conducting remediation activities with oversight from the New Jersey Department of Environmental Protection. Various investigation and cleanup investigations have been conducted and are progressing slowly, but cleanups are likely at most sites. Because we still cannot provide engineering cost estimates, considerable variability remains in future cost estimates. As reported in Holdings Annual Report on Form 10-K for 2009, the projected costs of the remaining remediation at these sites are estimated to be $69-134 million.

Other States. Outside of New Jersey, subsidiary NUI Corporation owns, or previously owned, ten properties located in the states of North Carolina, South Carolina, Pennsylvania, New York and Maryland on which MGPs were operated by NUI or by other parties in the past. Two sites (Athens, Pennsylvania; Reidsville, North Carolina) have been sold to third parties, who have agreed to indemnify NUI against environmental liabilities.

Of these ten sites, only one site (Elizabeth City, North Carolina) has had any regulatory activity over the past ten years. The Elizabeth City site is subject to an Administrative Consent Order with the North Carolina Department of Environment and Natural Resources ("NCDENR"), dated October 31, 2001, and under such order, the Company has entered the formal site investigation stage.

Currently, there is only limited information available to assess the potential environmental liability associated with these non-New Jersey sites, and the liability for these sites will remain an uncertainty until a more vigorous environmental assessment is performed. As reported in Holdings Annual Report on Form 10-K for 2009, the projected costs of the remediation at the Elizabeth City site is estimated to be $11-16 million.

For additional discussion and detailed description of MGP matters, including regulatory recovery mechanism, see Holdings' 2009 10-K filing.

2) Pipeline Replacement.

See Holdings' 2009 10-K filing for a detailed discussion of Holdings' ongoing pipeline replacement efforts throughout Holdings' subsidiary utility territories.

SCHEDULE 7.2(i)

EXISTING LIENS

NONE.

SCHEDULE 7.8

AGREEMENTS PROHIBITING OR LIMITING LIENS

1. Indenture, dated December 1, 1989, as amended, between Atlanta Gas Light Company and The Bank of New York Mellon, as successor trustee, pursuant to which Atlanta Gas Light Company issued its medium term notes.

2. Loan Agreement, dated June 1, 1996, between NUI Utilities, Inc. (f/k/a NUI Corporation) and New Jersey Economic Development Authority pursuant to which Pivotal Utility Holdings Inc. (f/k/a NUI Utilities, Inc.) issued $39.0 million bonds, due June 1, 2026, as amended by that certain First Amendment to Loan Agreement, dated September 2, 2010.

3. Loan Agreement, dated December 1, 1998, between NUI Utilities, Inc. (f/k/a NUI Corporation) and New Jersey Economic Development Authority, pursuant to which NUI Utilities issued $40.0 million 5.25% bonds due November 1, 2033.

4. Loan Agreement, dated April 1, 2005, between Pivotal Utility Holdings, Inc. and Brevard County, FL, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, and as subsequently to be amended, pursuant to which Pivotal Utility Holdings, Inc. issued $20 million bonds due October 1, 2024.

5. Loan Agreement, dated May 1, 2005, between Pivotal Utility Holdings, Inc. and New Jersey Economic Development Authority, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, and as subsequently amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which Pivotal Utility Holdings, Inc. issued $46.5 million bonds due October 1, 2022.

6. Loan Agreement, dated May 1, 2007, between Pivotal Utility Holdings, Inc. (f/k/a NUI Utilities, Inc. and NUI Corporation) and New Jersey Economic Development Authority, as amended by that certain First Amendment to Loan Agreement, dated June 1, 2008, and as subsequently amended by that certain Second Amendment to Loan Agreement, dated September 1, 2010, pursuant to which NUI Utilities issued $54.6 million bonds due June 1, 2032.

7. Reimbursement Agreement, dated October 14, 2010, by and among Pivotal Utility Holdings, Inc., as Borrower, AGL Resources Inc., as Guarantor and JPMorgan Chase Bank, N.A. as Administrative Agent and Lender, as amended by that certain First Amendment to Reimbursement Agreement, dated December 21, 2010, pursuant to which direct pay letters of credit will be posted to support the bonds for which the Loan Agreement referred to in item 2 above was executed.

8. Reimbursement Agreement, dated October 14, 2010, by and among Pivotal Utility Holdings, Inc., as Borrower, AGL Resources Inc., as Guarantor and JPMorgan Chase Bank, N.A. as Administrative Agent and Lender, as amended by that certain First Amendment to Reimbursement Agreement, dated December 21, 2010, pursuant to which direct pay letters of credit will be posted to support the bonds for which the Loan Agreement referred to in item 6 above was executed.

9. Reimbursement Agreement, dated October 14, 2010, by and among Pivotal Utility Holdings, Inc., as Borrower, AGL Resources Inc., as Guarantor and The Bank of Tokyo-Mitsubushi UFJ, Ltd., New York Branch, as Administrative Agent and Lender, as amended by that certain First Amendment to Reimbursement Agreement, dated December 21, 2010, pursuant to which direct pay letters of credit will be posted to support the bonds for which the Loan Agreement referred to in item 4 above was executed.

10. Reimbursement Agreement, dated October 14, 2010, by and among Pivotal Utility Holdings, Inc., as Borrower, AGL Resources Inc., as Guarantor and The Bank of Tokyo-Mitsubushi UFJ, Ltd., New York Branch, as Administrative Agent and Lender, as amended by that certain First Amendment to Reimbursement Agreement, dated December 21, 2010, pursuant to which direct pay letters of credit will be posted to support the bonds for which the Loan Agreement referred to in item 5 above was executed.

11. Master Program Agreements, Consent and Assignment Agreements, Loan Agreements or other similar financing documents pursuant to which lending institutions lend money to subsidiaries of Holdings to finance capital improvements made to departments, instrumentalities, agencies, and other entities of the United States government by such Holdings subsidiaries pursuant to government area-wide contracts, such loans being secured by liens on accounts receivable payable by the U.S. Government to Holdings or Holdings subsidiaries.

12. A $1,050,000,000 senior bridge term loan agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will fund, in part, the cash consideration for the acquisition of Nicor Inc., and any renewal, extension, refinancing or replacement thereo, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

13. Credit Agreement, dated as of September 15, 2010, among AGL Resources Inc., AGL Capital Corporation, the Lenders party thereto, Wells Fargo Bank, National Association as Administrative Agent, and the other agents party thereto, as amended by that certain First Amendment to Credit Agreement, dated December 21, 2010.

SCHEDULE 7.13

TRANSACTIONS WITH AFFILIATES

1. Services Agreements between AGL Services Company and affiliates of AGL Resources for the provision of shared support services.

EXHIBIT A

FORM OF GUARANTEE

GUARANTEE, dated as of [_____], 2010, made by AGL RESOURCES INC., a Georgia corporation (the "Guarantor"), in favor of GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the "Administrative Agent") for the several banks and other financial institutions or entities from time to time party to the Term Loan Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Guarantor, AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the Lenders, and GOLDMAN SACHS BANK USA, as Administrative Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Loans to the Borrower under the Credit Agreement that the Guarantor shall have executed and delivered this Guarantee to the Administrative Agent for the ratable benefit of the Lenders; and

WHEREAS, the Guarantor is the parent of the Borrower, and it is to the advantage of the Guarantor that the Lenders make the Loans to the Borrower.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Loans to the Borrower under the Credit Agreement, the Guarantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) The following term shall have the meaning set forth below:

"Lender": Each Person that at any time, and from time to time, is a party to the Credit Agreement as a Lender (as such term is defined in the Credit Agreement).

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and section references are to this Guarantee unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee.

(a) The Guarantor hereby unconditionally, absolutely and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower from time to time as and when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) The Guarantor further agrees (i) to pay any and all reasonable out-of-pocket expenses (including, without limitation, all fees and disbursements of counsel actually incurred) which may be paid or incurred by the Administrative Agent or any Lender in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantor under this Guarantee, (ii) to pay any and all reasonable out-of-pocket expenses (including, without limitation, all fees and disbursements of counsel actually incurred) which may be paid or incurred by the Administrative Agent in connection with any amendment, modification or waiver hereof or consent pursuant hereto and (iii) to pay, indemnify and hold the Administrative Agent and each Lender and each of their directors, officers, employees, agents and Affiliates (collectively, the "Indemnified Parties") harmless from and against any and all claims, losses, damages, obligations, liabilities, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) of any kind or nature whatsoever, whether direct, indirect or consequential, that may at any time be imposed on, incurred by or asserted against any such Indemnified Party as a result of, arising from or in any way relating to this Guarantee or the collection or enforcement of the Obligations against the Guarantor (collectively, the "Indemnified Liabilities"); provided, that the Guarantor shall have no obligation hereunder to any Indemnified Party with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Party. This Guarantee shall remain in full force and effect until the Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto the Borrower may be free from any Obligations.

(c) No payment or payments made by the Borrower or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor hereunder which shall, notwithstanding any such payment or payments (other than payments made by the Guarantor in respect of the Obligations or payments received or collected from the Guarantor in respect of the Obligations), remain liable for the Obligations until the Obligations are paid in full and the Commitments are terminated.

(d) The Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability hereunder, it will notify the Administrative Agent and such Lender in writing that such payment is made under this Guarantee for such purpose.

3. Right of Set-off. Upon the occurrence of any Event of Default, the Administrative Agent and each Lender is hereby irrevocably authorized at any time and from time to time (unless the Administrative Agent or such Lender, as applicable, has agreed to the contrary) without notice to the Guarantor, any such notice being expressly waived by the Guarantor, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of the Guarantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against or on account of the Obligations and liabilities of the Guarantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against the Guarantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or such Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify the Guarantor promptly as of any such set-off and the application made by the Administrative Agent or such Lender, as the case may be, of the proceeds thereof; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 3 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

4. No Subrogation. Notwithstanding any payment or payments made by the Guarantor hereunder, or any set-off or application of funds of the Guarantor by the Administrative Agent or any Lender, the Guarantor shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower in respect of payments made by the Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations are paid in full and the Commitments terminated. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by the Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Administrative Agent in the exact form received by the Guarantor (duly indorsed by the Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine. Additionally, in the event the Borrower becomes a “debtor” within the meaning of the Bankruptcy Code, the Administrative Agent shall be entitled, at its option, on behalf of itself and the Lenders and as attorney-in-fact for the Guarantor, and is hereby authorized and appointed by the Guarantor, to file proofs of claim on behalf of the Guarantor and vote the rights of the Guarantor in any plan of reorganization, and to demand, sue for, collect and receive every payment and distribution on any indebtedness of the Borrower to the Guarantor in any such proceeding, the Guarantor hereby assigning to the Administrative Agent all of its rights in respect of any such claim, including the right to receive payments and distributions in respect thereof.

5. Amendments, etc. with respect to the Obligations; Waiver of Rights. The Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Guarantor, and without notice to or further assent by the Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement, any other Loan Document and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be) may deem advisable from time to time, and any guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto and the Guarantor hereby waives any defense based on any acts or omissions of the Administrative Agent or any Lender in the administration of the Obligations, any guarantee or other liability in respect thereof or any security for the Obligations or this Guarantee. When making any demand hereunder against the Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on the Borrower or any other guarantor, and any failure by the Administrative Agent or any Lender to make any such demand or to collect any payments from the Borrower or any such other guarantor or any release of the Borrower or such other guarantor shall not relieve the Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any Lender against the Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

6. Guarantee Absolute and Unconditional. The Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Borrower or the Guarantor, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. The Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or the Guarantor with respect to the Obligations. This Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or the Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Obligations, or of the Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Guarantor, the Administrative Agent and any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrower or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from the Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve the Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against the Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor and its successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Obligations and the obligations of the Guarantor under this Guarantee shall have been satisfied by payment in full and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Obligations.

7. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

8. Payments. The Guarantor hereby agrees that the Obligations will be paid to the Administrative Agent without set-off or counterclaim in U.S. Dollars at the office of the Administrative Agent set forth in Section 10.2 of the Credit Agreement.

9. Authority of Administrative Agent. The Guarantor acknowledges that the rights and responsibilities of the Administrative Agent under this Guarantee with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Guarantee shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Guarantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and the Guarantor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

10. Notices. All notices, requests and demands to or upon the Administrative Agent, any Lender or the Guarantor shall be given in the manner and at the addresses identified in Section 10.2 of the Credit Agreement or at such other address as shall be identified by such party in accordance with Section 10.2 of the Credit Agreement.

11. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Integration. This Guarantee represents the entire agreement of the Guarantor with respect to the subject matter hereof and there are no promises or representations by the Administrative Agent or any Lender relative to the subject matter hereof not reflected herein.

13. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Guarantor and the Administrative Agent, provided that any provision of this Guarantee may be waived by the Administrative Agent and the Lenders in a letter or agreement executed by the Administrative Agent or by telex or facsimile transmission from the Administrative Agent.

(b) Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 13(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion.

(c) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

14. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

15. Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the Guarantor, the Administrative Agent, all future holders of the Loans and their respective successors and assigns except that the Guarantor may not assign or transfer any of its rights or obligations under this Guarantee without the prior written consent of each Lender.

16. GOVERNING LAW. THIS GUARANTEE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

17. Submission to Jurisdiction; Waivers. The Guarantor hereby irrevocably and unconditionally:

(a) Submits for itself and its property in any legal action or proceeding relating to this Guarantee and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof sitting in New York, New York;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Guarantor at its address referred to in Section 10 hereof or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 17 any special, exemplary, punitive or consequential damages.

18. WAIVER OF JURY TRIAL. THE GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

AGL RESOURCES INC.

By:
Name:
Title:

Address for Notices:
Ten Peachtree Place NE, Suite 1000
Atlanta, Georgia 30309
Attention: Chief Financial Officer
Telecopy: (404) 584-3509
Telephone: (404) 584-3580

With a copy to:

AGL Resources Inc.
Ten Peachtree Place NE, Suite 1000
Atlanta, Georgia 30309
Attention: General Counsel
Telecopy: (404) 584-3419
Telephone: (404) 584-3430

EXHIBIT B

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered to you pursuant to Section 6.2(a) of the Term Loan Credit Agreement, dated as of December 21, 2010, as amended, restated, supplemented or modified from time to time (the "Credit Agreement"), among AGL RESOURCES INC., a Georgia corporation ("Holdings"), AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders") and GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the "Administrative Agent"). Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

1. I am the duly elected, qualified and acting [Chief Financial Officer] [Treasurer] of Holdings.

2. 1 have reviewed and am familiar with the contents of this Certificate.

3. I have reviewed the terms of the Credit Agreement and the other Loan Documents and have made or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Holdings and its Subsidiaries (including any Unrestricted Subsidiaries) during the accounting period covered by the financial statements (including the separate financial statements of any Unrestricted Subsidiaries) attached hereto as Attachment 1 (the "Financial Statements"). During the accounting period covered by the Financial Statements, each Loan Party, to the best of my knowledge, has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in the Credit Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Certificate, of any condition or event which constitutes a Default or Event of Default [, except as set forth below].

4. Attached hereto as Attachment 2 are the computations showing compliance with the covenants set forth in Section 7.1 of the Credit Agreement.

[SIGNATURE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, I execute this Certificate this _____ day of _____, _____.

AGL RESOURCES INC.

By: _____
Name:
Title:

Attachment 1 to

Compliance Certificate

[Attach Applicable Financial Statements]

B - Attachment 1

Attachment 2 to

Compliance Certificate

The information described herein is as of _____, 20 _____, and pertains to the period from _____, 20_____ to _____, 20__.

[Set forth Covenant Calculations]

EXHIBIT C

CLOSING CERTIFICATE

_____,2010

Pursuant to Section 5.2(d) of the Term Loan Credit Agreement dated as of December 21, 2010 (the "Credit Agreement": terms defined therein being used herein as therein defined), among AGL RESOURCES INC., a Georgia corporation ("Holdings'"), AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), and GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the "Administrative Agent"), the undersigned _____, in his/her capacity as _____ of [the Borrower][Holdings] hereby certifies as follows:

1. The representations and warranties of [the Borrower][Holdings] set forth in each of the Loan Documents to which it is a party or which are contained in any certificate furnished by or on behalf of the Company pursuant to any of the Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

2. No Default or Event of Default has occurred and is continuing as of the date hereof or after giving effect to any Loans to be made on the date hereof.

3. The conditions precedent set forth in Section 5.2 of the Credit Agreement were satisfied as of the Closing Date.

[signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Closing Certificate as of the date set forth below.

By: _____
Name:

Title:
Date:

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Assignment and Assumption") is dated as of the Assignment Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Term Loan Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] 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][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] 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][the respective Assignors] under the respective facilities identified below (including without limitation any 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 Lender)][the respective Assignors (in their respective capacities as Lenders)] 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 by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

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1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
3 Select as appropriate.
4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: _____

_____

2. Assignee[s]: _____

_____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]

3. Borrower: AGL Capital Corporation

4. Administrative Agent: Goldman Sachs Bank USA, as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement dated as of December [__], 2010 among AGL Resources Inc., a Georgia corporation, AGL Capital Corporation, a Nevada corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto, and Goldman Sachs Bank USA, as administrative agent (in such capacity, the "Administrative Agent").

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of Commitment/ Loans for all Lenders[7]	Amount of Commitment/Loans Assigned[8]	Percentage Assigned of Commitment/ Loans[8]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

[7. Trade Date: _____][9]

Assignment Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

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5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
8 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
9 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][10]
[NAME OF ASSIGNOR]

By:_____
Title:

[NAME OF ASSIGNOR]

By:_____
Title:

ASSIGNEE[S][11]
[NAME OF ASSIGNEE]

By:_____
Title:

[NAME OF ASSIGNEE]

By:_____
Title:

---

10 Add additional signature blocks as needed.
11 Add additional signature blocks as needed.

[Consented to and][12] Accepted:

GOLDMAN SACHS BANK USA, as
Administrative Agent

By_____
Title:

[Consented to:][13]

AGL CAPITAL CORPORATION

By_____
Title:

---

[12] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
[13] To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (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 (iv) the sale and assignment of the Assigned Interest is made by this Assignment and Assumption in accordance with the terms and conditions contained in the Credit Agreement; 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[s]. [The][Each] 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 meets all the requirements to be an assignee under Section 10.6 of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.6(c)(iv) of the Credit Agreement), (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) 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 Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) 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][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] 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 Assignment Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Assignment Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Assignment 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 E-l

FORM OF KILPATRICK STOCKTON LLP LEGAL OPINION

EXHIBIT E-2

FORM OF WOODBURN AND WEDGE LEGAL OPINION

EXHIBIT E-3

FORM OF DEWEY & LEBOEUF LLP LEGAL OPINION

EXHIBIT F

Borrower's Taxpayer Identification No._____

NOTE

_____, 20__

New York, New York

FOR VALUE RECEIVED, AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), hereby promises to pay to the order of

_____(the "Lender"), at the offices of GOLDMAN SACHS BANK USA (the "Administrative Agent") located at 200 West Street, New York, New York (or at such other place or places as the Administrative Agent may designate), at the times and in the manner provided in the Term Loan Credit Agreement, dated as of December [ ], 2010 (as amended, modified, restated or supplemented from time to time, the "Credit Agreement"), among the Borrower, AGL Resources Inc., a Georgia corporation, the Lenders from time to time parties thereto, and GOLDMAN SACHS BANK USA, as Administrative Agent, the principal sum of

_____**DOLLARS** ($ _____), or such lesser amount as may constitute the unpaid principal amount of the Loans made by the Lender, under the terms and conditions of this promissory note (this "Note") and the Credit Agreement. The defined terms in the Credit Agreement are used herein with the same meaning. The Borrower also promises to pay interest on the aggregate unpaid principal amount of this Note at the rates applicable thereto from time to time as provided in the Credit Agreement.

This Note is one of a series of Notes referred to in the Credit Agreement and is issued to evidence the Loans made by the Lender pursuant to the Credit Agreement. All of the terms, conditions and covenants of the Credit Agreement are expressly made a part of this Note by reference in the same manner and with the same effect as if set forth herein at length, and any holder of this Note is entitled to the benefits of and remedies provided in the Credit Agreement and the other Loan Documents. Reference is made to the Credit Agreement for provisions relating to the interest rate, maturity, payment, prepayment and acceleration of this Note.

In the event of an acceleration of the maturity of this Note, this Note shall become immediately due and payable, without presentation, demand, protest or notice of any kind, all of which are hereby waived by the Borrower.

In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees.

This Note and the rights and obligations of the Borrower under this Note shall be governed by and construed and interpreted in accordance with the law of the State of New York. The Borrower hereby submits to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof sitting in New York, New York, although the Lender shall not be limited to bringing an action in such courts.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed by its duly authorized corporate officer as of the day and year first above written.

AGL CAPITAL CORPORATION

By: _____

Title: _____

EXHIBIT G

FUNDING NOTICE

Reference is made to the Term Loan Credit Agreement, dated as of December 21, 2010 (as amended, modified, restated or supplemented from time to time, the "Credit Agreement"); among AGL Capital Corporation, a Nevada corporation (the "Borrower"), AGL Resources Inc., a Georgia corporation, the Lenders from time to time party thereto and Goldman Sachs Bank USA, as Administrative Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to Section 2.2 of the Credit Agreement, the Borrower desires that the Lenders make the following Loans to the Borrower in accordance with the applicable terms and conditions of the Credit Agreement on [_____], 20[__] (the "Closing Date") :

Loans

☐ ABR Loans: $[___,___,___]

☐ Eurodollar Loans, with an initial Interest Period of [one] [two] [three] [six] month(s)[14]: $[___,___,___]

Date: [ ], 201[ ]

AGL Capital Corporation

By: _____
Name:
Title:

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14 Subject to the provisions of the definition of "Interest Period".

EXHIBIT A

FORM OF GUARANTEE

GUARANTEE, dated as of December 21, 2010, made by AGL RESOURCES INC., a Georgia corporation (the "Guarantor"), in favor of GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the "Administrative Agent") for the several banks and other financial institutions or entities from time to time party to the Term Loan Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Guarantor, AGL CAPITAL CORPORATION, a Nevada corporation (the "Borrower"), the Lenders, and GOLDMAN SACHS BANK USA, as Administrative Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Loans to the Borrower under the Credit Agreement that the Guarantor shall have executed and delivered this Guarantee to the Administrative Agent for the ratable benefit of the Lenders; and

WHEREAS, the Guarantor is the parent of the Borrower, and it is to the advantage of the Guarantor that the Lenders make the Loans to the Borrower.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Loans to the Borrower under the Credit Agreement, the Guarantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) The following term shall have the meaning set forth below:

"Lender": Each Person that at any time, and from time to time, is a party to the Credit Agreement as a Lender (as such term is defined in the Credit Agreement).

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and section references are to this Guarantee unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee.

(a) The Guarantor hereby unconditionally, absolutely and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower from time to time as and when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) The Guarantor further agrees (i) to pay any and all reasonable out-of-pocket expenses (including, without limitation, all fees and disbursements of counsel actually incurred) which may be paid or incurred by the Administrative Agent or any Lender in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantor under this Guarantee, (ii) to pay any and all reasonable out-of-pocket expenses (including, without limitation, all fees and disbursements of counsel actually incurred) which may be paid or incurred by the Administrative Agent in connection with any amendment, modification or waiver hereof or consent pursuant hereto and (iii) to pay, indemnify and hold the Administrative Agent and each Lender and each of their directors, officers, employees, agents and Affiliates (collectively, the "Indemnified Parties") harmless from and against any and all claims, losses, damages, obligations, liabilities, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) of any kind or nature whatsoever, whether direct, indirect or consequential, that may at any time be imposed on, incurred by or asserted against any such Indemnified Party as a result of, arising from or in any way relating to this Guarantee or the collection or enforcement of the Obligations against the Guarantor (collectively, the "Indemnified Liabilities"); provided, that the Guarantor shall have no obligation hereunder to any Indemnified Party with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Party. This Guarantee shall remain in full force and effect until the Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto the Borrower may be free from any Obligations.

(c) No payment or payments made by the Borrower or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor hereunder which shall, notwithstanding any such payment or payments (other than payments made by the Guarantor in respect of the Obligations or payments received or collected from the Guarantor in respect of the Obligations), remain liable for the Obligations until the Obligations are paid in full and the Commitments are terminated.

(d) The Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability hereunder, it will notify the Administrative Agent and such Lender in writing that such payment is made under this Guarantee for such purpose.

3. Right of Set-off. Upon the occurrence of any Event of Default, the Administrative Agent and each Lender is hereby irrevocably authorized at any time and from time to time (unless the Administrative Agent or such Lender, as applicable, has agreed to the contrary) without notice to the Guarantor, any such notice being expressly waived by the Guarantor, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of the Guarantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against or on account of the Obligations and liabilities of the Guarantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against the Guarantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or such Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify the Guarantor promptly as of any such set-off and the application made by the Administrative Agent or such Lender, as the case may be, of the proceeds thereof; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 3 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

4. No Subrogation. Notwithstanding any payment or payments made by the Guarantor hereunder, or any set-off or application of funds of the Guarantor by the Administrative Agent or any Lender, the Guarantor shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower in respect of payments made by the Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations are paid in full and the Commitments terminated. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by the Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Administrative Agent in the exact form received by the Guarantor (duly indorsed by the Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine. Additionally, in the event the Borrower becomes a “debtor” within the meaning of the Bankruptcy Code, the Administrative Agent shall be entitled, at its option, on behalf of itself and the Lenders and as attorney-in-fact for the Guarantor, and is hereby authorized and appointed by the Guarantor, to file proofs of claim on behalf of the Guarantor and vote the rights of the Guarantor in any plan of reorganization, and to demand, sue for, collect and receive every payment and distribution on any indebtedness of the Borrower to the Guarantor in any such proceeding, the Guarantor hereby assigning to the Administrative Agent all of its rights in respect of any such claim, including the right to receive payments and distributions in respect thereof.

5. Amendments, etc. with respect to the Obligations; Waiver of Rights. The Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Guarantor, and without notice to or further assent by the Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement, any other Loan Document and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be) may deem advisable from time to time, and any guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto and the Guarantor hereby waives any defense based on any acts or omissions of the Administrative Agent or any Lender in the administration of the Obligations, any guarantee or other liability in respect thereof or any security for the Obligations or this Guarantee. When making any demand hereunder against the Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on the Borrower or any other guarantor, and any failure by the Administrative Agent or any Lender to make any such demand or to collect any payments from the Borrower or any such other guarantor or any release of the Borrower or such other guarantor shall not relieve the Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any Lender against the Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

6. Guarantee Absolute and Unconditional. The Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Borrower or the Guarantor, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. The Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or the Guarantor with respect to the Obligations. This Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or the Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Obligations, or of the Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Guarantor, the Administrative Agent and any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrower or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from the Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve the Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against the Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor and its successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Obligations and the obligations of the Guarantor under this Guarantee shall have been satisfied by payment in full and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Obligations.

7. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

8. Payments. The Guarantor hereby agrees that the Obligations will be paid to the Administrative Agent without set-off or counterclaim in U.S. Dollars at the office of the Administrative Agent set forth in Section 10.2 of the Credit Agreement.

9. Authority of Administrative Agent. The Guarantor acknowledges that the rights and responsibilities of the Administrative Agent under this Guarantee with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Guarantee shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Guarantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and the Guarantor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

10. Notices. All notices, requests and demands to or upon the Administrative Agent, any Lender or the Guarantor shall be given in the manner and at the addresses identified in Section 10.2 of the Credit Agreement or at such other address as shall be identified by such party in accordance with Section 10.2 of the Credit Agreement.

11. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Integration. This Guarantee represents the entire agreement of the Guarantor with respect to the subject matter hereof and there are no promises or representations by the Administrative Agent or any Lender relative to the subject matter hereof not reflected herein.

13. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Guarantor and the Administrative Agent, provided that any provision of this Guarantee may be waived by the Administrative Agent and the Lenders in a letter or agreement executed by the Administrative Agent or by telex or facsimile transmission from the Administrative Agent.

(b) Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 13(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion.

(c) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

14. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

15. Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the Guarantor, the Administrative Agent, all future holders of the Loans and their respective successors and assigns except that the Guarantor may not assign or transfer any of its rights or obligations under this Guarantee without the prior written consent of each Lender.

16. GOVERNING LAW. THIS GUARANTEE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

17. Submission to Jurisdiction; Waivers. The Guarantor hereby irrevocably and unconditionally:

(a) Submits for itself and its property in any legal action or proceeding relating to this Guarantee and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof sitting in New York, New York;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Guarantor at its address referred to in Section 10 hereof or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 17 any special, exemplary, punitive or consequential damages.

18. WAIVER OF JURY TRIAL. THE GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

AGL RESOURCES INC.

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

Address for Notices:
Ten Peachtree Place NE, Suite 1000
Atlanta, Georgia 30309
Attention: Chief Financial Officer
Telecopy: (404) 584-3509
Telephone: (404) 584-3580

With a copy to:

AGL Resources Inc.
Ten Peachtree Place NE, Suite 1000
Atlanta, Georgia 30309
Attention: General Counsel
Telecopy: (404) 584-3419
Telephone: (404) 584-3430

FIRST AMENDMENT

TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this **"Amendment"**) is dated as of December 21, 2010 and is entered into by and among **AGL CAPITAL CORPORATION**, a Nevada corporation (the **"Borrower''**), **AGL RESOURCES INC.**, a Georgia corporation (**"Holdings''**), and **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("**Wells Fargo Bank**"), as Administrative Agent (**"Administrative Agent"**), acting with the consent of the Required Lenders, and is made with reference to that certain **CREDIT AGREEMENT** dated as of September 15, 2010 (the **"Credit Agreement"**) by and among the Borrower, Holdings, as Guarantor, the Lenders party thereto, the Administrative Agent and the other Agents named therein. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement after giving effect to this Amendment.

RECITALS

WHEREAS, Holdings has entered into an Agreement and Plan of Merger, dated as of December 6, 2010 (the "**Acquisition Agreement**"), among Holdings, Apollo Acquisition Corp., an Illinois corporation and a wholly-owned Subsidiary of Holdings ("**Merger Sub**"), Ottawa Acquisition LLC, an Illinois limited liability company and a wholly-owned Subsidiary of Holdings ("**Merger LLC**"), and Nicor Inc., an Illinois corporation ("**Nicor**");

WHEREAS, pursuant to the Acquisition Agreement, Merger Sub will merge with and into Nicor and immediately thereafter the surviving corporation thereof will merge with and into Merger LLC (such consecutive mergers, the "**Nicor Merger**");

WHEREAS, in connection therewith, the Loan Parties have requested that the Required Lenders agree to amend certain provisions of the Credit Agreement as provided for herein; and

WHEREAS, subject to certain conditions, the Required Lenders are willing to agree to such amendment relating to the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTIOAMENDMENTS TO CREDIT AGREEMENT
N I.

1.1 Amendments to Section 1: Definitions.

Section 1.1 of the Credit Agreement is hereby amended by adding the following definitions in proper alphabetical sequence:

"First Amendment": that certain First Amendment to Credit Agreement dated as of December 21, 2010 among the Borrower, Holdings, the Administrative Agent, and the financial institutions listed on the signature pages thereto.

"First Amendment Effective Date": the date of satisfaction of the conditions referred to in Section II of the First Amendment.

"**Merger Agreement**": the Agreement and Plan of Merger, dated as of December 6, 2010, among Holdings, Apollo Acquisition Corp., an Illinois corporation, Ottawa Acquisition LLC, an Illinois limited liability company and Nicor.

"**Nicor**": Nicor Inc., an Illinois corporation.

"**Nicor Merger**": the merger of a wholly-owned Subsidiary of Holdings with and into Nicor and the immediately subsequent merger of the surviving corporation thereof into another wholly-owned Subsidiary of Holdings in accordance with the Merger Agreement.

Section 1.1 of the Credit Agreement is further amended by adding the following in the definition of "Consolidated Total Debt" at the end of the parenthetical therein "and excluding, solely during the period prior to the Closing Date (as defined in the Merger Agreement), any Indebtedness incurred solely for the purpose of funding the Cash Consideration (as defined in the Merger Agreement) necessary to consummate the Nicor Merger, provided that (i) the proceeds of such Indebtedness have been deposited in escrow for the benefit of the holders or lenders of such Indebtedness pending consummation of the Nicor Merger (it being understood and agreed that such escrow, and any associated Lien relating thereto, shall not constitute a Lien for any purpose hereof), (ii) such escrow arrangement is reasonably satisfactory to the Administrative Agent and (iii) the aggregate principal amount of such Indebtedness does not exceed $1,050,000,000 at any time".

1.2 Amendments to Section 2.22.

Section 2.22 of the Credit Agreement is hereby amended by deleting the Dollar amount "$1,250,000,000" in Subsection 2.22(a) and replacing it with the Dollar amount "$1,750,000,000".

1.3 Amendments to Section 4.14.

Section 4.14 of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"As of the Closing Date, (a) Schedule 4.14 sets forth the name and jurisdiction of incorporation of each Subsidiary of each of Holdings and the Borrower and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party, and whether such Subsidiary is then a Restricted Subsidiary or Unrestricted Subsidiary and (b) except as set forth on Schedule 4.14, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock performance grants granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any of Holdings' or the Borrower's respective Subsidiaries, except as created by the Loan Documents."

1.4 Amendments to Section 6.2.

Section 6.2 of the Credit Agreement is hereby amended by changing the letter "(d)" to "(e)" in the final clause thereof and inserting the following immediately preceding the word "and" at the end of clause (c) thereof "(d) at least three (3) Business Days prior to the consummation of the Nicor Merger (or at such other time as the Administrative Agent may agree), a certificate of a Responsible Officer in form reasonably satisfactory to the Administrative Agent supplementing or reaffirming, as the case may be, the information set forth on Schedule 7.2(j), it being understood that any modification to such Schedule

may not be deemed or construed to amend such Schedule in any respect unless such modification is satisfactory to the Administrative Agent in its reasonable discretion;".

1.5 Amendments to Section 7.2.

Section 7.2 of the Credit Agreement is hereby amended as follows:

(i) by deleting clause (j) thereof and replacing it in its entirety with the following: "(j) (1) Liens on the property of Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated and not incurred in contemplation of the Nicor Merger (but in the case of Liens securing Indebtedness for borrowed money, only to the extent set forth on Schedule 7.2(j) as such Schedule may be supplemented pursuant to Section 6.2(d) hereof) and (2) other Liens on the property of a Person existing at the time such Person is merged or consolidated with Holdings or any other Group Member and not incurred in contemplation with such merger or consolidation (for the avoidance of doubt, not including any Liens described in the foregoing clause (1)); and"

(ii) by deleting clause (k) thereof and replacing it in its entirety with the following: "(k) Liens created or outstanding on Assets of Holdings or other Group Members, provided that the aggregate outstanding principal, capital and nominal amounts secured by all Liens created or outstanding as permitted under clauses (f), (g), (h), (i) and (j)(2) above and this clause (k) shall not at any time exceed 15% of Consolidated Net Worth.".

1.6 Amendments to Section 7.5

Section 7.5 of the Credit Agreement is hereby amended by inserting the following immediately after the words "Capital Stock" at the end of clause (b) thereof "(provided that Holdings may pay dividends on shares of its Capital Stock within 60 days after the date of declaration thereof, so long as on the date of declaration no Event of Default shall have occurred and be continuing or result therefrom)".

1.7 Amendments to Section 7.7.

Section 7.7 of the Credit Agreement is hereby amended by (i) deleting the "and" at the end of Subsection 7.7(e) and (ii) inserting the following immediately preceding the period at the end thereof "(g) (x) intercompany Investments between Holdings and the Borrower, (y) intercompany Investments between Group Members (other than Holdings and the Borrower) and (z) intercompany Investments between any Group Member (other than Holdings and the Borrower) and Holdings and the Borrower to the extent necessary (i) in the ordinary course of business or (ii) as may be reasonably necessary to effectuate the Merger; and (h) any Investments made by Nicor or its Subsidiaries existing at the time the Nicor Merger is consummated; provided, that such Investment was not made in contemplation of the Nicor Merger".

1.8 Amendments to Section 7.8.

Section 7.8 of the Credit Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof "and (c) any agreement in effect at the time any Person becomes a Subsidiary of Holdings (including by way of merger or consolidation); provided that such agreement was not entered into in contemplation of such Person becoming a Subsidiary".

1.9 Amendments to Section 7.9.

Section 7.9 of the Credit Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof ", and (iii) any agreement in effect at the time any Person becomes a Subsidiary of Holdings (including by way of merger or consolidation); provided, that such agreement was not entered into in contemplation of such Person becoming a Subsidiary, (iv) solely in the case of clause (c) above, any agreement governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (v) solely in the case of clause (c) above, customary provisions in leases, licenses and other contracts restricting the assignment thereof".

1.10 Amendments to Section 7.10.

Section 7.10 of the Credit Agreement is hereby amended by inserting the following immediately preceding the comma at the end of clause (i) thereof "(or, in the case of Nicor and its Subsidiaries, on the date of the consummation of the Nicor Merger)".

1.11 Amendments to Schedule 7.8.

Schedule 7.8 of the Credit Agreement is hereby amended by inserting the following language after item number 11 thereof:

"12. A $300,000,000 term loan credit agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will use the proceeds to refinance its 7.125% notes due January 14, 2011, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

13. A $1,050,000,000 senior bridge term loan agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will fund, in part, the cash consideration for the acquisition of Nicor Inc., and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

14. Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company and Nicor Inc., as Borrowers, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, , as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

15. 364-Day Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company, as Borrower, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing

or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

16. Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced

17. Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

18. $120,000,000 in Central Valley Gas Storage, L.L.C. debt financing currently anticipated to be incurred in March 2012.

1.12 Amendments to Schedules

The Schedules to the Credit Agreement are hereby amended by inserting new Schedule 7.2(j) in the form attached to the Amendment as Exhibit A.

SECTIOCONDITIONS TO EFFECTIVENESS
N II.

This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the **"First Amendment Effective Date"**):

A. Execution. The Administrative Agent shall have received (i) a counterpart signature page of this Amendment duly executed by each of the Loan Parties and (ii) consent and authorization from the Required Lenders to execute this Amendment on their behalf.

B. Consent Fees. The Administrative Agent shall have received, for the account of each Lender consenting to this Amendment, a consent fee equal to 0.10% of the aggregate principal amount of such Lender's Revolving Commitments.

C. Other Fees. The Administrative Agent shall have received all other fees and other amounts due and payable on or prior to the First Amendment Effective Date to the extent invoiced in reasonable detail, including, without limitation, reimbursement or other payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or any other Loan Document.

D. Necessary Consents. Each Loan Party shall have obtained all material consents necessary or advisable in connection with the transactions contemplated by this Amendment.

E. Other Documents. The Administrative Agent and the Lenders shall have received such other documents, information or agreements regarding the Loan Parties as the Administrative Agent may reasonably request.

SECTIOREPRESENTATIONS AND WARRANTIES
N III.

In order to induce Lenders to enter into this Amendment and to amend the Credit Agreement in the manner provided herein, each Loan Party which is a party hereto represents and warrants to each Lender that the following statements are true and correct in all material respects:

A. Corporate Power and Authority. Each Loan Party, which is party hereto, has all requisite power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Credit Agreement as amended by this Amendment (the **"Amended Agreement"**) and the other Loan Documents.

B. Authorization of Agreements. The execution and delivery of this Amendment and the performance of the Amended Agreement and the other Loan Documents have been duly authorized by all necessary action on the part of each Loan Party.

C. No Conflict. The execution and delivery by each Loan Party of this Amendment and the performance by each Loan Party of the Amended Agreement and the other Loan Documents do not and will not (i) violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of incorporation or partnership agreement, other constitutive documents or by-laws of Holdings or the Borrower or (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any Contractual Obligation of the applicable Loan Party, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section III.C., individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (iii) except as permitted under the Amended Agreement, result in or require the creation or imposition of any Lien upon any of the properties or assets of each Loan Party (other than any Liens created under any of the Loan Documents in favor of Administrative Agent on behalf of Lenders), or (iv) require any approval of stockholders or partners or any approval or consent of any Person under any Contractual Obligation of each Loan Party, except for such approvals or consents which will be obtained on or before the First Amendment Effective Date and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

D. Governmental Consents. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery by each Loan Party of this Amendment and the performance by the Borrower and Holdings of the Amended Agreement and the other Loan Documents, except for such actions, consents and approvals the failure to obtain or make which could not reasonably be expected to result in a Material Adverse Effect or which have been obtained and are in full force and effect.

E. Binding Obligation. This Amendment and the Amended Agreement have been duly executed and delivered by each of the Loan Parties party thereto and each constitutes a legal, valid and binding obligation of such Loan Party to the extent a party thereto, enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

F. Incorporation of Representations and Warranties from Credit Agreement. The representations and warranties contained in Section 4 of the Amended Agreement are and will be true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

G. Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default.

H. Release of Claims. No Loan Party has any knowledge of any claims, counterclaims, offsets or defenses to or with respect to its obligations under the Loan Documents, in each case, with respect to any Indemnitee, or if such Loan Party has any such claims, counterclaims, offsets or defenses to the Loan Documents or any transaction related to the Loan Documents with respect to any Indemnitee, the same are hereby waived, relinquished and released in consideration of the execution of this Amendment.

SECTIOACKNOWLEDGMENT AND CONSENT
N IV.

Holdings hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement and this Amendment and consents to the amendment of the Credit Agreement effected pursuant to this Amendment. Holdings hereby confirms that each Loan Document to which it is a party or otherwise bound will continue to guarantee to the fullest extent possible in accordance with the Loan Documents the payment and performance of all "Obligations" under each of the Loan Documents to which is a party (in each case as such terms are defined in the applicable Loan Document).

Holdings acknowledges and agrees that any of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment. Holdings represents and warrants that all representations and warranties contained in the Amended Agreement and the Loan Documents to which it is a party or otherwise bound are true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

Holdings acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, Holdings is not required by the terms of the Credit Agreement or any other Loan Document to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of Holdings to any future amendments to the Credit Agreement.

SECTIOMISCELLANEOUS
N V.

A. Reference to and Effect on the Credit Agreement and the Other Loan Documents.

(i) On and after the First Amendment Effective Date, each reference in the Credit Agreement to "this Amendment", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(ii) Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Agent or Lender under, the Credit Agreement or any of the other Loan Documents.

B. Headings. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

D. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BORROWER: **AGL CAPITAL CORPORATION**

By: /s/Paul R. Shlanta
Name: Paul R. Shlanta
Title: President
[*Signature Page to First Amendment to Credit Agreement*]

HOLDINGS: **AGL RESOURCES INC.**

By: /s/ Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[*Signature Page to First Amendment to Credit Agreement*]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent and a Lender

By: /s/Allison Newman
Name: Allison Newman
Title: Director

[*Signature Page to First Amendment to Credit Agreement*]

BANK OF AMERICA, N.A, as Co-Syndication Agent, a Lender, and an Issuing Lender

By: /s/Michael Mason
Name: Michael Mason
Title: Senior Vice President

[*Signature Page to First Amendment to Credit Agreement*]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as Co-Syndication Agent and a Lender

By: /s/Alan Reiter
Name: Alan Reiter
Title: Authorized Signatory

[*Signature Page to First Amendment to Credit Agreement*]

GOLDMAN SACHS BANK USA, as a Lender

By: /s/Lauren Day
Name: Lauren Day
Title: Authorized Signatory

[*Signature Page to First Amendment to Credit Agreement*]

THE BANK OF NEW YORK MELLON, as a Lender

By: /s/John N. Watt
Name: John N. Watt
Title: Vice President

[*Signature Page to First Amendment to Credit Agreement*]

SUNTRUST BANK, as a Lender

By: /s/Andrew Johnson
Name: Andrew Johnson
Title: Director

[*Signature Page to First Amendment to Credit Agreement*]

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

By: /s/Helen D. Davis
Name: Helen D. Davis
Title: Authorized Officer

[*Signature Page to First Amendment to Credit Agreement*]

The Northern Trust Company, as a Lender

By: /s/Kathryn Schad Reuther
Name: Kathryn Schad Reuther
Title: Vice President

[*Signature Page to First Amendment to Credit Agreement*]

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: /s/Philippe Sandmeier
Name: Philippe Sandmeier
Title: Managing Director

[*Signature Page to First Amendment to Credit Agreement*]

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: /s/Ming K. Chu
Name: Ming K. Chu
Title: Vice President

[*Signature Page to First Amendment to Credit Agreement*]

MORGAN STANLEY BANK, N.A., as a Lender

By: /s/Scott Taylor
Name: Scott Taylor
Title: Authorized Signatory

[*Signature Page to First Amendment to Credit Agreement*]

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Lender

By: /s/Dixon Schultz
Name: Dixon Schultz
Title: Director

[*Signature Page to First Amendment to Credit Agreement*]

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Lender

By: /s/Sharada Manne
Name: Sharada Manne
Title: Director

[*Signature Page to First Amendment to Credit Agreement*]

The Bank of Nova Scotia as a Lender

By: /s/Thane Rattew
Name: Thane Rattew
Title: Managing Director

[*Signature Page to First Amendment to Credit Agreement*]

The Royal Bank of Scotland plc, as a Lender

By: /s/Steve Ray
Name: Steve Ray
Title: Director

[*Signature Page to First Amendment to Credit Agreement*]

U.S. Bank National Association, as a Lender

By: /s/Michael T. Sagges
Name: Michael T. Sagges
Title: Vice President

[*Signature Page to First Amendment to Credit Agreement*]

SCHEDULE 7.2(j)

NICOR LIENS SECURING DEBT FOR BORROWED MONEY

1. Liens granted pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced

2. Liens granted pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

FIRST AMENDMENT

TO REIMBURSEMENT AGREEMENT

THIS FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT (this **"Amendment"**) is dated as of December 17, 2010 and is entered into by and among **PIVOTAL UTILITY HOLDINGS, INC.**, a New Jersey corporation (the **"Applicant''**), **AGL RESOURCES INC.**, a Georgia corporation (the **"Guarantor''**), and **JPMORGAN CHASE BANK, N.A.**, a national banking association (**"JPMorgan"**), as the Issuing Bank and the Administrative Agent (the **"Issuing Bank"** and the **"Administrative Agent"**, respectively), acting with the consent of the Required Banks, and is made with reference to that certain **REIMBURSEMENT AGREEMENT** dated as of October 14, 2010 (the **"Reimbursement Agreement"**) by and among the Applicant, the Guarantor, the Banks party thereto, the Issuing Bank and the Administrative Agent referencing the $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT). Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Reimbursement Agreement after giving effect to this Amendment.

RECITALS

WHEREAS, Guarantor has entered into an Agreement and Plan of Merger, dated as of December 6, 2010 (the "**Acquisition Agreement**"), among Guarantor, Apollo Acquisition Corp., an Illinois corporation and a wholly-owned Subsidiary of Guarantor ("**Merger Sub**"), Ottawa Acquisition LLC, an Illinois limited liability company and a wholly-owned Subsidiary of Guarantor ("**Merger LLC**"), and Nicor Inc., an Illinois corporation ("**Nicor**");

WHEREAS, pursuant to the Acquisition Agreement, Merger Sub will merge with and into Nicor and immediately thereafter the surviving corporation thereof will merge with and into Merger LLC (such consecutive mergers, the **"Nicor Merger")**;

WHEREAS, in connection therewith, the Credit Parties have requested that the Required Banks agree to amend certain provisions of the Reimbursement Agreement as provided for herein; and

WHEREAS, subject to certain conditions, the Required Banks are willing to agree to such amendment relating to the Reimbursement Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTIOAMENDMENTS TO REIMBURSEMENT AGREEMENT N I.

1.1 Amendments to Section 1: Definitions.

Section 1.1 of the Reimbursement Agreement is hereby amended by adding the following definitions in proper alphabetical sequence:

"First Amendment": that certain First Amendment to Reimbursement Agreement dated as of December 17, 2010 among the Applicant, the Guarantor, the Issuing Bank, the Administrative Agent and the financial institutions listed on the signature pages thereto.

"First Amendment Effective Date": the date of satisfaction of the conditions referred to in Section II of the First Amendment.

"Merger Agreement": the Agreement and Plan of Merger, dated as of December 6, 2010, among Guarantor, Apollo Acquisition Corp., an Illinois corporation, Ottawa Acquisition LLC, an Illinois limited liability company and Nicor.

"Nicor": Nicor Inc., an Illinois corporation.

"Nicor Merger": the merger of a wholly-owned Subsidiary of Guarantor with and into Nicor and the immediately subsequent merger of the surviving corporation thereof into another wholly-owned Subsidiary of Guarantor in accordance with the Merger Agreement.

Section 1.1 of the Reimbursement Agreement is further amended by adding the following in the definition of "Consolidated Total Debt" at the end of the parenthetical therein "and excluding, solely during the period prior to the Closing Date (as defined in the Merger Agreement), any Indebtedness incurred solely for the purpose of funding the Cash Consideration (as defined in the Merger Agreement) necessary to consummate the Nicor Merger, provided that (i) the proceeds of such Indebtedness have been deposited in escrow for the benefit of the holders or lenders of such Indebtedness pending consummation of the Nicor Merger (it being understood and agreed that such escrow, and any associated Lien relating thereto, shall not constitute a Lien for any purpose hereof), (ii) such escrow arrangement is reasonably satisfactory to the Administrative Agent and (iii) the aggregate principal amount of such Indebtedness does not exceed $1,050,000,000 at any time".

1.2 Amendments to Section 4.14.

Section 4.14 of the Reimbursement Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"As of the Closing Date, (a) Schedule 4.14 sets forth the name and jurisdiction of incorporation of each Subsidiary of each of Guarantor and the Applicant and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Credit Party and whether such Subsidiary is then a Restricted Subsidiary or Unrestricted Subsidiary and (b) except as set forth on Schedule 4.14, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock performance grants granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Applicant or any of Guarantor's or the Applicant's respective Subsidiaries, except as created by the Credit Documents."

1.3 Amendments to Section 5.2.

Section 5.2 of the Reimbursement Agreement is hereby amended by changing the letter "(d)" to "(e)" in the final clause thereof and inserting the following immediately preceding the word "and" at the end of clause (c) thereof "(d) at least three (3) Business Days prior to the consummation of the Nicor Merger (or at such other time as the Administrative Agent may agree), a certificate of a Responsible Officer in form reasonably satisfactory to the Administrative Agent supplementing or reaffirming, as the case may be, the information set forth on Schedule 6.2(j), it being understood that any modification to such Schedule may not be deemed or construed to amend such Schedule in any respect unless such modification is satisfactory to the Administrative Agent in its reasonable discretion;".

1.4 Amendments to Section 6.2.

Section 6.2 of the Reimbursement Agreement is hereby amended as follows:

(i) by deleting clause (j) thereof and replacing it in its entirety with the following: “(j) (1) Liens on the property of Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated and not incurred in contemplation of the Nicor Merger (but in the case of Liens securing Indebtedness for borrowed money, only to the extent set forth on Schedule 6.2(j) as such Schedule may be supplemented pursuant to Section 5.2(d) hereof), provided that such Liens do not extend to or cover any assets or property of the Guarantor or any of its Subsidiaries (other than Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated) and (2) other Liens on the property of a Person existing at the time such Person is merged or consolidated with Guarantor or any other Group Member and not incurred in contemplation with such merger or consolidation (for the avoidance of doubt, not including any Liens described in the foregoing clause (1)); and”

(ii) by deleting clause (k) thereof and replacing it in its entirety with the following: "(k) Liens created or outstanding on Assets of Guarantor or other Group Members, provided that the aggregate outstanding principal, capital and nominal amounts secured by all Liens created or outstanding as permitted under clauses (f), (g), (h), (i) and (j)(2) above and this clause (k) shall not at any time exceed 15% of Consolidated Net Worth.".

1.5 Amendments to Section 6.5.

Section 6.5 of the Reimbursement Agreement is hereby amended by inserting the following immediately after the words “Capital Stock” at the end of clause (b) thereof “(provided that Guarantor may pay dividends on shares of its Capital Stock within 60 days after the date of declaration thereof, so long as on the date of declaration no Event of Default shall have occurred and be continuing or result therefrom)”.

1.6 Amendments to Section 6.7.

Section 6.7 of the Reimbursement Agreement is hereby amended by (i) deleting the “and” at the end of Subsection 6.7(e) and (ii) inserting the following immediately preceding the period at the end thereof "(g) (x) intercompany Investments between Guarantor and the Applicant, (y) intercompany Investments between Group Members (other than Guarantor and the Applicant) and (z) intercompany Investments between any Group Member (other than Guarantor and the Applicant) and Guarantor and the Applicant to the extent necessary (i) in the ordinary course of business or (ii) as may be reasonably necessary to effectuate the Merger; and (h) any Investments made by Nicor or its Subsidiaries existing at the time the Nicor Merger is consummated; provided, that such Investment was not made in contemplation of the Nicor Merger”.

1.7 Amendments to Section 6.8.

Section 6.8 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof "and (c) any agreement in effect at the time any Person becomes a Subsidiary of Guarantor (including by way of merger or consolidation); provided that (i) such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (ii) such restrictions apply only to the property or assets of such Person and its respective Subsidiaries existing at the time such Person becomes a Subsidiary of Guarantor”.

1.8 Amendments to Section 6.9.

Section 6.9 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof ", and (iii) any agreement in effect at the time any Person becomes a Subsidiary of Guarantor (including by way of merger or consolidation); provided that (x) such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (y) such restrictions apply only to the property or assets of such Person and its respective Subsidiaries existing at the time such Person becomes a Subsidiary of Guarantor, (iv) solely in the case of clause (c) above, any agreement governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (v) solely in the case of clause (c) above, customary provisions in leases, licenses and other contracts restricting the assignment thereof".

1.9 Amendments to Section 6.10.

Section 6.10 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the comma at the end of clause (i) thereof "(or, in the case of Nicor and its Subsidiaries, on the date of the consummation of the Nicor Merger)".

1.10 Amendments to Schedule 6.8.

Schedule 6.8 of the Reimbursement Agreement is hereby amended by inserting the following language after item number 11 thereof:

“12. A $300,000,000 term loan credit agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will use the proceeds to refinance its 7.125% notes due January 14, 2011, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

13. A $1,050,000,000 senior bridge term loan agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will fund, in part, the cash consideration for the acquisition of Nicor, Inc., and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

14. Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company and Nicor Inc., as Borrowers, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

15. 364-Day Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company, as Borrower, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of

sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

16. Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced

17. Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

18. $120,000,000 in Central Valley Gas Storage, L.L.C. debt financing currently anticipated to be incurred in March 2012.

1.11 Amendments to Schedules.

The Schedules to the Reimbursement Agreement are hereby amended by inserting new Schedule 6.2(j) in the form attached to the Amendment as Exhibit A.

SECTIOCONDITIONS TO EFFECTIVENESS N II.

This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the **"First Amendment Effective Date"**):

A. Execution. The Administrative Agent shall have received (i) a counterpart signature page of this Amendment duly executed by each of the Credit Parties and (ii) consent and authorization from the Required Banks to execute this Amendment on their behalf.

B. Consent Fees. The Administrative Agent shall have received, for the account of each Bank consenting to this Amendment, a consent fee equal to 0.10% of the aggregate principal amount of such Bank's Commitment.

C. Other Fees. The Administrative Agent shall have received all other fees and other amounts due and payable on or prior to the First Amendment Effective Date to the extent invoiced in reasonable detail, including, without limitation, reimbursement or other payment of all out-of-pocket expenses required to be reimbursed or paid by the Applicant hereunder or any other Credit Document.

D. Necessary Consents. Each Credit Party shall have obtained all material consents necessary or advisable in connection with the transactions contemplated by this Amendment.

E. Merger Agreement. The Administrative Agent shall have received a duly executed copy of the Merger Agreement as in effect as of the First Amendment Effective Date.

F. Other Documents. The Administrative Agent and the Banks shall have received such other documents, information or agreements regarding the Credit Parties as the Administrative Agent may reasonably request.

SECTIOREPRESENTATIONS AND WARRANTIES N III.

In order to induce the Banks to enter into this Amendment and to amend the Reimbursement Agreement in the manner provided herein, each Credit Party which is a party hereto represents and warrants to each Bank that the following statements are true and correct in all material respects:

A. Corporate Power and Authority. Each Credit Party, which is party hereto, has all requisite power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Reimbursement Agreement as amended by this Amendment (the **"Amended Agreement"**) and the other Credit Documents.

B. Authorization of Agreements. The execution and delivery of this Amendment and the performance of the Amended Agreement and the other Credit Documents have been duly authorized by all necessary action on the part of each Credit Party.

C. No Conflict. The execution and delivery by each Credit Party of this Amendment and the performance by each Credit Party of the Amended Agreement and the other Credit Documents do not and will not (i) violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of incorporation or partnership agreement, other constitutive documents or by-laws of Guarantor or the Applicant or (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any Contractual Obligation of the applicable Credit Party, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section III.C., individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (iii) except as permitted under the Amended Agreement, result in or require the creation or imposition of any Lien upon any of the properties or assets of each Credit Party (other than any Liens created under any of the Credit Documents in favor of Administrative Agent on behalf of the Banks), or (iv) require any approval of stockholders or partners or any approval or consent of any Person under any Contractual Obligation of each Credit Party, except for such approvals or consents which will be obtained on or before the First Amendment Effective Date and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

D. Governmental Consents. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery by each Credit Party of this Amendment and the performance by the Applicant and Guarantor of the Amended Agreement and the other Credit Documents, except for such actions, consents and approvals the failure to obtain or make which could not reasonably be expected to result in a Material Adverse Effect or which have been obtained and are in full force and effect.

E. Binding Obligation. This Amendment and the Amended Agreement have been duly executed and delivered by each of the Credit Parties party thereto and each constitutes a legal, valid and binding obligation of such Credit Party to the extent a party thereto, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

F. Incorporation of Representations and Warranties from Reimbursement Agreement. The representations and warranties contained in Article 4 of the Amended Agreement are and will be true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

G. Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default.

H. Release of Claims. No Credit Party has any knowledge of any claims, counterclaims, offsets or defenses to or with respect to its obligations under the Credit Documents, or if such Credit Party has any such claims, counterclaims, offsets or defenses to the Credit Documents or any transaction related to the Credit Documents, the same are hereby waived, relinquished and released in consideration of the execution of this Amendment.

SECTIOACKNOWLEDGMENT AND CONSENT
N IV.

Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Reimbursement Agreement and this Amendment and consents to the amendment of the Reimbursement Agreement effected pursuant to this Amendment. Guarantor hereby confirms that each Credit Document to which it is a party or otherwise bound will continue to guarantee to the fullest extent possible in accordance with the Credit Documents the payment and performance of all "Obligations" under each of the Credit Documents to which is a party (in each case as such terms are defined in the applicable Credit Document).

Guarantor acknowledges and agrees that any of the Credit Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment. Guarantor represents and warrants that all representations and warranties contained in the Amended Agreement and the Credit Documents to which it is a party or otherwise bound are true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, Guarantor is not required by the terms of the Reimbursement Agreement or any other Credit Document to consent to the amendments to the Reimbursement Agreement effected pursuant to this Amendment and (ii) nothing in the Reimbursement Agreement, this Amendment or any other Credit Document shall be deemed to require the consent of Guarantor to any future amendments to the Reimbursement Agreement.

SECTIOMISCELLANEOUS
N V.

A. Reference to and Effect on the Reimbursement Agreement and the Other Credit Documents.

(i) On and after the First Amendment Effective Date, each reference in the Reimbursement Agreement to "this Amendment", "hereunder", "hereof", "herein" or words of like import referring to the Reimbursement Agreement, and each reference in the other Credit Documents to the "Reimbursement Agreement", "thereunder", "thereof" or words of like import referring to the Reimbursement Agreement shall mean and be a reference to the Reimbursement Agreement as amended by this Amendment.

(ii) Except as specifically amended by this Amendment, the Reimbursement Agreement and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Administrative Agent or Bank under, the Reimbursement Agreement or any of the other Credit Documents.

B. Headings. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

D. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

APPLICANT: **PIVOTAL UTILITY HOLDINGS, INC.**

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT)]*

GUARANTOR: **AGL RESOURCES INC.**

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT)*]

JPMORGAN CHASE BANK, N.A., as Issuing Bank and Administrative Agent

By: /s/Helen D. Davis
Name: Helen D. Davis
Title: Authorized Officer

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $54,600,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2007 (AMT)]*

SCHEDULE 6.2(j)

NICOR LIENS SECURING DEBT FOR BORROWED MONEY

1. Liens granted pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced.

2. Liens granted pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

FIRST AMENDMENT

TO REIMBURSEMENT AGREEMENT

THIS FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT (this **"Amendment"**) is dated as of December 17, 2010 and is entered into by and among **PIVOTAL UTILITY HOLDINGS, INC.**, a New Jersey corporation (the **"Applicant''**), **AGL RESOURCES INC.**, a Georgia corporation (the **"Guarantor''**), and **THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH**, a Japanese banking company acting through its New York Branch ("**BTMU New York**"), as the Issuing Bank and the Administrative Agent (the **"Issuing Bank"** and the **"Administrative Agent"**, respectively), acting with the consent of the Required Banks, and is made with reference to that certain **REIMBURSEMENT AGREEMENT** dated as of October 14, 2010 (the **"Reimbursement Agreement"**) by and among the Applicant, the Guarantor, the Banks party thereto, the Issuing Bank and the Administrative Agent referencing the $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Reimbursement Agreement after giving effect to this Amendment.

RECITALS

WHEREAS, Guarantor has entered into an Agreement and Plan of Merger, dated as of December 6, 2010 (the "**Acquisition Agreement**"), among Guarantor, Apollo Acquisition Corp., an Illinois corporation and a wholly-owned Subsidiary of Guarantor ("**Merger Sub**"), Ottawa Acquisition LLC, an Illinois limited liability company and a wholly-owned Subsidiary of Guarantor ("**Merger LLC**"), and Nicor Inc., an Illinois corporation ("**Nicor**");

WHEREAS, pursuant to the Acquisition Agreement, Merger Sub will merge with and into Nicor and immediately thereafter the surviving corporation thereof will merge with and into Merger LLC (such consecutive mergers, the **"Nicor Merger")**;

WHEREAS, in connection therewith, the Credit Parties have requested that the Required Banks agree to amend certain provisions of the Reimbursement Agreement as provided for herein; and

WHEREAS, subject to certain conditions, the Required Banks are willing to agree to such amendment relating to the Reimbursement Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION I. AMENDMENTS TO REIMBURSEMENT AGREEMENT

1.1 Amendments to Section 1: Definitions.

Section 1.1 of the Reimbursement Agreement is hereby amended by adding the following definitions in proper alphabetical sequence:

"First Amendment": that certain First Amendment to Reimbursement Agreement dated as of December 17, 2010 among the Applicant, the Guarantor, the Issuing Bank, the Administrative Agent and the financial institutions listed on the signature pages thereto.

"First Amendment Effective Date": the date of satisfaction of the conditions referred to in Section II of the First Amendment.

"Merger Agreement": the Agreement and Plan of Merger, dated as of December 6, 2010, among Guarantor, Apollo Acquisition Corp., an Illinois corporation, Ottawa Acquisition LLC, an Illinois limited liability company and Nicor.

"Nicor": Nicor Inc., an Illinois corporation.

"Nicor Merger": the merger of a wholly-owned Subsidiary of Guarantor with and into Nicor and the immediately subsequent merger of the surviving corporation thereof into another wholly-owned Subsidiary of Guarantor in accordance with the Merger Agreement.

Section 1.1 of the Reimbursement Agreement is further amended by adding the following in the definition of "Consolidated Total Debt" at the end of the parenthetical therein "and excluding, solely during the period prior to the Closing Date (as defined in the Merger Agreement), any Indebtedness incurred solely for the purpose of funding the Cash Consideration (as defined in the Merger Agreement) necessary to consummate the Nicor Merger, provided that (i) the proceeds of such Indebtedness have been deposited in escrow for the benefit of the holders or lenders of such Indebtedness pending consummation of the Nicor Merger (it being understood and agreed that such escrow, and any associated Lien relating thereto, shall not constitute a Lien for any purpose hereof), (ii) such escrow arrangement is reasonably satisfactory to the Administrative Agent and (iii) the aggregate principal amount of such Indebtedness does not exceed $1,050,000,000 at any time".

1.2 Amendments to Section 4.14.

Section 4.14 of the Reimbursement Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"As of the Closing Date, (a) Schedule 4.14 sets forth the name and jurisdiction of incorporation of each Subsidiary of each of Guarantor and the Applicant and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Credit Party and whether such Subsidiary is then a Restricted Subsidiary or Unrestricted Subsidiary and (b) except as set forth on Schedule 4.14, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock performance grants granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Applicant or any of Guarantor's or the Applicant's respective Subsidiaries, except as created by the Credit Documents."

1.3 Amendments to Section 5.2.

Section 5.2 of the Reimbursement Agreement is hereby amended by changing the letter "(d)" to "(e)" in the final clause thereof and inserting the following immediately preceding the word "and" at the end of clause (c) thereof "(d) at least three (3) Business Days prior to the consummation of the Nicor Merger (or at such other time as the Administrative Agent may agree), a certificate of a Responsible Officer in form reasonably satisfactory to the Administrative Agent supplementing or reaffirming, as the case may be, the information set forth on Schedule 6.2(j), it being understood that any modification to such Schedule may not be deemed or construed to amend such Schedule in any respect unless such modification is satisfactory to the Administrative Agent in its reasonable discretion;".

1.4 Amendments to Section 6.2.

Section 6.2 of the Reimbursement Agreement is hereby amended as follows:

(i) by deleting clause (j) thereof and replacing it in its entirety with the following: “(j) (1) Liens on the property of Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated and not incurred in contemplation of the Nicor Merger (but in the case of Liens securing Indebtedness for borrowed money, only to the extent set forth on Schedule 6.2(j) as such Schedule may be supplemented pursuant to Section 5.2(d) hereof), provided that such Liens do not extend to or cover any assets or property of the Guarantor or any of its Subsidiaries (other than Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated) and (2) other Liens on the property of a Person existing at the time such Person is merged or consolidated with Guarantor or any other Group Member and not incurred in contemplation with such merger or consolidation (for the avoidance of doubt, not including any Liens described in the foregoing clause (1)); and”

(ii) by deleting clause (k) thereof and replacing it in its entirety with the following: "(k) Liens created or outstanding on Assets of Guarantor or other Group Members, provided that the aggregate outstanding principal, capital and nominal amounts secured by all Liens created or outstanding as permitted under clauses (f), (g), (h), (i) and (j)(2) above and this clause (k) shall not at any time exceed 15% of Consolidated Net Worth.".

1.5 Amendments to Section 6.5.

Section 6.5 of the Reimbursement Agreement is hereby amended by inserting the following immediately after the words “Capital Stock” at the end of clause (b) thereof “(provided that Guarantor may pay dividends on shares of its Capital Stock within 60 days after the date of declaration thereof, so long as on the date of declaration no Event of Default shall have occurred and be continuing or result therefrom)”.

1.6 Amendments to Section 6.7.

Section 6.7 of the Reimbursement Agreement is hereby amended by (i) deleting the “and” at the end of Subsection 6.7(e) and (ii) inserting the following immediately preceding the period at the end thereof "(g) (x) intercompany Investments between Guarantor and the Applicant, (y) intercompany Investments between Group Members (other than Guarantor and the Applicant) and (z) intercompany Investments between any Group Member (other than Guarantor and the Applicant) and Guarantor and the Applicant to the extent necessary (i) in the ordinary course of business or (ii) as may be reasonably necessary to effectuate the Merger; and (h) any Investments made by Nicor or its Subsidiaries existing at the time the Nicor Merger is consummated; provided, that such Investment was not made in contemplation of the Nicor Merger”.

1.7 Amendments to Section 6.8.

Section 6.8 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof "and (c) any agreement in effect at the time any Person becomes a Subsidiary of Guarantor (including by way of merger or consolidation); provided that (i) such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (ii) such restrictions apply only to the property or assets of such Person and its respective Subsidiaries existing at the time such Person becomes a Subsidiary of Guarantor”.

1.8 Amendments to Section 6.9.

Section 6.9 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof ", and (iii) any agreement in effect at the time any Person becomes a Subsidiary of Guarantor (including by way of merger or consolidation); provided that (x) such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (y) such restrictions apply only to the property or assets of such Person and its respective Subsidiaries existing at the time such Person becomes a Subsidiary of Guarantor, (iv) solely in the case of clause (c) above, any agreement governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (v) solely in the case of clause (c) above, customary provisions in leases, licenses and other contracts restricting the assignment thereof".

1.9 Amendments to Section 6.10.

Section 6.10 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the comma at the end of clause (i) thereof "(or, in the case of Nicor and its Subsidiaries, on the date of the consummation of the Nicor Merger)".

1.10 Amendments to Schedule 6.8.

Schedule 6.8 of the Reimbursement Agreement is hereby amended by inserting the following language after item number 11 thereof:

“12. A $300,000,000 term loan credit agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will use the proceeds to refinance its 7.125% notes due January 14, 2011, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

13. A $1,050,000,000 senior bridge term loan agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will fund, in part, the cash consideration for the acquisition of Nicor, Inc., and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

14. Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company and Nicor Inc., as Borrowers, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

15. 364-Day Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company, as Borrower, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

16. Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced

17. Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

18. $120,000,000 in Central Valley Gas Storage, L.L.C. debt financing currently anticipated to be incurred in March 2012.

1.11 Amendments to Schedules.

The Schedules to the Reimbursement Agreement are hereby amended by inserting new Schedule 6.2(j) in the form attached to the Amendment as Exhibit A.

SECTIOCONDITIONS TO EFFECTIVENESS N II.

This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the **"First Amendment Effective Date"**):

A. Execution. The Administrative Agent shall have received (i) a counterpart signature page of this Amendment duly executed by each of the Credit Parties and (ii) consent and authorization from the Required Banks to execute this Amendment on their behalf.

B. Consent Fees. The Administrative Agent shall have received, for the account of each Bank consenting to this Amendment, a consent fee equal to 0.10% of the aggregate principal amount of such Bank's Commitment.

C. Other Fees. The Administrative Agent shall have received all other fees and other amounts due and payable on or prior to the First Amendment Effective Date to the extent invoiced in reasonable detail, including, without limitation, reimbursement or other payment of all out-of-pocket expenses required to be reimbursed or paid by the Applicant hereunder or any other Credit Document.

D. Necessary Consents. Each Credit Party shall have obtained all material consents necessary or advisable in connection with the transactions contemplated by this Amendment.

E. Merger Agreement. The Administrative Agent shall have received a duly executed copy of the Merger Agreement as in effect as of the First Amendment Effective Date.

F. Other Documents. The Administrative Agent and the Banks shall have received such other documents, information or agreements regarding the Credit Parties as the Administrative Agent may reasonably request.

SECTIOREPRESENTATIONS AND WARRANTIES N III.

In order to induce the Banks to enter into this Amendment and to amend the Reimbursement Agreement in the manner provided herein, each Credit Party which is a party hereto represents and warrants to each Bank that the following statements are true and correct in all material respects:

A. Corporate Power and Authority. Each Credit Party, which is party hereto, has all requisite power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Reimbursement Agreement as amended by this Amendment (the **"Amended Agreement"**) and the other Credit Documents.

B. Authorization of Agreements. The execution and delivery of this Amendment and the performance of the Amended Agreement and the other Credit Documents have been duly authorized by all necessary action on the part of each Credit Party.

C. No Conflict. The execution and delivery by each Credit Party of this Amendment and the performance by each Credit Party of the Amended Agreement and the other Credit Documents do not and will not (i) violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of incorporation or partnership agreement, other constitutive documents or by-laws of Guarantor or the Applicant or (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any Contractual Obligation of the applicable Credit Party, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section III.C., individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (iii) except as permitted under the Amended Agreement, result in or require the creation or imposition of any Lien upon any of the properties or assets of each Credit Party (other than any Liens created under any of the Credit Documents in favor of Administrative Agent on behalf of the Banks), or (iv) require any approval of stockholders or partners or any approval or consent of any Person under any Contractual Obligation of each Credit Party, except for such approvals or consents which will be obtained on or before the First Amendment Effective Date and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

D. Governmental Consents. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery by each Credit Party of this Amendment and the performance by the Applicant and Guarantor of the Amended Agreement and the other Credit Documents, except for such actions, consents and approvals the failure to obtain or make which could not reasonably be expected to result in a Material Adverse Effect or which have been obtained and are in full force and effect.

E. Binding Obligation. This Amendment and the Amended Agreement have been duly executed and delivered by each of the Credit Parties party thereto and each constitutes a legal, valid and binding obligation of such Credit Party to the extent a party thereto, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

F. Incorporation of Representations and Warranties from Reimbursement Agreement. The representations and warranties contained in Article 4 of the Amended Agreement are and will be true and correct in all material respects on and as of the First Amendment Effective Date to the same

extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

G. Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default.

H. Release of Claims. No Credit Party has any knowledge of any claims, counterclaims, offsets or defenses to or with respect to its obligations under the Credit Documents, or if such Credit Party has any such claims, counterclaims, offsets or defenses to the Credit Documents or any transaction related to the Credit Documents, the same are hereby waived, relinquished and released in consideration of the execution of this Amendment.

SECTIOACKNOWLEDGMENT AND CONSENT
N IV.

Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Reimbursement Agreement and this Amendment and consents to the amendment of the Reimbursement Agreement effected pursuant to this Amendment. Guarantor hereby confirms that each Credit Document to which it is a party or otherwise bound will continue to guarantee to the fullest extent possible in accordance with the Credit Documents the payment and performance of all "Obligations" under each of the Credit Documents to which is a party (in each case as such terms are defined in the applicable Credit Document).

Guarantor acknowledges and agrees that any of the Credit Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment. Guarantor represents and warrants that all representations and warranties contained in the Amended Agreement and the Credit Documents to which it is a party or otherwise bound are true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, Guarantor is not required by the terms of the Reimbursement Agreement or any other Credit Document to consent to the amendments to the Reimbursement Agreement effected pursuant to this Amendment and (ii) nothing in the Reimbursement Agreement, this Amendment or any other Credit Document shall be deemed to require the consent of Guarantor to any future amendments to the Reimbursement Agreement.

SECTIOMISCELLANEOUS
N V.

A. Reference to and Effect on the Reimbursement Agreement and the Other Credit Documents.

(i) On and after the First Amendment Effective Date, each reference in the Reimbursement Agreement to "this Amendment", "hereunder", "hereof", "herein" or words of like import referring to the Reimbursement Agreement, and each reference in the other Credit Documents to the "Reimbursement Agreement", "thereunder", "thereof" or words of like import referring to the Reimbursement Agreement shall mean and be a reference to the Reimbursement Agreement as amended by this Amendment.

(ii) Except as specifically amended by this Amendment, the Reimbursement Agreement and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Administrative Agent or Bank under, the Reimbursement Agreement or any of the other Credit Documents.

B. Headings. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

D. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

APPLICANT: **PIVOTAL UTILITY HOLDINGS, INC.**

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005*]

GUARANTOR: **AGL RESOURCES INC.**

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005*]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, as Issuing Bank and Administrative Agent

By: /s/Alan Reiter
Name: Alan Reiter
Title: Authorized Signatory

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $46,500,000 Gas Facilities Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005*]

SCHEDULE 6.2(j)

NICOR LIENS SECURING DEBT FOR BORROWED MONEY

1. Liens granted pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced.

2. Liens granted pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

FIRST AMENDMENT

TO REIMBURSEMENT AGREEMENT

THIS FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT (this **"Amendment"**) is dated as of December 17, 2010 and is entered into by and among **PIVOTAL UTILITY HOLDINGS, INC.**, a New Jersey corporation (the **"Applicant''**), **AGL RESOURCES INC.**, a Georgia corporation (the **"Guarantor''**), and **THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH**, a Japanese banking company acting through its New York Branch ("**BTMU New York**"), as the Issuing Bank and the Administrative Agent (the **"Issuing Bank"** and the **"Administrative Agent"**, respectively), acting with the consent of the Required Banks, and is made with reference to that certain **REIMBURSEMENT AGREEMENT** dated as of October 14, 2010 (the **"Reimbursement Agreement"**) by and among the Applicant, the Guarantor, the Banks party thereto, the Issuing Bank and the Administrative Agent referencing the $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Reimbursement Agreement after giving effect to this Amendment.

RECITALS

WHEREAS, Guarantor has entered into an Agreement and Plan of Merger, dated as of December 6, 2010 (the "**Acquisition Agreement**"), among Guarantor, Apollo Acquisition Corp., an Illinois corporation and a wholly-owned Subsidiary of Guarantor ("**Merger Sub**"), Ottawa Acquisition LLC, an Illinois limited liability company and a wholly-owned Subsidiary of Guarantor ("**Merger LLC**"), and Nicor Inc., an Illinois corporation ("**Nicor**");

WHEREAS, pursuant to the Acquisition Agreement, Merger Sub will merge with and into Nicor and immediately thereafter the surviving corporation thereof will merge with and into Merger LLC (such consecutive mergers, the **"Nicor Merger")**;

WHEREAS, in connection therewith, the Credit Parties have requested that the Required Banks agree to amend certain provisions of the Reimbursement Agreement as provided for herein; and

WHEREAS, subject to certain conditions, the Required Banks are willing to agree to such amendment relating to the Reimbursement Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION I. AMENDMENTS TO REIMBURSEMENT AGREEMENT

1.1 Amendments to Section 1: Definitions.

Section 1.1 of the Reimbursement Agreement is hereby amended by adding the following definitions in proper alphabetical sequence:

"First Amendment": that certain First Amendment to Reimbursement Agreement dated as of December 17, 2010 among the Applicant, the Guarantor, the Issuing Bank, the Administrative Agent and the financial institutions listed on the signature pages thereto.

"First Amendment Effective Date": the date of satisfaction of the conditions referred to in Section II of the First Amendment.

"Merger Agreement": the Agreement and Plan of Merger, dated as of December 6, 2010, among Guarantor, Apollo Acquisition Corp., an Illinois corporation, Ottawa Acquisition LLC, an Illinois limited liability company and Nicor.

"Nicor": Nicor Inc., an Illinois corporation.

"Nicor Merger": the merger of a wholly-owned Subsidiary of Guarantor with and into Nicor and the immediately subsequent merger of the surviving corporation thereof into another wholly-owned Subsidiary of Guarantor in accordance with the Merger Agreement.

Section 1.1 of the Reimbursement Agreement is further amended by adding the following in the definition of "Consolidated Total Debt" at the end of the parenthetical therein "and excluding, solely during the period prior to the Closing Date (as defined in the Merger Agreement), any Indebtedness incurred solely for the purpose of funding the Cash Consideration (as defined in the Merger Agreement) necessary to consummate the Nicor Merger, provided that (i) the proceeds of such Indebtedness have been deposited in escrow for the benefit of the holders or lenders of such Indebtedness pending consummation of the Nicor Merger (it being understood and agreed that such escrow, and any associated Lien relating thereto, shall not constitute a Lien for any purpose hereof), (ii) such escrow arrangement is reasonably satisfactory to the Administrative Agent and (iii) the aggregate principal amount of such Indebtedness does not exceed $1,050,000,000 at any time".

1.2 Amendments to Section 4.14.

Section 4.14 of the Reimbursement Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"As of the Closing Date, (a) Schedule 4.14 sets forth the name and jurisdiction of incorporation of each Subsidiary of each of Guarantor and the Applicant and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Credit Party and whether such Subsidiary is then a Restricted Subsidiary or Unrestricted Subsidiary and (b) except as set forth on Schedule 4.14, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock performance grants granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Applicant or any of Guarantor's or the Applicant's respective Subsidiaries, except as created by the Credit Documents."

1.3 Amendments to Section 5.2.

Section 5.2 of the Reimbursement Agreement is hereby amended by changing the letter "(d)" to "(e)" in the final clause thereof and inserting the following immediately preceding the word "and" at the end of clause (c) thereof "(d) at least three (3) Business Days prior to the consummation of the Nicor Merger (or at such other time as the Administrative Agent may agree), a certificate of a Responsible Officer in form reasonably satisfactory to the Administrative Agent supplementing or reaffirming, as the case may be, the information set forth on Schedule 6.2(j), it being understood that any modification to such Schedule may not be deemed or construed to amend such Schedule in any respect unless such modification is satisfactory to the Administrative Agent in its reasonable discretion;".

1.4 Amendments to Section 6.2.

Section 6.2 of the Reimbursement Agreement is hereby amended as follows:

(i) by deleting clause (j) thereof and replacing it in its entirety with the following: “(j) (1) Liens on the property of Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated and not incurred in contemplation of the Nicor Merger (but in the case of Liens securing Indebtedness for borrowed money, only to the extent set forth on Schedule 6.2(j) as such Schedule may be supplemented pursuant to Section 5.2(d) hereof), provided that such Liens do not extend to or cover any assets or property of the Guarantor or any of its Subsidiaries (other than Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated) and (2) other Liens on the property of a Person existing at the time such Person is merged or consolidated with Guarantor or any other Group Member and not incurred in contemplation with such merger or consolidation (for the avoidance of doubt, not including any Liens described in the foregoing clause (1)); and”

(ii) by deleting clause (k) thereof and replacing it in its entirety with the following: "(k) Liens created or outstanding on Assets of Guarantor or other Group Members, provided that the aggregate outstanding principal, capital and nominal amounts secured by all Liens created or outstanding as permitted under clauses (f), (g), (h), (i) and (j)(2) above and this clause (k) shall not at any time exceed 15% of Consolidated Net Worth.".

1.5 Amendments to Section 6.5.

Section 6.5 of the Reimbursement Agreement is hereby amended by inserting the following immediately after the words “Capital Stock” at the end of clause (b) thereof “(provided that Guarantor may pay dividends on shares of its Capital Stock within 60 days after the date of declaration thereof, so long as on the date of declaration no Event of Default shall have occurred and be continuing or result therefrom)”.

1.6 Amendments to Section 6.7.

Section 6.7 of the Reimbursement Agreement is hereby amended by (i) deleting the “and” at the end of Subsection 6.7(e) and (ii) inserting the following immediately preceding the period at the end thereof "(g) (x) intercompany Investments between Guarantor and the Applicant, (y) intercompany Investments between Group Members (other than Guarantor and the Applicant) and (z) intercompany Investments between any Group Member (other than Guarantor and the Applicant) and Guarantor and the Applicant to the extent necessary (i) in the ordinary course of business or (ii) as may be reasonably necessary to effectuate the Merger; and (h) any Investments made by Nicor or its Subsidiaries existing at the time the Nicor Merger is consummated; provided, that such Investment was not made in contemplation of the Nicor Merger”.

1.7 Amendments to Section 6.8.

Section 6.8 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof "and (c) any agreement in effect at the time any Person becomes a Subsidiary of Guarantor (including by way of merger or consolidation); provided that (i) such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (ii) such restrictions apply only to the property or assets of such Person and its respective Subsidiaries existing at the time such Person becomes a Subsidiary of Guarantor”.

1.8 Amendments to Section 6.9.

Section 6.9 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof ", and (iii) any agreement in effect at the time any Person becomes a Subsidiary of Guarantor (including by way of merger or consolidation); provided that (x) such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (y) such restrictions apply only to the property or assets of such Person and its respective Subsidiaries existing at the time such Person becomes a Subsidiary of Guarantor, (iv) solely in the case of clause (c) above, any agreement governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (v) solely in the case of clause (c) above, customary provisions in leases, licenses and other contracts restricting the assignment thereof".

1.9 Amendments to Section 6.10.

Section 6.10 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the comma at the end of clause (i) thereof "(or, in the case of Nicor and its Subsidiaries, on the date of the consummation of the Nicor Merger)".

1.10 Amendments to Schedule 6.8.

Schedule 6.8 of the Reimbursement Agreement is hereby amended by inserting the following language after item number 11 thereof:

“12. A $300,000,000 term loan credit agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will use the proceeds to refinance its 7.125% notes due January 14, 2011, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

13. A $1,050,000,000 senior bridge term loan agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will fund, in part, the cash consideration for the acquisition of Nicor, Inc., and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

14. Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company and Nicor Inc., as Borrowers, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

15. 364-Day Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company, as Borrower, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing

or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

16. Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced

17. Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

18. $120,000,000 in Central Valley Gas Storage, L.L.C. debt financing currently anticipated to be incurred in March 2012.

1.11 Amendments to Schedules.

The Schedules to the Reimbursement Agreement are hereby amended by inserting new Schedule 6.2(j) in the form attached to the Amendment as Exhibit A.

SECTIOCONDITIONS TO EFFECTIVENESS
N II.

This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the **"First Amendment Effective Date"**):

A. Execution. The Administrative Agent shall have received (i) a counterpart signature page of this Amendment duly executed by each of the Credit Parties and (ii) consent and authorization from the Required Banks to execute this Amendment on their behalf.

B. Consent Fees. The Administrative Agent shall have received, for the account of each Bank consenting to this Amendment, a consent fee equal to 0.10% of the aggregate principal amount of such Bank's Commitment.

C. Other Fees. The Administrative Agent shall have received all other fees and other amounts due and payable on or prior to the First Amendment Effective Date to the extent invoiced in reasonable detail, including, without limitation, reimbursement or other payment of all out-of-pocket expenses required to be reimbursed or paid by the Applicant hereunder or any other Credit Document.

D. Necessary Consents. Each Credit Party shall have obtained all material consents necessary or advisable in connection with the transactions contemplated by this Amendment.

E. Merger Agreement. The Administrative Agent shall have received a duly executed copy of the Merger Agreement as in effect as of the First Amendment Effective Date.

F. Other Documents. The Administrative Agent and the Banks shall have received such other documents, information or agreements regarding the Credit Parties as the Administrative Agent may reasonably request.

SECTIOREPRESENTATIONS AND WARRANTIES
N III.

In order to induce the Banks to enter into this Amendment and to amend the Reimbursement Agreement in the manner provided herein, each Credit Party which is a party hereto represents and warrants to each Bank that the following statements are true and correct in all material respects:

A. Corporate Power and Authority. Each Credit Party, which is party hereto, has all requisite power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Reimbursement Agreement as amended by this Amendment (the **"Amended Agreement"**) and the other Credit Documents.

B. Authorization of Agreements. The execution and delivery of this Amendment and the performance of the Amended Agreement and the other Credit Documents have been duly authorized by all necessary action on the part of each Credit Party.

C. No Conflict. The execution and delivery by each Credit Party of this Amendment and the performance by each Credit Party of the Amended Agreement and the other Credit Documents do not and will not (i) violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of incorporation or partnership agreement, other constitutive documents or by-laws of Guarantor or the Applicant or (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any Contractual Obligation of the applicable Credit Party, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section III.C., individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (iii) except as permitted under the Amended Agreement, result in or require the creation or imposition of any Lien upon any of the properties or assets of each Credit Party (other than any Liens created under any of the Credit Documents in favor of Administrative Agent on behalf of the Banks), or (iv) require any approval of stockholders or partners or any approval or consent of any Person under any Contractual Obligation of each Credit Party, except for such approvals or consents which will be obtained on or before the First Amendment Effective Date and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

D. Governmental Consents. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery by each Credit Party of this Amendment and the performance by the Applicant and Guarantor of the Amended Agreement and the other Credit Documents, except for such actions, consents and approvals the failure to obtain or make which could not reasonably be expected to result in a Material Adverse Effect or which have been obtained and are in full force and effect.

E. Binding Obligation. This Amendment and the Amended Agreement have been duly executed and delivered by each of the Credit Parties party thereto and each constitutes a legal, valid and binding obligation of such Credit Party to the extent a party thereto, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

F. Incorporation of Representations and Warranties from Reimbursement Agreement. The representations and warranties contained in Article 4 of the Amended Agreement are and will be true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

G. Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default.

H. Release of Claims. No Credit Party has any knowledge of any claims, counterclaims, offsets or defenses to or with respect to its obligations under the Credit Documents, or if such Credit Party has any such claims, counterclaims, offsets or defenses to the Credit Documents or any transaction related to the Credit Documents, the same are hereby waived, relinquished and released in consideration of the execution of this Amendment.

SECTIOACKNOWLEDGMENT AND CONSENT
N IV.

Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Reimbursement Agreement and this Amendment and consents to the amendment of the Reimbursement Agreement effected pursuant to this Amendment. Guarantor hereby confirms that each Credit Document to which it is a party or otherwise bound will continue to guarantee to the fullest extent possible in accordance with the Credit Documents the payment and performance of all "Obligations" under each of the Credit Documents to which is a party (in each case as such terms are defined in the applicable Credit Document).

Guarantor acknowledges and agrees that any of the Credit Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment. Guarantor represents and warrants that all representations and warranties contained in the Amended Agreement and the Credit Documents to which it is a party or otherwise bound are true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, Guarantor is not required by the terms of the Reimbursement Agreement or any other Credit Document to consent to the amendments to the Reimbursement Agreement effected pursuant to this Amendment and (ii) nothing in the Reimbursement Agreement, this Amendment or any other Credit Document shall be deemed to require the consent of Guarantor to any future amendments to the Reimbursement Agreement.

SECTIOMISCELLANEOUS
N V.

A. Reference to and Effect on the Reimbursement Agreement and the Other Credit Documents.

(i) On and after the First Amendment Effective Date, each reference in the Reimbursement Agreement to "this Amendment", "hereunder", "hereof", "herein" or words of like import referring to the Reimbursement Agreement, and each reference in the other Credit Documents to the "Reimbursement Agreement", "thereunder", "thereof" or words of like import referring to the Reimbursement Agreement shall mean and be a reference to the Reimbursement Agreement as amended by this Amendment.

(ii) Except as specifically amended by this Amendment, the Reimbursement Agreement and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Administrative Agent or Bank under, the Reimbursement Agreement or any of the other Credit Documents.

B. Headings. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

D. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

APPLICANT: **PIVOTAL UTILITY HOLDINGS, INC.**

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005]*

GUARANTOR: **AGL RESOURCES INC.**

By: /s/ Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005]*

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, as Issuing Bank and Administrative Agent

By: /s/Alan Reiter
Name: Alan Reiter
Title: Authorized Signatory

[*Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $20,000,000 Industrial Development Refunding Revenue Bonds (Pivotal Utility Holdings, Inc. Project) Series 2005]*

SCHEDULE 6.2(j)

NICOR LIENS SECURING DEBT FOR BORROWED MONEY

1. Liens granted pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced.

2. Liens granted pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

Exhibit 10.9

FIRST AMENDMENT

TO REIMBURSEMENT AGREEMENT

THIS FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT (this **"Amendment"**) is dated as of December 17, 2010 and is entered into by and among **PIVOTAL UTILITY HOLDINGS, INC.**, a New Jersey corporation (the **"Applicant''**), **AGL RESOURCES INC.**, a Georgia corporation (the **"Guarantor''**), and **JPMORGAN CHASE BANK, N.A.**, a national banking association (**"JPMorgan"**) as the Issuing Bank and the Administrative Agent (the **"Issuing Bank"** and the **"Administrative Agent"**, respectively), acting with the consent of the Required Banks, and is made with reference to that certain **REIMBURSEMENT AGREEMENT** dated as of October 14, 2010 (the **"Reimbursement Agreement"**) by and among the Applicant, the Guarantor, the Banks party thereto, the Issuing Bank and the Administrative Agent referencing the $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996A. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Reimbursement Agreement after giving effect to this Amendment.

RECITALS

WHEREAS, Guarantor has entered into an Agreement and Plan of Merger, dated as of December 6, 2010 (the "**Acquisition Agreement**"), among Guarantor, Apollo Acquisition Corp., an Illinois corporation and a wholly-owned Subsidiary of Guarantor ("**Merger Sub**"), Ottawa Acquisition LLC, an Illinois limited liability company and a wholly-owned Subsidiary of Guarantor ("**Merger LLC**"), and Nicor Inc., an Illinois corporation ("**Nicor**");

WHEREAS, pursuant to the Acquisition Agreement, Merger Sub will merge with and into Nicor and immediately thereafter the surviving corporation thereof will merge with and into Merger LLC (such consecutive mergers, the **"Nicor Merger")**;

WHEREAS, in connection therewith, the Credit Parties have requested that the Required Banks agree to amend certain provisions of the Reimbursement Agreement as provided for herein; and

WHEREAS, subject to certain conditions, the Required Banks are willing to agree to such amendment relating to the Reimbursement Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTIOAMENDMENTS TO REIMBURSEMENT AGREEMENT
N I.

1.1 Amendments to Section 1: Definitions.

Section 1.1 of the Reimbursement Agreement is hereby amended by adding the following definitions in proper alphabetical sequence:

"First Amendment": that certain First Amendment to Reimbursement Agreement dated as of December 17, 2010 among the Applicant, the Guarantor, the Issuing Bank, the Administrative Agent and the financial institutions listed on the signature pages thereto.

"First Amendment Effective Date": the date of satisfaction of the conditions referred to in Section II of the First Amendment.

"Merger Agreement": the Agreement and Plan of Merger, dated as of December 6, 2010, among Guarantor, Apollo Acquisition Corp., an Illinois corporation, Ottawa Acquisition LLC, an Illinois limited liability company and Nicor.

"Nicor": Nicor Inc., an Illinois corporation.

"Nicor Merger": the merger of a wholly-owned Subsidiary of Guarantor with and into Nicor and the immediately subsequent merger of the surviving corporation thereof into another wholly-owned Subsidiary of Guarantor in accordance with the Merger Agreement.

Section 1.1 of the Reimbursement Agreement is further amended by adding the following in the definition of "Consolidated Total Debt" at the end of the parenthetical therein "and excluding, solely during the period prior to the Closing Date (as defined in the Merger Agreement), any Indebtedness incurred solely for the purpose of funding the Cash Consideration (as defined in the Merger Agreement) necessary to consummate the Nicor Merger, provided that (i) the proceeds of such Indebtedness have been deposited in escrow for the benefit of the holders or lenders of such Indebtedness pending consummation of the Nicor Merger (it being understood and agreed that such escrow, and any associated Lien relating thereto, shall not constitute a Lien for any purpose hereof), (ii) such escrow arrangement is reasonably satisfactory to the Administrative Agent and (iii) the aggregate principal amount of such Indebtedness does not exceed $1,050,000,000 at any time".

1.2 Amendments to Section 4.14.

Section 4.14 of the Reimbursement Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"As of the Closing Date, (a) Schedule 4.14 sets forth the name and jurisdiction of incorporation of each Subsidiary of each of Guarantor and the Applicant and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Credit Party and whether such Subsidiary is then a Restricted Subsidiary or Unrestricted Subsidiary and (b) except as set forth on Schedule 4.14, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock performance grants granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Applicant or any of Guarantor's or the Applicant's respective Subsidiaries, except as created by the Credit Documents."

1.3 Amendments to Section 5.2.

Section 5.2 of the Reimbursement Agreement is hereby amended by changing the letter "(d)" to "(e)" in the final clause thereof and inserting the following immediately preceding the word "and" at the end of clause (c) thereof "(d) at least three (3) Business Days prior to the consummation of the Nicor Merger (or at such other time as the Administrative Agent may agree), a certificate of a Responsible Officer in form reasonably satisfactory to the Administrative Agent supplementing or reaffirming, as the case may be, the information set forth on Schedule 6.2(j), it being understood that any modification to such Schedule may not be deemed or construed to amend such Schedule in any respect unless such modification is satisfactory to the Administrative Agent in its reasonable discretion;".

1.4 Amendments to Section 6.2.

Section 6.2 of the Reimbursement Agreement is hereby amended as follows:

(i) by deleting clause (j) thereof and replacing it in its entirety with the following: “(j) (1) Liens on the property of Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated and not incurred in contemplation of the Nicor Merger (but in the case of Liens securing Indebtedness for borrowed money, only to the extent set forth on Schedule 6.2(j) as such Schedule may be supplemented pursuant to Section 5.2(d) hereof), provided that such Liens do not extend to or cover any assets or property of the Guarantor or any of its Subsidiaries (other than Nicor and its Subsidiaries existing at the time the Nicor Merger is consummated) and (2) other Liens on the property of a Person existing at the time such Person is merged or consolidated with Guarantor or any other Group Member and not incurred in contemplation with such merger or consolidation (for the avoidance of doubt, not including any Liens described in the foregoing clause (1)); and”

(ii) by deleting clause (k) thereof and replacing it in its entirety with the following: "(k) Liens created or outstanding on Assets of Guarantor or other Group Members, provided that the aggregate outstanding principal, capital and nominal amounts secured by all Liens created or outstanding as permitted under clauses (f), (g), (h), (i) and (j)(2) above and this clause (k) shall not at any time exceed 15% of Consolidated Net Worth.".

1.5 Amendments to Section 6.5.

Section 6.5 of the Reimbursement Agreement is hereby amended by inserting the following immediately after the words “Capital Stock” at the end of clause (b) thereof “(provided that Guarantor may pay dividends on shares of its Capital Stock within 60 days after the date of declaration thereof, so long as on the date of declaration no Event of Default shall have occurred and be continuing or result therefrom)”.

1.6 Amendments to Section 6.7.

Section 6.7 of the Reimbursement Agreement is hereby amended by (i) deleting the “and” at the end of Subsection 6.7(e) and (ii) inserting the following immediately preceding the period at the end thereof "(g) (x) intercompany Investments between Guarantor and the Applicant, (y) intercompany Investments between Group Members (other than Guarantor and the Applicant) and (z) intercompany Investments between any Group Member (other than Guarantor and the Applicant) and Guarantor and the Applicant to the extent necessary (i) in the ordinary course of business or (ii) as may be reasonably necessary to effectuate the Merger; and (h) any Investments made by Nicor or its Subsidiaries existing at the time the Nicor Merger is consummated; provided, that such Investment was not made in contemplation of the Nicor Merger”.

1.7 Amendments to Section 6.8.

Section 6.8 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof "and (c) any agreement in effect at the time any Person becomes a Subsidiary of Guarantor (including by way of merger or consolidation); provided that (i) such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (ii) such restrictions apply only to the property or assets of such Person and its respective Subsidiaries existing at the time such Person becomes a Subsidiary of Guarantor”.

1.8 Amendments to Section 6.9.

Section 6.9 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the period at the end thereof ", and (iii) any agreement in effect at the time any Person becomes a Subsidiary of Guarantor (including by way of merger or consolidation); provided that (x) such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (y) such restrictions apply only to the property or assets of such Person and its respective Subsidiaries existing at the time such Person becomes a Subsidiary of Guarantor, (iv) solely in the case of clause (c) above, any agreement governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (v) solely in the case of clause (c) above, customary provisions in leases, licenses and other contracts restricting the assignment thereof".

1.9 Amendments to Section 6.10.

Section 6.10 of the Reimbursement Agreement is hereby amended by inserting the following immediately preceding the comma at the end of clause (i) thereof "(or, in the case of Nicor and its Subsidiaries, on the date of the consummation of the Nicor Merger)".

1.10 Amendments to Schedule 6.8.

Schedule 6.8 of the Reimbursement Agreement is hereby amended by inserting the following language after item number 11 thereof:

“12. A $300,000,000 term loan credit agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will use the proceeds to refinance its 7.125% notes due January 14, 2011, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

13. A $1,050,000,000 senior bridge term loan agreement, currently anticipated to be entered into on or about December 2010, among AGL Resources Inc., as Guarantor, AGL Capital Corporation, as Borrower, the Lenders from time to time party thereto, Goldman Sachs Bank USA, as Administrative Agent, and the other agents party thereto, pursuant to which AGL Capital Corporation will fund, in part, the cash consideration for the acquisition of Nicor, Inc., and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

14. Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company and Nicor Inc., as Borrowers, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

15. 364-Day Credit Agreement, dated as of April 23, 2010, among Northern Illinois Gas Company, as Borrower, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent and any renewal, extension, refinancing or replacement thereof, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of

sales of debt securities or preferred equity) in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under a credit or other agreement or an indenture).

16. Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced

17. Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

18. $120,000,000 in Central Valley Gas Storage, L.L.C. debt financing currently anticipated to be incurred in March 2012.

1.11 Amendments to Schedules.

The Schedules to the Reimbursement Agreement are hereby amended by inserting new Schedule 6.2(j) in the form attached to the Amendment as Exhibit A.

SECTIOCONDITIONS TO EFFECTIVENESS
N II.

This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the **"First Amendment Effective Date"**):

A. Execution. The Administrative Agent shall have received (i) a counterpart signature page of this Amendment duly executed by each of the Credit Parties and (ii) consent and authorization from the Required Banks to execute this Amendment on their behalf.

B. Consent Fees. The Administrative Agent shall have received, for the account of each Bank consenting to this Amendment, a consent fee equal to 0.10% of the aggregate principal amount of such Bank's Commitment.

C. Other Fees. The Administrative Agent shall have received all other fees and other amounts due and payable on or prior to the First Amendment Effective Date to the extent invoiced in reasonable detail, including, without limitation, reimbursement or other payment of all out-of-pocket expenses required to be reimbursed or paid by the Applicant hereunder or any other Credit Document.

D. Necessary Consents. Each Credit Party shall have obtained all material consents necessary or advisable in connection with the transactions contemplated by this Amendment.

E. Merger Agreement. The Administrative Agent shall have received a duly executed copy of the Merger Agreement as in effect as of the First Amendment Effective Date.

F. Other Documents. The Administrative Agent and the Banks shall have received such other documents, information or agreements regarding the Credit Parties as the Administrative Agent may reasonably request.

SECTIOREPRESENTATIONS AND WARRANTIES
N III.

In order to induce the Banks to enter into this Amendment and to amend the Reimbursement Agreement in the manner provided herein, each Credit Party which is a party hereto represents and warrants to each Bank that the following statements are true and correct in all material respects:

A. Corporate Power and Authority. Each Credit Party, which is party hereto, has all requisite power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Reimbursement Agreement as amended by this Amendment (the **"Amended Agreement"**) and the other Credit Documents.

B. Authorization of Agreements. The execution and delivery of this Amendment and the performance of the Amended Agreement and the other Credit Documents have been duly authorized by all necessary action on the part of each Credit Party.

C. No Conflict. The execution and delivery by each Credit Party of this Amendment and the performance by each Credit Party of the Amended Agreement and the other Credit Documents do not and will not (i) violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of incorporation or partnership agreement, other constitutive documents or by-laws of Guarantor or the Applicant or (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any Contractual Obligation of the applicable Credit Party, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section III.C., individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (iii) except as permitted under the Amended Agreement, result in or require the creation or imposition of any Lien upon any of the properties or assets of each Credit Party (other than any Liens created under any of the Credit Documents in favor of Administrative Agent on behalf of the Banks), or (iv) require any approval of stockholders or partners or any approval or consent of any Person under any Contractual Obligation of each Credit Party, except for such approvals or consents which will be obtained on or before the First Amendment Effective Date and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

D. Governmental Consents. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery by each Credit Party of this Amendment and the performance by the Applicant and Guarantor of the Amended Agreement and the other Credit Documents, except for such actions, consents and approvals the failure to obtain or make which could not reasonably be expected to result in a Material Adverse Effect or which have been obtained and are in full force and effect.

E. Binding Obligation. This Amendment and the Amended Agreement have been duly executed and delivered by each of the Credit Parties party thereto and each constitutes a legal, valid and binding obligation of such Credit Party to the extent a party thereto, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

F. Incorporation of Representations and Warranties from Reimbursement Agreement. The representations and warranties contained in Article 4 of the Amended Agreement are and will be true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

G. Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default.

H. Release of Claims. No Credit Party has any knowledge of any claims, counterclaims, offsets or defenses to or with respect to its obligations under the Credit Documents, or if such Credit Party has any such claims, counterclaims, offsets or defenses to the Credit Documents or any transaction related to the Credit Documents, the same are hereby waived, relinquished and released in consideration of the execution of this Amendment.

SECTIOACKNOWLEDGMENT AND CONSENT
N IV.

Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Reimbursement Agreement and this Amendment and consents to the amendment of the Reimbursement Agreement effected pursuant to this Amendment. Guarantor hereby confirms that each Credit Document to which it is a party or otherwise bound will continue to guarantee to the fullest extent possible in accordance with the Credit Documents the payment and performance of all "Obligations" under each of the Credit Documents to which is a party (in each case as such terms are defined in the applicable Credit Document).

Guarantor acknowledges and agrees that any of the Credit Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment. Guarantor represents and warrants that all representations and warranties contained in the Amended Agreement and the Credit Documents to which it is a party or otherwise bound are true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, Guarantor is not required by the terms of the Reimbursement Agreement or any other Credit Document to consent to the amendments to the Reimbursement Agreement effected pursuant to this Amendment and (ii) nothing in the Reimbursement Agreement, this Amendment or any other Credit Document shall be deemed to require the consent of Guarantor to any future amendments to the Reimbursement Agreement.

SECTIOMISCELLANEOUS
N V.

A. Reference to and Effect on the Reimbursement Agreement and the Other Credit Documents.

(i) On and after the First Amendment Effective Date, each reference in the Reimbursement Agreement to "this Amendment", "hereunder", "hereof", "herein" or words of like import referring to the Reimbursement Agreement, and each reference in the other Credit Documents to the "Reimbursement Agreement", "thereunder", "thereof" or words of like import referring to the Reimbursement Agreement shall mean and be a reference to the Reimbursement Agreement as amended by this Amendment.

(ii) Except as specifically amended by this Amendment, the Reimbursement Agreement and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Administrative Agent or Bank under, the Reimbursement Agreement or any of the other Credit Documents.

B. Headings. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

D. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

APPLICANT: **PIVOTAL UTILITY HOLDINGS, INC.**

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996A]

GUARANTOR: **AGL RESOURCES INC.**

By: /s/Andrew W. Evans
Name: Andrew W. Evans
Title: Executive Vice President and Chief Financial Officer

[Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996A]

JPMORGAN CHASE BANK, N.A., as Issuing Bank and Administrative Agent

By: /s/Helen D. Davis
Name: Helen D. Davis
Title: Authorized Officer

[Signature Page to Consent and First Amendment to Reimbursement Agreement in connection with $39,000,000 New Jersey Economic Development Authority Gas Facilities Refunding Revenue Bonds (NUI Corporation Project) Series 1996A]

SCHEDULE 6.2(j)

NICOR LIENS SECURING DEBT FOR BORROWED MONEY

1. Liens granted pursuant to that certain Trust Indenture and Security Agreement, dated as of May 15, 2001, between Horizon Pipeline Company, L.L.C, as the Company, and BNY Midwest Trust Company, as the Trustee, amended, restated, modified, renewed, refunded, replaced or refinanced.

2. Liens granted pursuant to that certain Indenture, dated as of January 1, 1954, between Commonwealth Edison Company and Continental Illinois National Bank and Trust Company of Chicago, as amended, restated, modified, renewed, refunded, replaced or refinanced.

New Document

AGL RESOURCES INC (AGL)

8-K/A

Current report filing
Filed on 12/23/2010
Filed Period 12/21/2010

THOMSON REUTERS

Westlaw BUSINESS

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

FORM 8-K / A
(Amendment # 1)

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 21, 2010

AGL RESOURCES INC.

(Exact name of registrant as specified in its charter)

Georgia	**1-14174**	**58-2210952**
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

Ten Peachtree Place NE, Atlanta, Georgia 30309
(Address and zip code of principal executive offices)

404-584-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

☑ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Paragraph

This amendment number one to the Form 8-K originally filed earlier today, December 23, 2010, is being filed to correct certain inadvertent errors in the text of Item 1.01. The entire text of the originally filed Form 8-K is being restated in this amendment number one to the Form 8-K.

Item 1.01. Entry Into a Material Definitive Agreement.

Introduction

On December 7, 2010, AGL Resources Inc., a Georgia corporation ("AGL Resources") and Nicor Inc., an Illinois corporation ("Nicor"), announced that on December 6, 2010 their respective boards of directors approved and the parties entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among AGL Resources, Nicor, Ottawa Acquisition LLC, an Illinois limited liability company ("Merger LLC"), and Apollo Acquisition Corp., an Illinois corporation ("Merger Sub"). Both Merger LLC and Merger Sub are wholly-owned subsidiaries of AGL Resources. Pursuant to the Merger Agreement, Merger Sub will merge with and into Nicor (the "Merger"), with Nicor to be the surviving corporation in the Merger (the "Surviving Corporation") and a wholly-owned subsidiary of AGL Resources, which will be followed immediately after the effective time of the Merger, by a merger of the Surviving Corporation with and into Merger LLC (the "Subsequent Merger", and together with the Merger, the "Transaction"), with Merger LLC to be the surviving entity in the Subsequent Merger.

On December 6, 2010, and in connection with the Merger Agreement, AGL Capital Corporation, a Nevada corporation and a wholly-owned subsidiary of AGL Resources ("AGL Capital"), entered into a commitment letter (the "Commitment Letter") with Goldman Sachs Bank USA ("GS Bank"). Under the Commitment Letter, GS Bank committed to provide a 364-day senior bridge term loan facility in an aggregate principal amount of $1.05 billion.

On December 21, 2010, pursuant to the Commitment Letter, AGL Resources and AGL Capital entered into a $1.05 billion Bridge Term Loan Credit Agreement (the "Bridge Facility") among AGL Resources as guarantor, AGL Capital as borrower, GS Bank as administrative agent, sole lead arranger and sole bookrunner, SunTrust Bank and Wells Fargo, National Association as co−syndication agents, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc. as co−documentation agents, and the several lenders named in the Bridge Facility. The Bridge Facility may be used to help finance the Transaction and pay related fees and expenses in the event permanent financing is not available by the time of the consummation of the Transaction.

Also on December 21, 2010, AGL Resources and AGL Capital entered into a $300 million Term Loan Credit Agreement (the "Term Loan Facility") among AGL Resources as guarantor, AGL Capital as borrower, GS Bank as administrative agent, sole lead arranger and sole bookrunner, JPMorgan Chase Bank, N.A. and Bank of America, N.A. as co−syndication agents, The Royal Bank of Scotland PLC and Morgan Stanley Senior Funding, Inc. as co−documentation agents, and the several lenders named in the Term Loan Facility. The Term Loan Facility may be used to help repay AGL Capital's 7.125% Senior Unsecured Notes due January 14, 2011. It is anticipated that some or all of the Bridge Facility and Term Loan Facility will be replaced or

repaid by AGL Resources or the AGL Capital through one or a combination of the following: issuance of debt securities, preferred stock, common equity, or other securities; bank loans; or other debt financings.

It is anticipated that some or all of the Bridge Facility and Term Loan Facility will be replaced or repaid by AGL Resources or AGL Capital through one or a combination of the following: issuance of debt securities, preferred stock, common equity, or other securities; bank loans; or other debt financings.

In connection with the foregoing, AGL Resources and certain of its subsidiaries entered into amendments to certain other pre-existing debt-related agreements with the other parties thereto in order to accommodate the execution of the Bridge Facility and Term Loan Facility and the operation of the combined companies after the consummation of the Transaction.

Bridge Facility

Pursuant to the Bridge Facility, upon satisfaction of certain conditions precedent contained therein, AGL Capital may borrow up to $1.05 billion. AGL Capital's obligations under the Bridge Facility are unconditionally guaranteed by AGL Resources. The Bridge Facility matures 364 days after funds are borrowed. Repaid amounts under the Bridge Facility may not be reborrowed.

The availability of funds under the Bridge Facility is subject to certain conditions including, among others, and in each case, subject to certain exceptions: (i) the absence of a "material adverse effect" on AGL Resources or Nicor, consistent with the definitions with respect to each in the Bridge Facility; (ii) the accuracy of the representations made by both Nicor and AGL Resources in the Merger Agreement and the accuracy of certain other customary representations in the Bridge Facility; (iii) the sufficiency of funds, when combined with the Bridge Facility, in an amount necessary to consummate the Transaction; (iv) the absence of material changes to the Merger Agreement and the related disclosure schedules; (v) pro forma compliance with the financial covenant referred to below; (vi) the absence of certain cross-defaults with respect to indebtedness of AGL Resources and its subsidiaries; (vii) the repayment in full of certain pre-existing indebtedness of Nicor; (viii) the delivery of certain financial information pertaining to each of AGL Resources and Nicor; (ix) the ability of AGL Capital to achieve a certain liquidity level at closing; (x) the ability of AGL Capital to achieve certain minimum credit ratings; (xi) the use of commercially reasonable efforts by AGL Capital to market $1.05 billion of debt securities to fund, in part or in whole, the cash portion of the Merger Consideration, and receipt of certain related deliverables; (xii) the payment of certain transaction fees; and (xiii) the delivery of customary closing documents.

The interest rate applicable to the Bridge Facility is the higher of (i) at AGL Capital's option, a floating base rate or a floating Eurodollar rate, in each case, plus an applicable margin ranging from 1.5% to 2.5% based on AGL Capital's credit rating and subject to a .25% increase for each 90 day period that elapses after the closing of Bridge Facility or (ii) the highest interest rate AGL Resources or any of its subsidiaries is paying on any similar facility.

The Bridge Facility contains certain covenants that, among other things, restrict additional indebtedness, liens and encumbrances, sale and leaseback transactions, loans and investments, acquisitions, dividends and other restricted payments, transactions with affiliates, asset dispositions, mergers and consolidations, prepayments, redemptions and repurchases of other indebtedness and other matters customarily restricted in such agreements. Under the Bridge Facility, AGL Resources must maintain, on a consolidated basis, a total debt to total capitalization ratio of no greater than 0.70:1.00 (excluding for these purposes, debt incurred to partially refinance the Bridge Facility during the period prior to funding under the Bridge Facility). Additionally, the Bridge Facility also contains customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other material indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, certain ERISA events, judgments in excess of specified amounts, certain impairments to the guarantee and change in control.

Term Loan Facility

Pursuant to the Term Loan Facility, upon satisfaction of certain conditions precedent contained therein, AGL Capital may borrow up to $300 million during the period from and including December 21, 2010 to and including January 13, 2011. AGL Capital's obligations under the Term Loan Facility are unconditionally guaranteed by AGL Resources. The Term Loan Facility matures 180 days after funds are borrowed. Repaid amounts under the Term Loan Facility may not be reborrowed.

The availability of funds under the Term Loan Facility is subject to certain conditions including, among others, and in each case, subject to certain exceptions: (i) the accuracy of certain customary representations; (ii) the payment of certain accrued fees and expenses incurred in connection with the Term Loan Facility; (iii) the absence of a default or event of default under the Term Loan Facility after giving effect to the borrowing; and (iv) the delivery of customary closing documents.

The interest rate applicable to the Term Loan Facility is, at AGL Capital's option, a floating base rate or a floating Eurodollar rate, in each case, plus an applicable margin ranging from 1.5% to 2.5% based on AGL Capital's credit rating.

The Term Loan Facility contains certain covenants that, among other things, restrict liens and encumbrances, loans and investments, acquisitions, dividends and other restricted payments, asset dispositions, mergers and consolidations and other matters customarily restricted in such agreements. Under the Term Loan Facility, AGL Resources must maintain, on a consolidated basis (subject to the exclusion of certain subsidiaries), a total debt to total capitalization ratio of no greater than 0.70:1.00. Additionally, the Term Loan Facility also contains customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other material indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, certain ERISA events, judgments in excess of specified amounts, certain impairments to the guarantee and change in control.

Amendment to Credit Agreement

On December 21, 2010, AGL Resources and AGL Capital entered into a First Amendment to the Credit Agreement (the “Credit Agreement”) as of September 15, 2010 by and among AGL Resources as guarantor, AGL Capital as borrower, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Banc of America Securities LLC and SunTrust Robinson Humphrey, Inc., as joint arrangers and joint bookrunners, Bank of America, N.A. and SunTrust Bank, as co-syndication agents, The Bank of Tokyo-Mitsubishi, UFJ, Ltd., and JPMorgan Chase Bank, N.A., as co-documentation agents, and the several other banks and other financial institutions named therein as lenders. Pursuant to the Credit Agreement, AGL Capital may borrow up to $1 billion from time to time on a revolving basis. The Credit Agreement includes a $250 million sub-facility for letters of credit. AGL Capital’s obligations under the Credit Agreement are unconditionally guaranteed by AGL Resources. The Credit Agreement matures on September 16, 2013.

Among other things, the amendments to the Credit Agreement: amend the total debt−to−total capitalization financial covenant to exclude such debt incurred to partially refinance the Bridge Facility during the period prior to funding under the Bridge Facility; amend the “accordion” feature of the Credit Agreement (which permits AGL Capital to request an increase of the maximum borrowing amount under the Credit Agreement, subject to the agreement by lenders who wish to participate in such facility increase) from $1.25 billion to $1.75 billion; add liens on the property of Nicor and its subsidiaries to the list of permitted liens; add the Bridge Facility, Term Facility and various debt instruments of Nicor and its subsidiaries to the schedule of agreements with negative pledge clauses, or that otherwise prohibit or limit the ability to create, incur, assume or suffer to exist liens; and make other various amendments accommodating the consummation of the Transaction and the post−consummation operation of the combined companies.

Amendments to Letter of Credit/Reimbursement Agreements

Also on December 21, 2010, AGL Resources and Pivotal entered into first amendments to four letters of credit and reimbursement agreements that provide credit support to four series of outstanding gas facilities and industrial development refunding revenue bonds ("Gas Revenue Bonds") previously issued by state agencies or counties. The aggregate principal amount of the four series is $160.1 million.

Concurrently with the initial issuance of the Gas Revenue Bonds, the issuing state instrumentalities loaned the proceeds to Pivotal or its predecessor. Payments to the bondholders depend on Pivotal's repayments under its loan agreements with the state instrumentalities. Separate letters of credit provide credit support with respect to each issue of the Gas Revenue Bonds. Pivotal has agreed to reimburse the banks issuing the letters of credit in the event a trustee under the indentures governing the Gas Revenue Bonds draws against a letter of credit, which could occur in the event Pivotal were to default in its loan repayment obligations. AGL Resources has guaranteed Pivotal's reimbursement payment obligations.

Among other things, the amendments to the letter of credit and reimbursement agreements: amend the total debt−to−total capitalization financial covenant to exclude such debt incurred to partially refinance the Bridge Facility during the period prior to funding under the Bridge Facility; add liens on the property of Nicor and its subsidiaries to the list of permitted liens; add the Bridge Facility, Term Facility and various debt instruments of Nicor and its subsidiaries to the schedule of agreements with negative pledge clauses, or that otherwise prohibit or limit the ability to create, incur, assume or suffer to exist liens; and make other various amendments accommodating the consummation of the Transaction and the post−consummation operation of the combined companies.

* * * * *

The foregoing summaries of the Bridge Facility, the Term Loan Facility and the amendments, and the transactions contemplated thereby, do not purport to be complete and are subject to, and qualified in their entirety by, the full text of such agreements, which are filed herewith as exhibits, and incorporated herein by reference.

AGL Resources has other relationships with lenders that are parties to the Bridge Facility and Term Loan Facility, for which AGL Resources has paid customary fees and expenses. AGL Resources and its affiliates have also entered into hedging arrangements with certain lenders. Affiliates of certain of the lenders have acted as underwriters for issuances of AGL Resources' equity securities and AGL Capital's debt securities.

The exhibits filed herewith have been included to provide investors and security holders with information regarding their terms. They are not intended to provide any other factual or financial information about AGL Resources, Nicor, or their respective subsidiaries and affiliates. The representations, warranties and covenants contained in the documents filed as exhibits herewith were made only for purposes of those agreements and as of their specific dates; were solely for the benefit of the parties to the agreements; may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of AGL Resources, Merger Sub, Merger LLC or Nicor or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the documents filed as exhibits hereto, which subsequent information may or may not be fully reflected in public disclosures by AGL Resources and Nicor.

Forward Looking Statements

Certain expectations and projections regarding our future performance referenced in this report, in other reports or statements we file with the Securities and Exchange Commission (the "SEC") or otherwise release to the public, and on our website, are forward-looking statements. Senior officers and other employees may also make verbal statements to analysts, investors, regulators, the media and others that are forward-looking. Forward-looking statements involve matters that are not historical facts, such as statements regarding our future operations, prospects, strategies, financial condition, economic performance (including growth and earnings), industry conditions and demand for our products and services. Because these statements involve anticipated events or conditions, forward-looking statements often include words such as "anticipate," "assume," "believe," "can," "could," "estimate," "expect," "forecast," "future," "goal," "indicate," "intend," "may," "outlook," "plan," "potential," "predict," "project," "seek," "should," "target," "would," or similar expressions. Forward-looking statements contained in this report include, without limitation, statements about the benefits of the transaction between AGL Resources and Nicor, including future financial and operating results, cost savings, enhanced revenues, and accretion to reported earnings that may be realized from the transaction, and statements with respect to the parties' plans, objectives, expectations and intentions and other statements that are not historical facts.

Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. While we believe our expectations are reasonable in view of the currently available information, our expectations are subject to future events, risks and uncertainties, and there are several factors - many beyond our control - that could cause results to differ significantly from our expectations. Such events, risks and uncertainties include, but are not limited to, changes in price, supply and demand for natural gas and related products; the impact of changes in state and federal legislation and regulation including changes related to climate change; actions taken by government agencies on rates and other matters; concentration of credit risk; utility and energy industry consolidation; the impact on cost and timeliness of construction projects by government and other approvals, development project delays, adequacy of supply of diversified vendors, unexpected change in project costs, including the cost of funds to finance these projects; the impact of acquisitions and divestitures; direct or indirect effects on our business, financial condition or liquidity resulting from a change in our credit ratings or the credit ratings of our counterparties or competitors; interest rate fluctuations; financial market conditions, including recent disruptions in the capital markets and lending environment and the current economic downturn; general economic conditions; uncertainties about environmental issues and the related impact of such issues; the impact of changes in weather, including climate change, on the temperature-sensitive portions of our business; the impact of natural disasters such as hurricanes on the supply and price of natural gas; acts of war or terrorism; and other factors which are provided in detail in our filings with the SEC, which we incorporate by reference in this report.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in such forward-looking statements: (1) the risk that conditions imposed by the merger agreement may not be met causing the transaction not to close; (2) the risk that the businesses of AGL Resources and Nicor will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (3) expected revenue synergies and cost savings from the transaction may not be fully realized or realized within the expected time frame; (4) revenues following the transaction may be lower than expected; (5) the ability to obtain governmental approvals of the transaction on the proposed terms and schedule; and (6) the failure of AGL Resources or Nicor to obtain the requisite shareholder approval for the transaction. Additional factors that could cause AGL Resources' results to differ materially from those described in the forward-looking statements can be found in the Annual Report on Form 10-K of AGL Resources for the year ended December 31, 2009, which was filed with the SEC on February 4, 2010, under the heading "Item 1A•Risk Factors" and in the Annual Report on Form 10-K of Nicor for the year ended December 31, 2009, which was filed with the SEC on February 24, 2010, under the heading "Item 1A•Risk Factors," and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by each of AGL Resources and Nicor. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to AGL Resources or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements are only as of the date they are made, and we do not undertake to update these statements to reflect subsequent changes.

Important Merger Information and Additional Information:

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction, AGL Resources and Nicor will file relevant materials with the SEC. AGL Resources will file a Registration Statement on Form S-4 that includes a joint proxy statement of AGL Resources and Nicor and which also constitutes a prospectus of AGL Resources. AGL Resources and Nicor will mail the joint proxy statement/prospectus to their respective shareholders. **Investors are urged to read the joint proxy statement/ prospectus regarding the proposed transaction when it becomes available, as well as other documents filed with the SEC, because they will contain important information.** The joint proxy statement/prospectus and other documents that will be filed by AGL Resources and Nicor with the SEC will be available free of charge at the SEC's website, www.sec.gov or from AGL Resources' website (www.aglresources.com) under the tab "Investor Relations" and then under the heading "SEC Filings". These documents will also be available free of change from Nicor's website (www. Nicor.com) under the tab "Investor" and then under the heading "SEC Filings".

AGL Resources, Nicor, their respective directors and certain of their executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of Nicor is set forth in its definitive proxy statement, which was filed with the SEC on March 10, 2010. Information about the directors and executive officers of AGL Resources is set forth in its definitive proxy statement, which was filed with the SEC on March 15, 2010. Investors may obtain additional information regarding the interests of such participants by reading the joint proxy statement/prospectus AGL Resources and Nicor will file with the SEC when it becomes available.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 is hereby incorporated by reference in response to this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1 *	Bridge Term Loan Credit Agreement dated as of December 21, 2010 among AGL Resources, Inc., AGL Capital Corporation, Goldman Sachs Bank USA, as administrative agent, sole lead arranger and sole bookrunner, Bank of America, N.A. and Wells Fargo, National Association, as co-syndication agents, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as co-documentation agents, and the several lenders named therein.
10.2 *	Guarantee, dated as of December 21, 2010, made by AGL Resources, Inc. in favor of Goldman Sachs Bank USA, as administrative agent for the several banks and other financial institutions or entities from time to time party to the Bridge Term Loan Credit Agreement dated as of the date thereof, among AGL Resources, Inc., AGL Capital Corporation, the Lenders, and Goldman Sachs Bank USA, as Administrative Agent.
10.3 *	Term Loan Credit Agreement dated as of December 21, 2010 among AGL Resources, Inc., AGL Capital Corporation, Goldman Sachs Bank USA, as administrative agent, sole lead arranger and sole bookrunner, JPMorgan Chase Bank, N.A. and Bank of America, N.A., as co-syndication agents, The Royal Bank of Scotland PLC and Morgan Stanley Senior Funding, Inc., as co-documentation agents, and the several lenders named therein.
10.4 *	Guarantee, dated as of December 21, 2010, made by AGL Resources, Inc. in favor of Goldman Sachs Bank USA, as administrative agent for the several banks and other financial institutions or entities from time to time party to the Term Loan Credit Agreement dated as of the date thereof, among AGL Resources, Inc., AGL Capital Corporation, the Lenders, and Goldman Sachs Bank USA, as Administrative Agent.
10.5 *	First Amendment as of December 21, 2010 to Credit Agreement as of September 15, 2010 by and among AGL Resources Inc., AGL Capital Corporation, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Banc of America Securities LLC and SunTrust Robinson Humphrey, Inc., as joint arrangers and joint bookrunners, and the several other banks and other financial institutions named therein, Bank of America, N.A. and SunTrust Bank, as co-syndication agents, and The Bank of Tokyo-Mitsubishi, UFJ, Ltd., and JPMorgan Chase Bank, N.A., as co-documentation agents.
10.6 *	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., JPMorgan Chase Bank, N.A., as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.

10.7 *	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd, New York Branch, as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.
10.8 *	First Amendment dated as of December 21, 2010 to Reimbursement Agreement dated as of October 14, 2010, by and among Pivotal Utility Holdings, Inc., AGL Resources Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd, New York Branch, as administrative agent and lead arranger, and the several other banks and other financial institutions named therein.
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* Filed as exhibits to original filing of this Form 8-K on December 23, 2010.

SIGNATURES

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

AGL RESOURCES INC.

By: /s/ Paul R. Shlanta
Name: Paul R. Shlanta
Title: Executive Vice President, General Counsel and Chief Ethics and Compliance Officer

Dated: December 23, 2010

EXHIBIT INDEX

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