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) : May 7, 2007

ENERGY TRANSFER EQUITY, L.P.

(Exact name of registrant as specified in its charter)

Delaware	**001-32740**	**30-0108820**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

2828 Woodside Street
Dallas, Texas 75204
(Address of principal executive offices) (Zip Code)

(214) 981-0700
(Registrant's telephone number, including area code)

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

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

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

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

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

Item 1.01 Entry into a Material Definitive Agreement

On May 7, 2007, Energy Transfer Equity, L.P. (the "Partnership") announced the sale by Ray C. Davis ("Davis") and Natural Gas Partners VI, L.P. ("NGP") of 38.97 million outstanding common units of ETE (representing approximately 17.6% of ETE's outstanding common units) to Enterprise GP Holdings, L.P. ("EPE"). In addition, EPE acquired a 34.9% equity interest in LE GP, LLC, the general partner of ETE. In connection with these transactions, ETE entered into a Unitholder Rights and Restrictions Agreement (the "Agreement") by and among ETE, Davis, NGP and EPE. The Agreement provides registration rights to EPE with respect to its ETE common units and also provides EPE with certain information rights relating to ETE, subject to confidentiality restrictions and subject to limitations related to commercially sensitive information. The Agreement also prohibits EPE from selling any of its ETE common units for a period of six months following the closing of the transaction and prohibits EPE from selling more than 50% of its ETE common units for the 12-month period thereafter. The Agreement also prohibits EPE, for a three-year period, from acquiring more than 49.9% of ETE's outstanding common units and from forming a "group" (within the meaning of Section 13 (d)(3) of the Securities Exchange Act of 1934) with any other person.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On May 7, 2007, the members of LE GP, LLC, the general partner of ETE, amended and restated the existing limited liability company agreement of such entity to admit EPE as a member of LE GP, LLC, to make certain changes to the provisions related to the governance of LE GP, LLC and to amend certain other provisions.

Item 7.01 Regulation FD Disclosure.

On May 7, 2007, the Partnership issued a press release announcing the transactions described in Item 1.01 above. A copy of the press release is furnished as an exhibit to this Current Report. In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 and in the attached exhibit no. 99.1 shall be deemed to be "furnished" and not be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Item 9.01. Financial Statement and Exhibits.

(d) Exhibits.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached exhibit no. 99.1 is deemed to be "furnished" and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act.

EXHIBIT NUMBER		DESCRIPTION
3.6.1	—	Amended and Restated Limited Liability Company Agreement, dated as of May 7, 2007, of LE GP, LLC.
10.45	—	Unitholder Rights and Restrictions Agreement, dated as of May 7, 2007, by and among Energy Transfer Equity, L.P., Ray C. Davis, Natural Gas Partners VI, L.P. and Enterprise GP Holdings, L.P.
99.1	—	Press release dated May 7, 2007.

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.

ENERGY TRANSFER EQUITY, L.P.

By: LEGP, LLC, its general partner

Date: May 7, 2007

By: /s/ John W. McReynolds
John W. McReynolds,
President and Chief Financial Officer

EXHIBIT INDEX

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99.1	Press release dated May 7, 2007.

Exhibit 3.6.1

Execution Copy

AMENDED & RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

LE GP, LLC

A Delaware limited liability company

May 7, 2007

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AMENDED & RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
LE GP, LLC

THIS AMENDED & RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "***Agreement***") of LE GP, LLC, a Delaware limited liability company (the "***Company***"), executed on May 7, 2007 (the "***Effective Date***"), is adopted, executed and agreed to, by and among Ray C. Davis ("***Davis***"), and Kelcy Warren ("***Warren***"), each of whom is an individual residing in Texas, Natural Gas Partners VI, L.P., a Delaware limited partnership ("***NGP***"), Enterprise GP Holdings L.P., a Delaware limited partnership ("***EPE***"), and LE GP-Tax, LLC, a Delaware limited liability company. The parties hereto shall be referenced individually as a "***Member***" or "***Party***" and collectively as "***Members***" or "***Parties***."

RECITALS

WHEREAS, the Company was originally formed as a limited liability company under the laws of the State of Texas, on and as of September 5, 2002 by the filing with the Secretary of State of the State of Texas of the Articles of Organization of the Company;

WHEREAS, in connection with the formation of the Company, effective as of September 4, 2002, the Regulations of the Company were executed (the "***Original Regulations***"), and, effective as of October 10, 2002, the Original Regulations were amended and restated in their entirety (the "***Amended Regulations***");

WHEREAS, effective as of August 23, 2005, the Company was converted from a Texas limited liability company to a Delaware limited liability company, and, effective as of February 8, 2006, the Limited Liability Company Agreement of the Company was executed (the "***Existing Agreement***");

WHEREAS, pursuant to the Securities Purchase Agreement by and among Davis, Avatar Holdings, L.L.C., Avatar Investments, L.P., NGP, Lon Kile, MHT Properties, Ltd., P. Brian Smith Holdings LP, and EPE, dated as of the date hereof, Davis and NGP collectively sold to EPE 877,251 Equity Units and the existing Members of the Company agreed to admit EPE as a member of the Company with respect to such Transferred Interests;

WHEREAS, immediately following the admission of EPE, the Company has distributed to EPE 392,020 Common Units held by the Company in redemption of 501,461 of the Equity Units held by EPE; and

WHEREAS, the Members desire to amend and restate in its entirety the Existing Agreement to reflect the admission of EPE and LE GP-Tax, LLC as Members of the Company, and to make such additional amendments to the Existing Agreement as agreed to by the Parties.

NOW, THEREFORE, for and in consideration of the premises, the covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members hereby amend and restate the Existing Agreement in its entirety as follows:

ARTICLE I
DEFINITIONS

Section 1.1 *Definitions.* The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"***Accepting Offerees***" has the meaning assigned to such term in Section 12.2(d).

"***Act***" means the Delaware Limited Liability Company Act and any successor statute, as amended from time to time.

"***Adjusted Capital Account Deficit***" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Allocation Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(*d*)(*4*), 1.704-1(b)(2)(ii)(*d*)(*5*), and 1.704-1(b)(2)(ii)(*d*)(*6*).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(*d*) and shall be interpreted consistently therewith.

"***Affiliate***" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "*control*" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"***Agreement***" means this Amended and Restated Limited Liability Company Agreement of the Company, as the same may be amended, modified, supplemented or restated from time to time.

"***Allocation Year***" means (i) the period commencing on January 1, 2007 and ending on December 31, 2007, (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in clauses (i) or (ii) for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction pursuant to Article V.

"***Applicable Law***" means any Law to which a specified Person or property is subject.

"***Audit and Conflicts Committee***" has the meaning assigned to such term in Section 6.2(e)(ii).

"***Bankruptcy***" means, with respect to any Person, (a) such Person (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for such Person a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in a proceeding of the type described in subclauses (i) through (iv) of this clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of such Person or of all or any substantial part of such Person's properties; or (b) a proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without such Person's consent or acquiescence, a trustee, receiver, or liquidator of such Person or of all or any substantial part of such Person's properties has been appointed and 90 days have expired without the appointment having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

"***Board of Directors***" or "***Board***" has the meaning assigned to such term in Section 6.1.

"***Business Day***" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the states of New York or Texas shall not be regarded as a Business Day.

"***Capital Account***" means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited (i) such Member's Capital Contributions, (ii) such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated to such Membership Interest pursuant to Section 5.3 or Section 5.4, and (iii) the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member;

(b) To each Member's Capital Account there shall be debited (i) the amount of money and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (ii) such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated to such Membership Interest pursuant to Section 5.3 or Section 5.4, and (iii) the amount of any liabilities of such Member assumed by the Company or that are secured by any Property contributed by such Member to the Company;

(c) In the event a Membership Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Membership Interest; and

(d) In determining the amount of any liability for purposes of subparagraphs (a) and (b) above, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations; and

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Tax Matters Member shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto are computed in order to comply with such Regulations, the Tax Matters Member may make such modification. The Tax Matters Member also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the aggregate Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(*q*), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b). The Tax Matters Member shall provide each Member with written notice of any such adjustments or modifications.

"***Capital Contribution***" has the meaning assigned to such term in Section 4.1(b).

"***Certificate of Conversion***" means the Certificate of Conversion of the Company filed with the Secretary of State of the State of Delaware as referenced in Section 2.1, as such Certificate of Conversion may be amended, supplemented or restated from time to time.

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

"***Common Unit***" has the meaning assigned to such term in the ETE Agreement.

"***Company***" has the meaning assigned to such term in the initial paragraph.

"***Company Minimum Gain***" has the same meaning as "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"***Compelled Sale***" has the meaning assigned to such term in Section 12.3(a).

"***Compelled Sale Notice***" has the meaning assigned to such term in Section 12.3(a).

"***Compelled Sale Notice Period***" has the meaning assigned to such term in Section 12.3(a).

"***Compelled Sale Price***" has the meaning assigned to such term in Section 12.3(a).

"***Compensation Committee***" has the meaning assigned to such term in Section 6.2(e)(iii).

"***Davis***" has the meaning assigned to such term in the initial paragraph.

"***Delaware General Corporation Law***" has the meaning assigned to such term in Title 8 of the Delaware Code, as amended from time to time.

"***Depreciation***" means, for each Allocation Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to a depreciable or amortizable asset for such Allocation Year for federal income tax purposes, except that (i) with respect to any depreciable or amortizable asset whose Gross Asset Value differs from its adjusted tax basis for federal income tax purposes and which difference is being eliminated by use of the "remedial allocation method" defined by Regulations Section 1.704-3(d), Depreciation for such Allocation Year shall be the amount of book basis recovered for such Allocation Year under the rules prescribed by Regulations Section 1.704-3(d)(2), and (ii) with respect to any other depreciable or amortizable asset whose Gross Asset Value differs from its adjusted basis for federal income tax purposes at the beginning of such Allocation Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Year bears to such beginning adjusted tax basis; *provided*, *however*, that if the adjusted basis for federal income tax purposes of a depreciable or amortizable asset at the beginning of such Allocation Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board. If the Gross Asset Value of a depreciable or amortizable asset is adjusted pursuant to subparagraphs (b) or (d) of the definition of Gross Asset Value during an Allocation Year, following such adjustment, Depreciation shall thereafter be calculated under clause (i) or (ii) immediately above, whichever the case may be, based upon such Gross Asset Value, as so adjusted.

"***Director***" means each member of the Board of Directors elected as provided in Section 6.2.

"***Dispose***," "***Disposing***" or "***Disposition***" means, with respect to any asset, any sale, assignment, transfer, conveyance, gift, exchange or other disposition of such asset, whether such disposition be voluntary, involuntary or by operation of Law.

"***Dissolution Event***" has the meaning assigned to such term in Section 9.1(a).

"***Drag-Along Portion***" means, with respect to any Member, (i) the Sharing Ratio of such Member multiplied by (ii) the number of Equity Units proposed to be sold in the applicable Compelled Sale under Section 12.3(a).

"***Effective Date***" has the meaning assigned to such term in the initial paragraph.

"***Energy Transfer Entities***" means ETE, the MLP and their subsidiaries.

"***EPE***" has the meaning assigned to such term in the initial paragraph.

"***EPE Representative***" has the meaning assigned to such term in Section 3.12.

"***Equity Units***" means, with respect to each Member, the Equity Units held by such Member as set forth opposite such Member's name on Exhibit A attached hereto. Such Equity Units represent the Membership Interest held by such Member.

"***ETE***" means Energy Transfer Equity, L.P., a Delaware limited partnership.

"***ETE Agreement***" means the Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, as amended.

"***Excluded Business Opportunity***" shall mean a business opportunity other than a business opportunity: (i) that (A) has come to the attention of a Person solely in, and as a direct result of, its or his capacity as a Member, Director or principal of, or advisor to the Company or a subsidiary of the Company, or (B) was developed with the use or benefit of the personnel or assets of the Company or a subsidiary of the Company, and (ii) that has not been independently brought to the attention of the subject Person from a source that is not affiliated (other than through such subject Person) with the Company or a subsidiary of the Company.

"***Existing Agreement***" has the meaning assigned to such term in the Recitals.

"***Firm Offer***" has the meaning assigned to such term in Section 12.2(b).

"***Governmental Authority***" means a federal, state, local or foreign governmental authority; a state, province, commonwealth, territory or district thereof; a county or parish; a city, town, township, village or other municipality; a district, ward or other subdivision of any of the foregoing; any executive, legislative or other governing body of any of the foregoing; any agency, authority, board, department, system, service, office, commission, committee, council or other administrative body of any of the foregoing; any court or other judicial body; and any officer, official or other representative of any of the foregoing.

"***Gross Asset Value***" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset;

(b) The Gross Asset Values of all items of Property shall be adjusted to equal their respective fair market values, as determined by the Board (taking Code Section 7701(g) into account) as of the following times: (i) the acquisition of an additional Membership Interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution, (ii) in connection with the grant of a Membership Interest in the Company (other than a *de minimis* Membership Interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a member capacity, or by a new Member acting in a member capacity in anticipation of being a Member; (iii) the distribution by the Company to a Member of more than a *de minimis* amount of Property as consideration for a Membership Interest in the Company, and (iv) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(*g*); *provided* that an adjustment

described in clauses (i), (ii) and (iii) of this paragraph shall be made only if the Board reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any item of Property distributed to any Member (other than as consideration for a Membership Interest in the Company as described in clause (iii) of subparagraph (b) above) shall be adjusted to equal the fair market value of such Property on the date of distribution, as determined by the Board (taking Code Section 7701(g) into account); and

(d) The Gross Asset Values of each item of Property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(*m*) and subparagraph (f) of the definition of "*Profits*" and "*Losses*" or Section 5.3(g); *provided, however,* that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (a), (b), or (d), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"***Gross Liability Value***" means with respect to any Liability of the Company described in Treasury Regulations Section 1.752-7(b)(3)(i), the amount of cash that a willing assignor would pay to a willing assignee to assume such Liability in an arm's-length transaction. The Gross Liability Value of each Liability of the Company described in Treasury Regulations Section 1.752-7(b)(3)(i) shall be adjusted at such times as provided in this Agreement for an adjustment to Gross Asset Values.

"***Group Member***" has the meaning assigned to such term in the ETE Agreement.

"***Indemnitee***" means each of (a) any Person who is or was an Affiliate of the Company, (b) any Person who is or was a member, director, officer, fiduciary or trustee of the Company, (c) any Person who is or was an officer, member, partner, director, employee, agent or trustee of the Company or any Affiliate of the Company, or any Affiliate of any such Person, and (d) any Person who is or was serving at the request of the Company or any such Affiliate as a director, officer, employee, member, partner, agent, fiduciary or trustee of another Person; provided, that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services and (e) any Person the Company designates as an "Indemnitee" for purposes of this Agreement.

"***Independent Director***" has the meaning assigned to such term in Section 6.2(a).

"Issuance Items" has the meaning assigned to such term in Section 5.3(h).

"***Law***" means any applicable constitutional provision, statute, act, code (including the Code), law, regulation, rule, ordinance, order, decree, ruling, proclamation, resolution, judgment, decision, declaration or interpretative or advisory opinion or letter of a Governmental Authority having valid jurisdiction.

"***Liability***" means any liability or obligation, whether known or unknown, asserted or unasserted, absolute or contingent, matured or unmatured, conditional or unconditional, latent or patent, accrued or unaccrued, liquidated or unliquidated, or due or to become due.

"***Member***" means any Person executing this Agreement as of the date of this Agreement as a member or hereafter admitted to the Company as a member as provided in this Agreement, but such term does not include any Person who has ceased to be a member in the Company.

"***Member Majority***" means the Members holding a majority of the Membership Interests held by all Members.

"***Member Nonrecourse Debt***" has the same meaning as the term "partner nonrecourse debt" set forth in Regulations Section 1.704-2(b)(4).

"***Member Nonrecourse Debt Minimum Gain***" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"***Member Nonrecourse Deductions***" has the same meaning as the term "partner nonrecourse deductions" set forth in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"***Membership Interest***" means any interest in the Company representing the Capital Contributions made by a Member or its predecessors in interest, including any and all benefits to which the holder of a limited liability company interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. The Membership Interest of each Member shall be represented by the number of Equity Units held by such Member as set forth on Exhibit A attached hereto.

"***Merger Agreement***" has the meaning assigned to such term in Section 10.1.

"***MLP***" means Energy Transfer Partners, L.P., a Delaware limited partnership.

"***National Securities Exchange***" means an exchange registered with the SEC under Section 6(a) of the Securities Exchange Act or the Nasdaq National Market or any successor thereto.

"***NGP***" has the meaning assigned to such term in the initial paragraph.

"***Non-ETE Subsidiary***" means any Subsidiary of the Company other than ETE and any Subsidiary of ETE.

"***Nonrecourse Deductions***" has the meaning set forth in Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"***Nonrecourse Liability***" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"***Offer Notice***" has the meaning assigned to such term in Section 12.2(b).

"***Offer Period***" has the meaning assigned to such term in Section 12.2(c).

"***Offer Price***" has the meaning assigned to such term in Section 12.2(a).

"***Offered Amount***" has the meaning assigned to such term in Section 12.5(a).

"***Offered Units***" has the meaning assigned to such term in Section 12.2.

"***Offerees***" has the meaning assigned to such term in Section 12.2(b).

"***Officers***" has the meaning assigned to such term in Section 6.2(a).

"***Opinion of Counsel***" means a written opinion of counsel (who may be regular counsel to ETE or the Company or any of its Affiliates) in a form acceptable to the Company.

"***Other Enterprise***" includes any other limited liability company, limited partnership, partnership, corporation, joint venture, trust, employee benefit plan or other entity, in which a Person is serving at the request of the Company.

"***Permitted Transfer***" has the meaning assigned to such term in Section 11.2.

"***Person***" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"***Profits***" and "***Losses***" mean, for each Allocation Year, an amount equal to the Company's taxable income or loss for such Allocation Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "*Profits*" and "*Losses*" shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "*Profits*" and "*Losses*" shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any item of Property is adjusted pursuant to subparagraphs (b) or (c) of the definition of "*Gross Asset Value*," the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the item of Property) or an item of loss (if the adjustment decreases the Gross Asset Value of the item of Property) from the Disposition of such item of Property and shall be taken into account for purposes of computing Profits or Losses;

(d) In the event the Gross Liability Value of any Liability of the Company described in Treasury Regulations Section 1.752-7(b)(3)(i) is adjusted as required by this Agreement, the amount of such adjustment shall be treated as an item of loss (if the adjustment increases the Gross Liability Value of such Liability of the Company) or an item of gain (if the adjustment decreases the Gross Liability Value of such Liability of the Company) and shall be taken into account for purposes of computing Profits or Losses;

(e) Gain or loss resulting from any Disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property Disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(f) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of "*Depreciation*";

(e) To the extent an adjustment to the adjusted tax basis of any item of Property pursuant to Code Section 734(b) is required, pursuant to Treasury Regulations Section 1.704-(b)(2)(iv)(*m*)(*4*), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the item of Property) or loss (if the adjustment decreases such basis) from the Disposition of such item of Property and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 5.3 or Section 5.4 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Sections 5.3 and 5.4 shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (g) above.

"***Property***" means all real and personal property acquired by the Company, including cash, and any improvements on real or personal property, and shall include both tangible and intangible property.

"***Purchase Offer***" has the meaning assigned to such term in Section 12.2(a).

"***Purchase Option***" has the meaning assigned to such term in Section 12.5(a).

"***Purchase Option Notice***" has the meaning assigned to such term in Section 12.5(b).

"***Purchase Option Notice Period***" has the meaning assigned to such term in Section 12.5(b).

"***Purchase Option Portion***" means, with respect to any Member exercising its Purchase Option pursuant to Section 12.5, (i) the Sharing Ratio of such Member divided by the sum of the Sharing Ratios of all Members eligible to exercise their Purchase Option under Section 12.5 at such time multiplied by (ii) the Offered Amount.

"***Purchase Option Price***" has the meaning assigned to such term in Section 12.5(b).

"***Purchaser***" has the meaning assigned to such term in Section 12.2(a).

"***SEC***" means the United States Securities and Exchange Commission.

"***Securities Exchange Act***" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute.

"***Seller***" has the meaning assigned to such term in Section 12.2.

"***Shared Services Agreement***" means the Shared Services Agreement, dated as of August 26, 2005, by and among the Company and the MLP.

"***Sharing Ratio***" shall mean for any Member, the proportion that such Member's Equity Units bear to the total number of Equity Units outstanding as of the date of such determination.

"***Special Approval***" means approval by a majority of the members of the Audit and Conflicts Committee.

"***Subject Member***" has the meaning assigned to such term in Section 12.5(a).

"***Subsidiary***" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"***Super-Majority Interest***" means, as to any agreement, election, vote or other action of the Members, those Members whose combined Sharing Ratios exceed eighty percent (80%).

"***Surviving Business Entity***" has the meaning assigned to such term in Section 10.2(a)(ii).

"***Tag-Along Notice***" has the meaning assigned to such term in Section 12.4(a).

"***Tag-Along Notice Period***" has the meaning assigned to such term in Section 12.4(b).

"***Tag-Along Offer***" has the meaning assigned to such term in Section 12.4(a).

"***Tag-Along Portion***" means with respect to any Tagging Person, the product of (i) the Sharing Ratio of such Tagging Person immediately prior to such Transfer to which Section 12.4 applies and (ii) a fraction the numerator of which is the maximum number of Equity Units that the buyer in the Tag-Along Sale is willing to purchase, and the denominator of which is the number of Equity Units held by all Members electing to participate in the Tag-Along Sale.

"***Tag-Along Response Notice***" has the meaning assigned to such term in Section 12.4(b).

"***Tag-Along Right***" has the meaning assigned to such term in Section 12.4(b).

"***Tag-Along Sale***" has the meaning assigned to such term in Section 12.4(a).

"***Tagging Person***" has the meaning assigned to such term in Section 12.4(b).

"***Tax Matters Member***" means LE GP—Tax, LLC so long as it continues to serve in such capacity, provided that LE GP—Tax, LLC will be deemed to have withdrawn as a member upon the withdrawal of Warren or if at any time LE GP—Tax, LLC shall cease to be a direct or indirect wholly-owned subsidiary of Warren (and in such event the Members shall designate a successor Tax Matters Member), or (ii) any Person that is admitted to the Company as a successor Tax Matters Member of the Company or any Member deemed to replace the Tax Matters Member in accordance with this Agreement. The Membership Interest of LE GP—Tax, LLC is a noneconomic and non-voting interest in the Company and, as such, LE GP—Tax, LLC (i) will not receive allocations or distributions, (ii) has no obligation or right to make Capital Contributions, (iii) will have no Capital Account, (iv) has no right to vote or consent to any matter hereunder, and (v) has no other rights or obligations except as expressly provided in this Agreement.

"***Taxable Year***" means (i) the period commencing on January 1, 2007 and ending on December 31, 2007, (ii) any subsequent twelve-month period commencing on January 1 and ending on December 31, and (iii) the period commencing on the immediately preceding January 1 and ending on the date on which all Property is distributed to the Members pursuant to Article IX.

"***Transfer***" when used in this Agreement with respect to a Membership Interest, shall be deemed to refer to a transaction by which a Member assigns its Membership Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange, or any other disposition by law or otherwise.

"***Treasury Regulations***" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations are amended from time to time.

"***Trigger Amount***" means the amount of Common Units equal to 10% of the amount of Common Units held directly or indirectly by such Member on the date hereof, and which (i) with respect to Davis, NGP and EPE, is described on Schedule 3.01 of the Unitholder Rights and Restrictions Agreement, and (ii) with respect to Warren, is 38,976,090 Common Units (which excludes Common Units owned directly by the Company).

"***Trigger Event***" means the completion of the sale, transfer or disposition by any Member of an amount of Common Units held directly or indirectly by such Member equal to or greater than the Trigger Amount since (i) the date of this Agreement or (ii) once a Trigger Event has occurred, the date of the previous Trigger Event.

"***Two-Thirds Interest***" means, as to any agreement, election, vote or other action of the Members, those Members whose combined Sharing Ratios exceed 66.67%.

"***Unitholder Rights and Restrictions Agreement***" means the Unitholder Rights and Restrictions Agreement by and among ETE, EPE, Davis and NGP, dated as of the date hereof.

"***Warren***" has the meaning assigned to such term in the initial paragraph.

"***Wholly Owned Affiliate***" of any Person means (i) an Affiliate of such Person one hundred percent (100%) of the voting stock or beneficial ownership of which is owned directly or indirectly by such Person, or by any Person who, directly or indirectly, owns one hundred percent (100%) of the voting stock or beneficial ownership of such Person, (ii) an Affiliate of such Person who, directly or indirectly, owns one hundred percent (100%) of the voting stock or beneficial ownership of such Person, and (iii) any Wholly Owned Affiliate of any Affiliate described in clause (i) or clause (ii).

"***Withdraw***," "***Withdrawing***" and "***Withdrawal***" means the withdrawal, resignation or retirement of a Member from the Company as a Member.

Section 1.2 *Construction.* Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; and (c) the term "*include*" or "*includes*" means includes "*including*" or words of like import shall be deemed to be followed by the words "*without limitation*;" and the terms "*hereof*," "*herein*" or "*hereunder*"

refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II
ORGANIZATION

Section 2.1 *Formation.* The Company was formed as of August 23, 2005 pursuant to the Certificate of Conversion and Certificate of Formation converting LE GP, LLC, a Texas limited liability company, into LE GP, LLC, a Delaware limited liability company. The Members ratify the organization and formation of the Company and continue the Company, pursuant to the terms and conditions of this Agreement. This Agreement amends and restates in its entirety and supersedes the Existing Agreement, which shall have no further force or effect. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Members and the administration, dissolution and termination of the Company shall be governed by the Act.

Section 2.2 *Name.* The name of the Company is and shall continue to be "*LE GP, LLC*" and all Company business must be conducted in that name or such other names that comply with Law as the Board of Directors may select.

Section 2.3 *Registered Office; Registered Agent; Principal Office; Other Offices.* Unless and until changed by the Board of Directors, the registered office of the Company in the State of Delaware shall continue to be located at 1209 Orange Street, Suite 400, Wilmington, Delaware 19801, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall continue to be The Corporation Trust Company. The principal office of the Company shall continue to be located at 2828 Woodside Street, Dallas, Texas 75204 or such other place as the Board of Directors may from time to time designate. The Company may maintain offices at such other place or places within or outside the State of Delaware as the Board of Directors deems necessary or appropriate.

Section 2.4 *Purpose.* The purposes of the Company are the transaction of any or all lawful business for which limited liability companies may be organized under the Act.

Section 2.5 *Foreign Qualification.* Prior to the Company's conducting business in any jurisdiction other than the State of Delaware, the Board shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Board, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Board, the Members shall execute, acknowledge, swear to and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

Section 2.6 *Term.* The Company shall continue until terminated in accordance with Section 9.2.

Section 2.7 *Powers.* The Company is empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 2.4 and for the protection and benefit of the Company.

Section 2.8 *No State-Law Partnership; Withdrawal.* It is the intent that the Company shall be a limited liability company formed under the Laws of the State of Delaware and shall not be a partnership (including a limited partnership) or joint venture, and that the Members not be a partner or joint venturer of any other party for any purposes other than federal and state tax purposes, and this Agreement may not be construed to suggest otherwise. A Member does not have the right to Withdraw from the Company; *provided, however*, that a Member shall have the power to Withdraw at any time in violation of this Agreement. If a Member exercises such power in violation of this Agreement, (a) such Member shall be liable to the Company and its Affiliates for all monetary damages suffered by them as a result of such Withdrawal; and (b) such Member shall not have any rights under Section 18.604 of the Act. In no event shall the Company have the right, through specific performance or otherwise, to prevent a Member from Withdrawing in violation of this Agreement.

Section 2.9 *Certain Undertakings Relating to the Separateness of the MLP*.

(a) *Separateness Generally*. The Company shall, and shall cause ETE to, conduct their respective businesses and operations separate and apart from those of any other Person, except the Company and ETE, in accordance with this Section 2.9.

(b) *Separate Records*. The Company shall, and shall cause ETE to, (i) maintain their respective books and records and their respective accounts separate from those of any other Person, (ii) maintain their respective financial records, which will be used by them in their ordinary course of business, showing their respective assets and liabilities separate and apart from those of any other Person, except their consolidated Subsidiaries, (iii) not have their respective assets and/or liabilities included in a consolidated financial statement of any Affiliate of the Company (other than the inclusion of the assets and/or liabilities of ETE and its Subsidiaries in the consolidated financial statements of the Company) unless appropriate notation shall be made on such Affiliate's consolidated financial statements to indicate the separateness of the Company and ETE and their assets and liabilities from such Affiliate and the assets and liabilities of such Affiliate, and to indicate that the assets and liabilities of the Company and ETE are not available to satisfy the debts and other obligations of such Affiliate, and (iv) file their respective own tax returns separate from those of any other Person, except (A) to the extent that ETE or the Company (x) is treated as a "*disregarded entity*" for tax purposes or (y) is not otherwise required to file tax returns under Applicable Law or (B) as may otherwise be required by Applicable Law.

(c) *Separate Assets*. The Company shall not commingle or pool, and shall cause ETE not to commingle or pool, their respective funds or other assets with those of any other Person, and shall maintain their respective assets in a manner that is not costly or difficult to segregate, ascertain or otherwise identify as separate from those of any other Person.

(d) *Separate Name*. The Company shall, and shall cause ETE to, (i) conduct their respective businesses in their respective own names, (ii) use separate stationery, invoices, and checks, (iii) correct any known misunderstanding regarding their respective separate identities from that of any other Person, and (iv) generally hold itself out as an entity separate from any other Person.

(e) *Separate Credit*. The Company shall, and shall cause ETE to, (i) pay their respective obligations and liabilities from their respective own funds (whether on hand or borrowed), (ii) maintain adequate capital in light of their respective business operations, (iii) not guarantee or become obligated for the debts of any other Person, other than the Company and ETE, (iv) not hold out their respective credit as being available to satisfy the obligations or liabilities of any other Person, (v) not acquire debt obligations or debt securities of the MLP or its Affiliates (other than ETE and/or the Company), (vi) not pledge their assets for the benefit of any Person or make loans or advances to any Person, or (vii) use its commercially reasonable efforts to cause the operative documents under which ETE borrows money, is an issuer of debt securities, or guarantees any such borrowing or issuance after the Effective Date, to contain provisions to the effect that (A) the lenders or purchasers of debt securities, respectively, acknowledge that they have advanced funds or purchased debt securities, respectively, in reliance upon the separateness of the Company and ETE from each other and from any other Persons and (B) the Company and ETE have assets and liabilities that are separate from those of other Persons; *provided* that the Company and ETE may engage in any transaction described in clauses (v)-(vi) of this Section 2.9(e) if prior Special Approval has been obtained for such transaction and either (A) the Audit and Conflicts Committee has determined that the borrower or recipient of the credit support is not then insolvent and will not be rendered insolvent as a result of such transaction or (B) in the case of transactions described in clause (v), such transaction is completed through a public auction or a National Securities Exchange.

(f) *Separate Formalities*. The Company shall, and shall cause ETE to, (i) observe all limited liability company or partnership formalities and other formalities required by their respective organizational documents, the laws of the jurisdiction of their respective formation, or other laws, rules, regulations and orders of Governmental Authorities exercising jurisdiction over it, (ii) engage in transactions with the MLP and its Affiliates (other than the Company or ETE) in conformity with the requirements of Section 7.6 of the ETE Agreement, and (iii) subject to the terms of the Shared Services Agreement, promptly pay, from their respective own funds and on a timely basis, their respective allocable shares of general and administrative expenses, capital expenditures, and costs for shared services performed by the MLP or Affiliates of the MLP (other than the Company or ETE). Each material contract between the Company or ETE, on the one hand, and the MLP or Affiliates of the MLP (other than the Company or ETE), on the other hand, shall be subject to the requirements of Section 7.6 of the ETE Agreement, and must be (x) approved by Special Approval or (y) on terms objectively demonstrable to be no less favorable to ETE than those generally being provided to or available from unrelated third parties, and in any event must be in writing.

(g) *No Effect*. Failure by the Company to comply with any of the obligations set forth above shall not affect the status of the Company as a separate legal entity, with its separate assets and separate liabilities.

Section 2.10 *Title to Company Property.* All property owned by the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Member, individually, shall have any ownership of such property. The Company may hold its property in its own name or in the name of a nominee which may be the Board or any of its Affiliates or any trustee or agent designated by it.

ARTICLE III
MATTERS RELATING TO MEMBERS

Section 3.1 *Members.* Each Member owns a Membership Interest in the Company as represented by the Equity Units held by such the Member as set forth in Exhibit A attached hereto.

Section 3.2 *Creation of Additional Membership Interest.* Subject to Article XI, the Company may issue additional Membership Interests in the Company pursuant to this Section 3.2. The terms of admission or issuance may provide for the creation of different classes or groups of Members having different rights, powers, and duties. The creation of any new class or group of Members approved as required herein may be reflected in an amendment to this Agreement executed in accordance with Section 13.4 indicating the different rights, powers, and duties thereof. Any such admission is effective only after the new Member has executed and delivered to the Members an instrument containing the notice address of the new Member and the new Member's ratification of this Agreement and agreement to be bound by it.

Section 3.3 *Liability to Third Parties*. Except as may be expressly provided in another separate, written guaranty or other agreement executed by a Member, no Member shall be liable for the Liabilities of the Company, including under a judgment, decree or order of a court. Except as otherwise provided in this Agreement, no Member has the authority or power to act for or on behalf of or bind the Company or to incur any expenditures on behalf of the Company.

Section 3.4 *Meetings of the Members.* Meetings of the Members will not be required to be held at any regular frequency, but, instead, will be held upon the call of any Member. All meetings of the Members will be held at the principal office of the Company or at such other place, either within or without the State of Delaware, as is designated by the Person calling the meeting and stated in the notice of the meeting or in a duly executed waiver of notice thereof. Members may participate in a meeting of the Members by means of conference telephone or video equipment or similar communications equipment whereby all participants in the meeting can hear each other, and participation in a meeting in this manner will constitute presence in person at the meeting.

Section 3.5 *Quorum; Voting Requirement.*

(a) The presence, in person or by proxy, of a Member Majority will constitute a quorum for the transaction of business by the Members. If less than a Member Majority is represented at a meeting, then any Member may adjourn the meeting to a specified date not longer than 90 days after such adjournment, without further notice. At such adjourned meeting at which a quorum is present or represented by proxy, any business may be transacted that might have been transacted at the meeting as originally noticed.

(b) Each Member has the right to vote in accordance with its Membership Interest. A Member Majority will constitute a valid decision of the Members, except where a larger vote is required by the Act or this Agreement.

Section 3.6 *Notice of Meetings.* Notice stating the place, day, hour and the purpose for which the meeting is called will be given, not less than three days nor more than 60 days before the date of the meeting, by or at the direction of the Member or Members calling the meeting, to each Member entitled to vote at such meeting. A Member's attendance at a meeting:

(a) waives objection to lack of notice or defective notice of the meeting, unless such Member, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting; and

(b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the notice of meeting, unless such Member objects to considering the matter when it is presented.

Section 3.7 *Waiver of Notice.* Whenever any notice is required to be given to any Member under the provisions of this Agreement, a waiver thereof in writing signed by such Member, whether before or after the time stated therein, will be deemed equivalent to the giving of such notice.

Section 3.8 *Action Without a Meeting.* Any action that is required to or may be taken at a meeting of the Members may be taken without a meeting if consents in writing, setting forth the action so taken, are signed by a Member Majority. Such consents will have the same force and effect as a vote at a meeting duly held.

Section 3.9 *Proxies.* At any meeting of the Members, every Member having the right to vote thereat will be entitled to vote in person or by proxy appointed by an instrument in writing signed by such Member and bearing a date not more than three years prior to such meeting.

Section 3.10 *Voting by Certain Holders.* In the case of a Member that is a corporation, its Membership Interest may be voted by such officer, agent or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine. In the case of a Member that is a general or limited partnership, its Membership Interest may be voted, in person or by proxy, by such Person as is designated by such Member. In the case of a Member that is another limited liability company, its Membership Interest may be voted, in person or by proxy, by such Person as is designated by the governing agreements of such other limited liability company, or, in the absence of such designation, by such Person as is designated by the limited liability company. In the case of a Member that is a trust, its Membership Interest may be voted by the trustee of such trust.

Section 3.11 *Denial of Appraisal Rights.* No Member will have any appraisal rights or dissenters' rights with respect to any merger, consolidation, conversion or dissolution of the Company, any sale of assets by the Company or any amendment to this Agreement, the Members' rights with respect to such matters being limited to those rights, if any, expressly set forth in this Agreement.

ARTICLE IV
CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

Section 4.1 *Capital Contributions*.

(a) No Member shall be required to make any Capital Contributions to the Company except as agreed to by a Super-Majority Interest.

(b) The amount of money and the fair market value (as of the date of contribution) of any property (other than money) contributed to the Company by a Member in respect of the issuance of a Membership Interest to such Member shall constitute a "***Capital Contribution***." Any reference in this Agreement to the Capital Contribution of a Member shall include a Capital Contribution of its predecessors in interest.

Section 4.2 *Loans*. If the Company does not have sufficient cash to pay its obligations, any Member that may agree to do so may, upon approval of a Super-Majority Interest, advance all or part of the needed funds for such obligation to or on behalf of the Company. An advance described in this Section 4.2 constitutes a loan from the Member to the Company, may bear interest at a rate comparable to the rate the Company could obtain from third parties, and is not a Capital Contribution.

Section 4.3 *Return* of Contributions. A Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. No Member will be required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions.

ARTICLE V
ALLOCATIONS AND DISTRIBUTIONS

Section 5.1 *Allocations of Profits*. After giving effect to the special allocations set forth in Section 5.3 and Section 5.4, Profits for any Allocation Year shall be allocated to the Members in proportion to their Sharing Ratios.

Section 5.2 *Allocations of Losses*. After giving effect to the special allocations set forth in Section 5.3 and Section 5.4 and subject to Section 5.5, Losses for any Allocation Year shall be allocated to the Members in proportion to their Sharing Ratios.

Section 5.3 *Special Allocations*. The following special allocations shall be made in the following order:

(a) *Minimum Gain Chargeback*. Except as otherwise provided in Treasury Regulations Section 1.704-2(f), notwithstanding any other provision of this Article V, if there is a net decrease in Company Minimum Gain during any Allocation Year, each Member shall be allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective

amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.3(a) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) *Member Minimum Gain Chargeback*. Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Article V, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Allocation Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 5.3(b) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) *Qualified Income Offset*. In the event that any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(*d*)(*4*), 1.704-1(b)(2)(ii)(*d*)(*5*) or 1.704-1(b)(2)(ii)(*d*)(*6*), items of Company income and gain shall be allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible; *provided* that an allocation pursuant to this Section 5.3(c) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article V have been tentatively made as if this Section 5.3(c) were not in this Agreement.

(d) *Gross Income Allocation*. In the event that any Member has an Adjusted Capital Account Deficit at the end of any Allocation Year, each such Member shall be allocated items of Company income and gain in the amount of such deficit as quickly as possible; *provided* that an allocation pursuant to this Section 5.3(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit in excess of such sum after all other allocations provided for in this Article V have been tentatively made as if Section 5.3(c) and this Section 5.3(d) were not in this Agreement.

(e) *Nonrecourse Deductions.* Nonrecourse Deductions for any Allocation Year shall be allocated to the Members in proportion to their respective Sharing Ratios.

(f) *Member Nonrecourse Deductions*. Any Member Nonrecourse Deductions for any Allocation Year shall be allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(g) *Section 754 Adjustments*. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code Sections 734(b) or 743(b) is required, pursuant to Treasury Regulations Sections 1.704-1(b)(2)(iv)(*m*)(*2*) or 1.704-1(b)(2)(iv)(*m*)(*4*), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be allocated to the Members in accordance with their interests in the Company in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(*m*)(*2*) applies, or to the Member to whom such distribution was made in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(*m*)(*4*) applies.

(h) *Allocations Relating to Taxable Issuance of Equity Units*. Any income, gain, loss, or deduction realized as a direct or indirect result of the issuance of Equity Units by the Company to a Member (the "***Issuance Items***") shall be allocated among the Members so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Member shall be equal to the net amount that would have been allocated to each such Member if the Issuance Items had not been realized.

Section 5.4 *Regulatory Allocations.* The allocations set forth in Sections 5.3(a), 5.3(b), 5.3(c), 5.3(d), 5.3(e), 5.3(f) and 5.3(g), and 5.5 (the *"**Regulatory Allocations**"*) are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, the Regulatory Allocations shall be offset either with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.4. Therefore, notwithstanding any other provision of this Article V (other than the Regulatory Allocations), the Board shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to Section 5.1, Section 5.2, and Section 5.3(h). In exercising its discretion under this Section 5.4, the Board shall take into account future Regulatory Allocations under Sections 5.3(a) and 5.3(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 5.3(e) and 5.3(f).

Section 5.5 *Loss Limitation.* Losses allocated pursuant to Section 5.2 shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 5.2, the limitation set forth in this Section 5.5 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Treasury Regulations Section 1.704-1(b)(2)(ii)(*d*).

Section 5.6 *Other Allocation Rules*.

(a) Profits, Losses, and any other items of income, gain, loss, or deduction will be allocated to the Members pursuant to this Article V as of the last day of each Taxable Year; *provided* that Profits, Losses, and such other items shall also be allocated at such times as the Gross Asset Values of Property are adjusted pursuant to subparagraph (b) of the definition of *"Gross Asset Value."*

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Board using any permissible method under Code Section 706 and the Treasury Regulations thereunder.

(c) The Members are aware of the income tax consequences of the allocations made by this Article V and hereby agree to be bound by the provisions of this Article V in reporting their shares of Company income and loss for income tax purposes, except as otherwise required by law.

Section 5.7 *Tax Allocations; Code Section 704(c)*.

(a) Except as otherwise provided in this Section 5.7, each item of income, gain, loss and deduction of the Company for federal income tax purposes shall be allocated among the Members in the same manner as such items are allocated for book purposes under this Article V.

(b) In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of "*Gross Asset Value*") using the "remedial allocation method" described in Treasury Regulations Section 1.704-3(d).

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (b) of the definition of "*Gross Asset Value*," subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder applying the "remedial allocation method" described in Treasury Regulations Section 1.704-3(d).

(d) Any elections or other decisions relating to such allocations shall be made by the Board in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.7 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

Section 5.8 *Distributions.* Except as otherwise provided in Article IX and subject to Section 6.1(c), the Board of Directors may cause the Company to distribute funds of the Company which the Board of Directors reasonably determines are not needed for the payment of existing or foreseeable Company obligations and expenditures to the Members; *provided, however*, that the Company shall make quarterly tax distributions sufficient and in time for Members to make quarterly estimated federal tax payments, subject to availability of sufficient cash, utilizing to the maximum extent possible funds available to be drawn under credit facilities of the Company and its Affiliates, and subject to the terms and restrictions imposed by such credit facilities. All such distributions made pursuant to this Section 5.8 shall be made to the Members in accordance with their respective Sharing Ratios.

ARTICLE VI
MANAGEMENT

Section 6.1 *Management.*

(a) *Generally*.

(i) Subject to the provisions of Section 6.1(b) and Section 6.1(c), all management powers over the business and affairs of the Company shall be exclusively vested in a Board of Directors ("***Board of Directors***" or "***Board***") and, subject to the direction of the Board of Directors, the Officers. The Officers and Directors shall each constitute a "*manager*" of the Company within the meaning of the Act. Except as otherwise specifically provided in this Agreement, no Member, by virtue of having the status of a Member, shall have or attempt to exercise or assert any management power over the business and affairs of the Company or shall have or attempt to exercise or assert actual or apparent authority to enter into contracts on behalf of, or to otherwise bind, the Company. Except as otherwise specifically provided in this Agreement, the authority and functions of the Board of Directors on the one hand and of the Officers on the other shall be identical to the authority and functions of the board of directors and officers, respectively, of a corporation organized under the Delaware General Corporation Law. Except as otherwise specifically provided in this Agreement, the business and affairs of the Company shall be managed under the direction of the Board of Directors, and the day-to-day activities of the Company shall be conducted on the Company's behalf by the Officers, who shall be agents of the Company.

(ii) In addition to the powers that now or hereafter can be granted to managers under the Act and to all other powers granted under any other provision of this Agreement, except as otherwise provided in this Agreement, the Board of Directors and the Officers shall have full power and authority to do all things as are not restricted by this Agreement, the ETE Agreement, the Act or Applicable Law, on such terms as they may deem necessary or appropriate to conduct, or cause to be conducted, the business and affairs of the Company.

(b) *Limitations with Respect to ETE and Matters Relating to ETE*. Management powers over the business and affairs of the Company with respect to management and control of ETE (in the Company's capacity as general partner of ETE) shall be vested exclusively in the Board of Directors; *provided*, notwithstanding anything herein to the contrary:

(i) without obtaining approval of a Super-Majority Interest, the Company shall not, and shall not take any action to cause ETE to:

(A). make or consent to a general assignment for the benefit of the creditors of the ETE;

(B). file or consent to the filing of any bankruptcy, insolvency or reorganization petition for relief under the United States Bankruptcy Code naming ETE, or otherwise seek, with respect to ETE, relief from debts or protection from creditors generally;

(C). file or consent to the filing of a petition or answer seeking for ETE a liquidation, dissolution, arrangement, or similar relief under any law;

(D). file an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Company or ETE in a proceeding of the type described in any of clauses (A) – (C) of this Section 6.1(b)(i);

(E). seek, consent to or acquiesce in the appointment of a receiver, liquidator, conservator, assignee, trustee, sequestrator, custodian or any similar official for ETE or for all or any substantial portion of such entity's properties;

(F). sell all or substantially all of the assets of ETE;

(G). dissolve or liquidate ETE, other than in accordance with Article VIII of the ETE Agreement;

(H). merge or consolidate ETE;

(I). amend the ETE Agreement in a manner that would reasonably be expected to have a material adverse effect on the Company (including in its capacity as the general partner of ETE); or

(J). declare or make the payment of any material extraordinary distribution on the Common Units; and

(ii) without obtaining approval of a Two-Thirds Interest, the Company shall not, and shall not take any action to cause ETE to exercise the rights of the Company as general partner of ETE (or those exercisable after the Company ceases to be the general partner of ETE) pursuant to the following provisions of the ETE Agreement:

(A). Sections 4.6(a) and (b) ("*Transfer of the General Partner Interest*") solely with respect to the decision by the Company to transfer its general partner interest in ETE;

(B). Section 5.2 ("*Continuation of General Partner and Limited Partner Interests; Initial Offering; Contributions by the General Partner and its Affiliates*"), solely with respect to the decision to make additional capital contributions to ETE;

(C). Section 5.9 ("*Limited Preemptive Right*");

(D). Section 7.5(d) (relating to the right of the Company and its Affiliates to purchase Units or other Partnership Securities and exercise rights related thereto) and Section 7.11 ("*Purchase and Sale of Partnership Securities*"), solely with respect to decisions by the Company or its Affiliates to purchase or otherwise acquire and sell Partnership Securities for their own account;

(E). Section 7.6(a) ("*Loans from the General Partner; Loans or Contributions from the Partnership; Contracts with Affiliates; Certain Restrictions on the General Partner*"), solely with respect to the decision by the Company to lend funds to a Group Member, subject to the provisions of Section 7.9 of the ETE Agreement;

(F). Section 7.7 ("*Indemnification*"), solely with respect to any decision by the Company to exercise its rights as an "Indemnitee";

(G). Section 7.12 ("*Registration Rights of the General Partner and its Affiliates*"), solely with respect to any decision to exercise registration rights and to take actions in connection therewith;

(H). Section 11.1 ("*Withdrawal of the General Partner*"), solely with respect to the decision by Company to withdraw as general partner of ETE and to giving notices required thereunder;

(I). Section 11.3(a) and (b) ("*Interest of Departing General Partner and Successor General Partner*"); and

(J). Section 15.1 ("*Right to Acquire Limited Partner Interests*").

(c) *Limitations with Respect to the Company*. The full power and authority over the business and affairs of the Company and its Non-ETE Subsidiaries that do not relate to management and control of ETE and its subsidiaries shall be exclusively vested in the Members; *provided*, *however*, that:

(i) without obtaining approval of a Two-Thirds Interest, the Members shall not cause the Company to, or permit any Non-ETE Subsidiary to:

(A). make any distributions to the Members or refrain from making distributions to the Members requested by such Super-Majority Interest,

(B). issue or repurchase any equity interests in the Company or any Non-ETE Subsidiary;

(C). prosecute, settle or manage any claim made directly against the Company or any Non-ETE Subsidiary,

(D). sell, convey, transfer or pledge any asset of the Company or any Non-ETE Subsidiary,

(E). amend, modify or waive any rights relating to the assets of the Company or any Non-ETE Subsidiary,

(F). enter into any agreement to incur an obligation of the Company other than an agreement entered into for and on behalf of ETE for which the Company is liable exclusively by virtue of the Company's capacity as general partner of ETE or of any of its affiliates;

(G). without the approval of the Audit and Conflicts Committee of the Board of Directors of the Company and such Members constituting a Super-Majority Interest, take any action that would result in the Company engaging in any business or activity or incurring any debts or liabilities except in connection with or incidental to (A) its performance as general partner of ETE or (B) the acquiring, owning or disposing of debt of equity securities of ETE; or

(H). form, create or otherwise obtain a subsidiary other than ETE and its subsidiaries; and

(ii) without obtaining approval of a Super-Majority Interest, the Members shall not cause the Company to, or permit any Non-ETE Subsidiary to:

(A). make or consent to a general assignment for the benefit of the creditors of the Company;

(B). file or consent to the filing of any bankruptcy, insolvency or reorganization petition for relief under the United States Bankruptcy Code naming the Company, or otherwise seek, with respect to the Company, relief from debts or protection from creditors generally;

(C). file or consent to the filing of a petition or answer seeking for the Company a liquidation, dissolution, arrangement, or similar relief under any law;

(D). file an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Company in a proceeding of the type described in any of clauses (ix) – (xi) of this Section 6.1(c);

(E). seek, consent to or acquiesce in the appointment of a receiver, liquidator, conservator, assignee, trustee, sequestrator, custodian or any similar official for the Company or for all or any substantial portion of such entity's properties;

(F). sell all or substantially all of the assets of the Company;

(G). dissolve or liquidate the Company; or

(H). merge or consolidate the Company.

Section 6.2 *Board of Directors*.

(a) *Generally.* The Board of Directors shall consist of not less than five nor more than ten natural persons. The members of the Board of Directors shall be appointed by the Members constituting a Two-Thirds Interest, *provided* that at least three of such Directors shall meet the independence, qualification and experience requirements of the New York Stock Exchange and Section 10A(m)(3) of the Securities Exchange Act of 1934 (or any successor Law), the rules and regulations of the SEC, other Applicable Law and the charter of the Audit and Conflicts Committee (each, an "***Independent Director***"); *provided*, *however*, that if at any time at least three of the Directors are not Independent Directors, the Board of Directors shall still have all powers and authority granted to it hereunder, the Members acting with the approval of a Two-Thirds Interest shall endeavor to elect additional Independent Directors to come into compliance with this Section 6.2(a).

(b) *Term; Resignation; Vacancies; Removal.* Each Director shall hold office until his successor is appointed and qualified or until his earlier resignation or removal. Any Director may resign at any time upon written notice to the Board, to the President or to any other Officer. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. Vacancies and newly created directorships resulting from any increase in the authorized number of Directors or from any other cause shall be filled by the Members acting with the approval of a Two-Thirds Interest. Any Director may be removed, with or without cause, by the Members constituting a Two-Thirds Interest at any time, and the vacancy in the Board caused by any such removal shall be filled by the Members acting with the approval of a Two-Thirds Interest.

(c) *Voting; Quorum; Required Vote for Action*. Unless otherwise required by the Act, other Law or the provisions hereof,

(i) each member of the Board of Directors shall have one vote;

(ii) except for matters requiring Special Approval, the presence at a meeting of a majority of the members of the Board of Directors shall constitute a quorum at any such meeting for the transaction of business; and

(iii) except for matters requiring Special Approval, the act of a majority of the members of the Board of Directors present at a meeting duly called in accordance with Section 6.2(d) at which a quorum is present shall be deemed to constitute the act of the Board of Directors.

(d) *Meetings*. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Special meetings of the Board of Directors or meetings of any committee thereof may be called by written request authorized by any member of the Board of Directors or a committee thereof on at least 48 hours prior written notice to the other members of such Board or committee. Any such notice, or waiver thereof, need not state the purpose of such meeting, except as may otherwise be required by law. Attendance of a Director at a meeting (including pursuant to the last sentence of this Section 6.2(d)) shall constitute a waiver of notice of such meeting, except where such Director attends the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Subject to Article 11, any action required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, are signed by at least as many members of the Board of Directors or committee thereof as would have been required to take such action at a meeting of the Board of Directors or such committee. Members of the Board of Directors or any committee thereof may participate in and hold a meeting by means of conference telephone, video conference or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in such meetings shall constitute presence in person at the meeting.

(e) *Committees*.

(i) Subject to compliance with this Article 6, committees of the Board of Directors shall have and may exercise such of the powers and authority of the Board of Directors with respect to the management of the business and affairs of the Company as may be provided in a resolution of the Board of Directors. Any committee designated pursuant to this Section 6.2(e) shall choose its own chairman, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, and, subject to Section 6.2(d), shall fix its own rules or procedures and shall meet at such times and at such place or places as may be provided by such rules or by resolution of such committee or resolution of the Board of Directors. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution (except for obtaining Special Approval at meetings of the Audit and Conflicts Committee, which requires the affirmative

vote of a majority of the members of such committee). The Board of Directors may designate one or more Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of such committee; *provided*, *however*, that any such designated alternate of the Audit and Conflicts Committee must meet the standards for an Independent Director. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member; *provided*, *however*, that any such replacement member of the Audit and Conflicts Committee must meet the standards for an Independent Director.

(ii) In addition to any other committees established by the Board of Directors pursuant to Section 6.2(e)(i), the Board of Directors shall maintain an "***Audit and Conflicts Committee***," which shall be composed of at least three Independent Directors. The Audit and Conflicts Committee shall be responsible for (A) approving or disapproving, as the case may be, any matters regarding the business and affairs of the Company and ETE required to be considered by, or submitted to, such Audit and Conflicts Committee pursuant to the terms of the ETE Agreement, (B) assisting the Board in monitoring (1) the integrity of ETE's and the Company's financial statements, (2) the qualifications and independence of ETE's and the Company's independent accountants, (3) the performance of ETE's and the Company's internal audit function and independent accountants, and (4) ETE's and the Company's compliance with legal and regulatory requirements, (C) preparing the report required by the rules of the SEC to be included in ETE's annual report on Form 10-K, (D) approving any material amendments to the Shared Services Agreement, (E) approving or disapproving, as the case may be, the entering into of any material transaction with a Member or any Affiliate of a Member, other than transactions in the ordinary course of business to the extent that the Board of Directors requests the Audit and Conflicts Committee to make such determination, (F) approving any of the actions described in Section 6.1(a) – (g) and Section (c)(v) to be taken on behalf of the Company or ETE, (G) amending (1) Section 2.9, (2) the definition of "*Independent Director*" in Section 6.2(a), (3) the requirement that at least three of the directors be Independent Directors, (4) Sections 6.1(a) – (g) or 6.2 (c)(v) or (5) this Section 6.2(e)(ii), and (H) performing such other functions as the Board may assign from time to time, or as may be specified in a written charter of the Audit and Conflicts Committee. In acting or otherwise voting on the matters referred to in this Section 6.2(e)(ii), to the fullest extent permitted by law, including Section 18-1101(c) of the Act and Section 17-1101(c) of the Delaware Revised Uniform Limited Partnership Act, as amended from time to time, the Directors constituting the Audit and Conflicts Committee shall consider only the interest of the Company or ETE, as applicable, including their respective creditors.

(iii) In addition to any other committees established by the Board of Directors pursuant to Section 6.2(e)(i), the Board of Directors shall maintain a

"***Compensation Committee***," which shall be composed of at least two Independent Directors. The Compensation Committee shall be responsible for setting the compensation for officers of the Company as well as administering any incentive plans adopted by the Company. The Compensation Committee shall perform such other functions as the Board may assign from time to time or as may be specified in a written charter for the Compensation Committee adopted by the Board.

Section 6.3 *Officers*.

(a) *Generally.* The Board may appoint agents of the Company, which agents shall be referred to as "Officers" of the Company, having the titles, power, authority and duties described in this Section 6.3 or as otherwise granted by the Board. Subject to the foregoing, the Officers shall have the full authority to and shall manage, control and oversee the day-to-day business and affairs of the Company and shall perform all other acts as are customary or incident to the management of such business and affairs, which will include the general and administrative affairs of the Company and the operation and maintenance of the Company Assets, all in accordance with the provisions of Section 6.3.

(b) *Titles and Number.* The Officers may include a Chairman, a Chief Executive Officer (or Co-Chief Executive Officers), a President, one or more Vice Presidents, a Secretary, a Treasurer, and one or more Assistant Secretaries and Assistant Treasurers, and any other officer position or title as the Board may approve. Any person may hold two or more offices.

(c) *Appointment and Term of Office.* The Officers may be appointed by the Board at such times and for such terms as the Board shall determine. Any Officer may be removed, with or without cause, only by the Board. Vacancies in any office may be filled only by the Board.

(d) *Chairman of the Board.* The Chairman of the Board shall preside at all meetings of the Board of Directors and of the unitholders of ETE; and he shall have such other powers and duties as from time to time may be assigned to him by the Board of Directors. There may be more than one person holding the office of Chairman, in which case they shall act as Co-Chairmen and shall share the duties of such office.

(e) *Chief Executive Officer.* In accordance with and subject to the limitations imposed by this Agreement or any direction of the Board, the Chief Executive Officer (or Co-Chief Executive Officers), as such, shall (i) supervise generally the other Officers, (ii) be responsible for the management and day-to-day business and affairs of the Company, its other Officers, employees and agents and shall supervise generally the affairs of the Company, (iii) have full authority to execute all documents and take all actions that the Company may legally take and (iv) have the power and authority to delegate the Chief Executive Officer's powers and authority to any proper Officer.

(f) *President.* Subject to the limitations imposed by this Agreement, any employment agreement, any employee plan or any determination of the Board of Directors, the

President, subject to the direction of the Board of Directors, shall be the chief executive officer of the Company in the absence of a Chief Executive Officer and shall be responsible for the management and direction of the day-to-day business and affairs of the Company, its other Officers, employees and agents, shall supervise generally the affairs of the Company and shall have full authority to execute all documents and take all actions that the Company may legally take. In the absence of the Chairman of the Board or a Chief Executive Officer, the President shall preside at all meetings of the unitholders of ETE and (should he be a director) of the Board of Directors. The President shall exercise such other powers and perform such other duties as may be assigned to him by this Agreement or the Board of Directors, including any duties and powers stated in any employment agreement approved by the Board of Directors.

(g) *Vice Presidents.* In the absence of the President, each Vice President appointed by the Board shall have all of the powers and duties conferred upon the President, including the same power as the President to execute documents on behalf of the Company. Each such Vice President shall perform such other duties and may exercise such other powers as may from time to time be assigned to him by the Board. Vice Presidents may be designated Executive Vice Presidents, Senior Vice Presidents, or any other title determined by the Board.

(h) *Secretary and* Assistant *Secretaries*. The Secretary shall record or cause to be recorded in books provided for that purpose the minutes of the meetings or actions of the Board of Directors, shall see that all notices are duly given in accordance with the provisions of this Agreement and as required by law, shall be custodian of all records (other than financial), shall see that the books, reports, statements, certificates and all other documents and records required by law are properly kept and filed, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by this Agreement, the Board of Directors or the President. The Assistant Secretaries shall exercise the powers of the Secretary during that Officer's absence or inability or refusal to act.

(i) *Chief Financial Officer*. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of the Company and ETE. He shall receive and deposit all moneys and other valuables belonging to the Company in the name and to the credit of the Company and shall disburse the same and only in such manner as the Board of Directors or the appropriate Officer of the Company may from time to time determine. He shall receive and deposit all moneys and other valuables belonging to ETE in the name and to the credit of ETE and shall disburse the same and only in such manner as the Board of Directors or the President may require. He shall render to the Board of Directors and the President, whenever any of them request it, an account of all his transactions as Chief Financial Officer and of the financial condition of the Company, and shall perform such further duties as the Board of Directors or the President may require. The Chief Financial Officer shall have the same power as the President to execute documents on behalf of the Company.

(j) *Treasurer and Assistant Treasurers*. The Treasurer shall have such duties as may be specified by the Chief Financial Officer in the performance of his duties. The Assistant Treasurers shall exercise the power of the Treasurer during that Officer's absence or inability or refusal to act. Each of the Assistant Treasurers shall possess the same power as the Treasurer to sign all certificates, contracts, obligations and other instruments of the Company. If

no Treasurer or Assistant Treasurer is appointed and serving or in the absence of the appointed Treasurer and Assistant Treasurer, the Senior Vice President, or such other Officer as the Board of Directors shall select, shall have the powers and duties conferred upon the Treasurer.

(k) *Powers of Attorney*. The Company may grant powers of attorney or other authority as appropriate to establish and evidence the authority of the Officers and other persons.

(l) *Delegation of Authority*. Unless otherwise provided by resolution of the Board of Directors, no Officer shall have the power or authority to delegate to any person such Officer's rights and powers as an Officer to manage the business and affairs of the Company.

(m) *Officers*. The Board of Directors shall appoint Officers of the Company to serve from the date hereof until the death, resignation or removal by the Board of Directors with or without cause of such officer.

Section 6.4 *Duties of Officers and Directors.* Except as otherwise specifically provided in this Agreement, the duties and obligations owed to the Company and to the Board of Directors by the Officers of the Company and by members of the Board of Directors of the Company shall be the same as the respective duties and obligations owed to a corporation organized under the Delaware General Corporation Law by its officers and directors, respectively.

Section 6.5 *Compensation.* The members of the Board of Directors who are neither Officers nor employees of the Company shall be entitled to compensation as directors and committee members as approved by the Board and shall be reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board of Directors or committees thereof.

Section 6.6 *Indemnification*.

(a) To the fullest extent permitted by Law but subject to the limitations expressly provided in this Agreement, each Indemnitee shall be indemnified and held harmless by the Company from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including reasonable legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of such person's status as an Indemnitee; *provided*, *however* that the Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Section 6.6, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct, or in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was unlawful; *provided*, *further*, no indemnification pursuant to this Section 6.6 shall be available to the Members or their Affiliates (other than the MLP and any Group Member) with respect to its or their obligations incurred pursuant to the Underwriting Agreement. The termination of any action, suit or proceeding by judgment, order,

settlement, conviction or upon a plea of *nolo contendere*, or its equivalent, shall not create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification pursuant to this Section 6.6 shall be made only out of assets of the Company, it being agreed that a Member shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Company to enable it to effectuate such indemnification.

(i) To the fullest extent permitted by law, expenses (including reasonable legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 6.6(a) in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 6.6.

(ii) The Company shall, to the fullest extent permitted under the Act, pay or reimburse expenses incurred by an Indemnitee in connection with the Indemnitee's appearance as a witness or other participation in a proceeding involving or affecting the Company at a time when the Indemnitee is not a named defendant or respondent in the proceeding.

(b) The indemnification provided by this Section 6.6 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, as a matter of law or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(c) The Company may purchase and maintain insurance, on behalf of the members of the Board of Directors, the Officers and such other Persons as the Board of Directors shall determine, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Company's activities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(d) For purposes of this Section 6.6, the Company shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by the Indemnitee of such Indemnitee's duties to the Company also imposes duties on, or otherwise involves services by, the Indemnitee to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to Applicable Law shall constitute "*fines*" within the meaning of Section 6.6(a); and action taken or omitted by the Indemnitee with respect to an employee benefit plan in the performance of such Indemnitee's duties for a purpose reasonably believed by such Indemnitee to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is in, or not opposed to, the best interests of the Company.

(e) An Indemnitee shall not be denied indemnification in whole or in part under this Section 6.6 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(f) The provisions of this Section 6.6 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(g) No amendment, modification or repeal of this Section or any provision hereof shall in any manner terminate, reduce or impair either the right of any past, present or future Indemnitee to be indemnified by the Company or the obligation of the Company to indemnify any such Indemnitee under and in accordance with the provisions of this Section 6.6 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted, *provided* such Person became an Indemnitee hereunder prior to such amendment, modification or repeal.

(h) Any act or omission performed or omitted by an Indemnitee on advice of legal counsel or an independent consultant who has been employed or retained by the Company shall be presumed to have been performed or omitted in good faith without gross negligence or willful misconduct.

(i) THE PROVISIONS OF THE INDEMNIFICATION PROVIDED IN THIS SECTION 6.6 ARE INTENDED BY THE PARTIES TO APPLY EVEN IF SUCH PROVISIONS HAVE THE EFFECT OF EXCULPATING THE INDEMNITEE FROM LEGAL RESPONSIBILITY FOR THE CONSEQUENCES OF SUCH PERSON'S NEGLIGENCE, FAULT OR OTHER CONDUCT.

Section 6.7 *Liability of Indemnitees*.

(a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Company, the Members or any other Person for losses sustained or liabilities incurred as a result of any act or omission of an Indemnitee unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was criminal.

(b) Subject to its obligations and duties as set forth in this Article 6, the Board of Directors and any committee thereof may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through the Company's Officers or agents, and neither the Board of Directors nor any committee thereof shall be responsible for any misconduct or negligence on the part of any such Officer or agent appointed by the Board of Directors or any committee thereof in good faith.

(c) Any amendment, modification or repeal of this Section 6.7 or any provision hereof shall be prospective only and shall not in any way affect the limitations on

liability under this Section 6.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may be asserted.

Section 6.8 *Amendment and Vesting of Rights.* The rights granted or created hereby will be vested in each Person entitled to indemnification hereunder as a bargained-for, contractual condition of such Person's being or serving or having served as a Director, officer or representative of the Company or serving at the request of the Company as a director, officer or in any other comparable position of any Other Enterprise and, while this Article VI may be amended or repealed, no such amendment or repeal will release, terminate or adversely affect the rights of such Person under this Article VI with respect to any (a) act taken or the failure to take any act by such Person prior to such amendment or repeal or (b) action, suit or proceeding concerning such act or failure to act filed after such amendment or repeal.

Section 6.9 *Severability.* If any provision of this Article VI or the application of any such provision to any Person or circumstance is held invalid, illegal or unenforceable for any reason whatsoever, the remaining provisions of this Article VI and the application of such provision to other Persons or circumstances will not be affected thereby and, to the fullest extent possible, the court finding such provision invalid, illegal or unenforceable must modify and construe the provision so as to render it valid and enforceable as against all Persons and to give the maximum possible protection to Persons subject to indemnification hereby within the bounds of validity, legality and enforceability. Without limiting the generality of the foregoing, if any Member, Director, officer or representative of the Company or any Person who is or was serving at the request of the Company as a director, officer or in any other comparable position of any Other Enterprise, is entitled under any provision of this Article VI to indemnification by the Company for some or a portion of the judgments, amounts paid in settlement, attorneys' fees, penalties, ERISA excise taxes, fines or other expenses actually and reasonably incurred by any such Person in connection with any threatened, pending or completed action, suit or proceeding (including the investigation, defense, settlement or appeal of such action, suit or proceeding), whether civil, criminal, administrative, investigative or appellate, but not, however, for all of the total amount thereof, the Company will nevertheless indemnify such Person for the portion thereof to which such Person is entitled.

Section 6.10 *Contracts with Members or Their Affiliates.*

(a) All contracts or transactions not involving ETE that are between the Company and its Members, Directors or officers or between the Company and another Person in which a Member, Director or officer has a financial interest or with which a Member, Director or officer is affiliated are permissible if such contract or transaction, and such Member's, Director's or officer's interest therein, are fully disclosed to the Members and approved by a Two-Thirds Interest.

(b) All contracts or transactions involving ETE and the Members, Directors or officers of the Company in which a Member, Director or officer has a financial interest that is not proportionate to such Member's ownership interest in ETE or with which a Member, Director or officer is affiliated are permissible if such contract or transaction, and such Member's, Director's or officer's interest therein, are fully disclosed to and approved by a Audit and Conflicts Committee of the Board of Directors.

Section 6.11 *Other Business Ventures.* Any Member may engage in, or possess an interest in, other business ventures of every nature and description, independently or with others, whether or not similar or identical to the business of the Company or ETE, and neither the Company nor any Member will have any right by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom. The Members and their representatives are not required to devote all of their time or business efforts to the affairs of the Company, but will devote so much of their time and attention to the Company as is reasonably necessary and advisable to manage the affairs of the Company to the best advantage of the Company. The foregoing will not supersede any employment, confidentiality, noncompetition or other specific agreement that may exist between the Company (or an affiliate of the Company) and any Member (or an affiliate of any Member).

Section 6.12 *Acknowledged and Permitted NGP Activities.* The Company and the Members recognize that: (i) NGP and its Affiliates own and will in the future acquire substantial equity interests in other companies that participate in the energy industry ("*NGP Portfolio Companies*"), (ii) NGP will enter into advisory service agreements with those NGP Portfolio Companies, and representatives of NGP who serve as Director of the Company and provide services to the Company and ETE, also serve in similar capacities and provide similar services to other NGP Portfolio Companies, (iii) that at any given time, other NGP Portfolio Companies may be in direct or indirect competition with the Company and ETE, and/or their subsidiaries; and (iv) Davis and Warren own and will own equity interests in companies or properties which participate in the energy industry that are Affiliated with ETE but in which the partners of ETE do not own an interest. The Company and the Members acknowledge and agree that: (i) NGP and its Affiliates: (A) shall not be prohibited or otherwise restricted by their relationship with the Company and its subsidiaries from engaging in the business of investing in NGP Portfolio Companies, entering into agreements to provide services to such companies or acting as managers, directors or advisors to, or other principals of, such NGP Portfolio Companies, regardless of whether such activities are in direct or indirect competition with the business or activities of the Company or its subsidiaries, and (B) shall not have any obligation to offer the Company or its subsidiaries any Excluded Business Opportunity, (ii) the Company and the Members hereby renounce any interest or expectancy in any Excluded Business Opportunity pursued by NGP and/or its Affiliates, NGP representatives or another NGP Portfolio Company and waive any claim that any such business opportunity constitutes a business opportunity of the Company or any of its subsidiaries; and (iii) Davis and Warren shall similarly not be prohibited or otherwise restricted from engaging in other endeavors in the energy industry that are otherwise permitted under the terms of the Confidentiality and Non-Compete Agreements entered into as of the date hereof.

Section 6.13 *Resolution of Conflicts of Interest; Standard of Conduct and Modification of Duties*.

(a) Unless otherwise expressly provided in this Agreement, whenever a potential conflict of interest exists or arises between the Members or any of their Affiliates (other than the MLP or any Group Member), on the one hand, and ETE or any Group Member,

on the other hand, any resolution or course of action by the Board of Directors in respect of such conflict of interest shall be permitted and deemed approved by all Members, and shall not constitute a breach of this Agreement or of any agreement contemplated herein or therein, or of any duty stated or implied by law or equity, if the resolution or course of action in respect of such conflict of interest is (i) approved by Special Approval, (ii) approved by the vote of a majority of the Common Units excluding Common Units owned by the Members and their Affiliates, (iii) on terms no less favorable to ETE or a Group Member, as the case may be, than those generally being provided to or available from unrelated third parties or (iv) fair and reasonable to ETE or Group Member, as the case may be, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to ETE or Group Member, as the case may be). The Board of Directors shall be authorized but not required in connection with its resolution of such conflict of interest to seek Special Approval of such resolution, and the Board of Directors may also adopt a resolution or course of action that has not received Special Approval. If Special Approval is not sought and the Board of Directors determines that the resolution or course of action taken with respect to a conflict of interest satisfies either of the standards set forth in clauses (iii) or (iv) above, then it shall be presumed that, in making its decision, the Board of Directors acted in good faith, and in any proceeding brought by any Member or by or on behalf of such Member or ETE or Group Member, as the case may be, challenging such approval, the Person bringing or prosecuting such proceeding shall have the burden of overcoming such presumption.

(b) Whenever the Company makes a determination or takes or declines to take any other action, or any of its Affiliates causes it to do so, in its capacity as the general partner of ETE as opposed to in its individual capacity, whether under this Agreement, or any other agreement contemplated hereby or otherwise, then unless another express standard is provided for in this Agreement, the Company, or such Affiliates causing it to do so, shall make such determination or take or decline to take such other action in good faith and shall not be subject to any other or different standards imposed by this Agreement, any other agreement contemplated hereby or under the Act or any other law, rule or regulation or at equity. In order for a determination or other action to be in "good faith" for purposes of any action taken or delivered to be taken by the Company in its capacity as the general partner of ETE, the Person or Persons making such determination or taking or declining to take such other action must believe that the determination or other action is in the best interests of ETE.

(c) Whenever the Company (including the Board of Directors or any committee thereof acting on behalf of the Company) makes a determination or takes or declines to take any other action, or any of its Affiliates causes it to do so, in its individual capacity as opposed to in its capacity as a general partner of ETE, whether under this Agreement or any other agreement contemplated hereby or otherwise, then the Company (including the Board of Directors or any committee thereof acting on behalf of the Company), or such Affiliates causing it to do so, are entitled to make such determination or to take or decline to take such other action free of any fiduciary duty or obligation whatsoever to ETE or any partner thereof, and the Company (including the Board of Directors or any committee thereof acting on behalf of the Company), or such Affiliates causing it to do so, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Act or any other law, rule or regulation. By way of illustration and not of

limitation, whenever the phrase, “at the option of the Company,” or some variation of that phrase, is used in this Agreement, it indicates that the Company is acting in its individual capacity. For the avoidance of doubt, whenever the Company votes or transfers its Common Units, or refrains from voting or transferring its Common Units, it shall be acting in its individual capacity.

(d) Notwithstanding anything to the contrary in this Agreement, none of the Company, nor the Board or any committee thereof and the Affiliates of the Company shall have any duty or obligation, express or implied, to (i) sell or otherwise Dispose of any asset of ETE or any Group Member or (ii) permit ETE or any Group Member to use any facilities or assets of the Company and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use. Any determination by the Company or any of its Affiliates to enter into such contracts shall be at its option.

(e) Whenever a particular transaction, arrangement or resolution of a conflict of interest is required under this Agreement to be “fair and reasonable” to any Person, the fair and reasonable nature of such transaction, arrangement or resolution shall be considered in the context of all similar or related transactions.

ARTICLE VII
TAX MATTERS

Section 7.1 *Tax Returns and Information*.

(a) The Board of Directors shall cause to be prepared and timely filed (on behalf of the Company) all federal, state and local tax returns required to be filed by the Company, including making all elections on such tax returns and to provide all Members, upon request, access to accounting and tax information and schedules as shall be necessary for the preparation by such Member of its income tax returns and such Member’s tax information reporting requirements. The Company shall bear the costs of the preparation and filing of its returns.

(b) Not less than 60 days prior to the date (as extended) on which the Company intends to file its federal income tax return or any state income tax return but in any event no earlier than March 1 of each year, the return proposed to be filed by the Company shall be furnished to the Members for review.

(c) The Board of Directors shall cause to be prepared and timely filed (for the Company, and on behalf of ETE) all federal, state and local tax returns required to be filed by the Company or ETE. The Company shall deliver a copy of each such tax return to the Members within ten days following the date on which any such tax return is filed, together with such additional information as may be required by the Members.

(d) The Board of Directors shall cause to be prepared and delivered or provide access to such information reasonably required by Members from time to time with respect to “qualifying income” (within the meaning of Section 7704(d) of the Code) of the Company, ETE, and its subsidiaries.

Section 7.2 *Tax Matters Member.* The Tax Matters Member is authorized to take such actions and to execute and file all statements and forms on behalf of the Company which may be permitted or required by the applicable provisions of the Code or Regulations issued thereunder. The Tax Matters Member shall have full and exclusive power and authority on behalf of the Company to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The Tax Matters Member shall keep the Members informed as to the status of any audit of the Company's tax affairs, and shall take such action as may be necessary to cause any Member so requesting to become a "notice partner" within the meaning of Section 6223 of the Internal Revenue Code. Without first obtaining the approval of a Super-Majority Interest of the Members, the Tax Matters Member shall not, with respect to Company tax matters: (i) enter into a settlement agreement with respect to any tax matter which purports to bind Members other than the Tax Matters Member, (ii) intervene in any action pursuant to Code Section 6226(b)(5), (iii) enter into an agreement extending the statute of limitations, or (iv) file a petition pursuant to Code Section 6226(a) or 6228. If an audit of any of the Company's tax returns shall occur, the Tax Matters Member shall not settle or otherwise compromise assertions of the auditing agent which may be adverse to any Member as compared to the position taken on the Company's tax returns without the prior written consent of each such affected Member.

Section 7.3 *Tax Elections.* The Company shall make the election under Section 754 of the Code in accordance with the Treasury Regulations thereunder. Except as otherwise provided herein, the Board of Directors shall determine whether the Company should make any other elections under the Code.

ARTICLE VIII
BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS

Section 8.1 *Maintenance of Books.* The Board of Directors shall keep or cause to be kept at the principal office of the Company or at such other location approved by the Board of Directors complete and accurate books and records of the Company, supporting documentation of the transactions with respect to the conduct of the Company's business and minutes of the proceedings of the Board of Directors and any other books and records that are required to be maintained by Applicable Law.

Section 8.2 *Reports.* The Board of Directors shall cause to be prepared and delivered to each Member such reports, forecasts, studies, budgets and other information as the Members may reasonably request from time to time.

Section 8.3 *Information Rights.* At the request of any Member, the Company shall deliver copies of any information or documents provided to the Board of Directors if and when so delivered to the Board of Directors including, without limitation, annual, quarterly and monthly financial reports. Notwithstanding the foregoing, the Board of Directors, acting by a majority vote, may refrain from disclosing specific information to any Member who may have information rights pursuant to this Section 8.3 if (i) the Board of Directors reasonably determines it is not in the best interests of ETE or any of its subsidiaries to disclose such specific information to any such Member, (ii) such information does not relate to an adverse change

regarding the business, management, operations, financial condition, results of operations or prospects of ETE or any of its subsidiaries and (iii) such information is not otherwise reasonably required by such Member in connection with the preparation of its filings with the SEC, and the failure to provide such information would not constitute a material omission or cause a material misstatement with respect to other information provided to the Member in light of the circumstances in which such information is made.

Section 8.4 *Bank Accounts.* Funds of the Company shall be deposited in such banks or other depositories as shall be designated from time to time by the Board of Directors. All withdrawals from any such depository shall be made only as authorized by the Board of Directors and shall be made only by check, wire transfer, debit memorandum or other written instruction.

Section 8.5 *Fiscal Year*. For financial accounting purposes, the fiscal year of the Company will end on August 31 of each year unless a different year is adopted by the Members.

ARTICLE IX
DISSOLUTION, WINDING-UP AND TERMINATION

Section 9.1 *Dissolution*.

(a) The Company shall dissolve and its affairs shall be wound up on the first to occur of the following events (each a "***Dissolution Event***"):

(i) the unanimous consent of the Board of Directors;

(ii) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act; and

(iii) at any time there are no Members of the Company, unless the Company is continued in accordance with the Act or this Agreement.

(b) No other event shall cause a dissolution of the Company.

(c) Upon the occurrence of any event that causes there to be no Members of the Company, to the fullest extent permitted by law, the personal representative of the last remaining Member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of such Member in the Company.

(d) Notwithstanding any other provision of this Agreement, the Bankruptcy of a Member shall not cause such Member to cease to be a member of the Company and, upon the occurrence of such an event, the Company shall continue without dissolution.

Section 9.2 *Winding-Up and Termination*.

(a) On the occurrence of a Dissolution Event, the Board of Directors shall select one or more Persons to act as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of winding up shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Board of Directors. The steps to be accomplished by the liquidator are as follows:

(i) as promptly as possible after dissolution and again after final winding up, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last calendar day of the month in which the dissolution occurs or the final winding up is completed, as applicable;

(ii) the liquidator shall discharge from Company funds all of the debts, liabilities and obligations of the Company or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine);

(iii) the liquidator may sell any or all Company property, including to Members; and

(iv) all remaining assets of the Company (including cash) shall be distributed to the Members in accordance with the positive balance in their Capital Accounts after giving effect to all contributions, distributions, and allocations for all periods.

(b) The distribution of cash or property to a Member in accordance with the provisions of this Section 9.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its share of all the Company's property and constitutes a compromise to which all Members have consented within the meaning of Section 18-502(b) of the Act. No Member shall be required to make any Capital Contribution to the Company to enable the Company to make the distributions described in this Section 9.2.

(c) On completion of such final distribution, the liquidator shall file a Certificate of Cancellation with the Secretary of State of the State of Delaware and take such other actions as may be necessary to terminate the existence of the Company.

Section 9.3 *Compliance With Certain Requirements of Treasury Regulations; Deficit Capital Accounts*. In the event the Company is "liquidated" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(*g*), distributions shall be made pursuant to Section 9.2 to the Members who have positive Capital Accounts in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(*b*)(*2*). If any Member has a deficit balance in its Capital Account (after giving effect to all contributions, distributions, and allocations for all Allocation Years, including the Allocation Year during which such liquidation occurs), such Member shall

have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

Section 9.4 *Deemed Distribution and Recontribution.* Notwithstanding any other provision of this Article IX, in the event the Company is liquidated within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(*g*) but no Dissolution Event has occurred, the Property shall not be liquidated, the Company's Debts and other Liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, solely for federal income tax purposes, the Company shall be deemed to have contributed all its Property and Liabilities to a new limited liability company in exchange for an interest in such new company and, immediately thereafter, the Company will be deemed to liquidate by distributing interests in the new company to the Members.

Section 9.5 *Allocations and Distributions During Period of Liquidation.* During the period commencing on the first day of the Taxable Year during which a Dissolution Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to Section 9.2, the Members shall continue to share Profits, Losses and other items of Company income, gain, loss, or deduction in the manner provided in Article V but no distributions shall be made pursuant to Section 5.8 after the day on which the Dissolution Event occurs.

Section 9.6 *Character of Liquidating Distributions.* All payments made in liquidation of the Membership Interest of a Member in the Company shall be made in exchange for the Membership Interest of such Member in Property pursuant to Section 736(b)(1) of the Code, including the interest of such Member in Company goodwill.

ARTICLE X
MERGER, CONSOLIDATION OR CONVERSION

Section 10.1 *Authority.* Subject to Section 6.1, the Company may merge, consolidate with or convert to one or more corporations, limited liability companies, statutory trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a partnership (whether general or limited (including a limited liability partnership)) or convert into any such entity, whether such entity is formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written agreement of merger or consolidation ("***Merger Agreement***") or a written plan of conversion ("***Plan of Conversion***"), as the case may be, in accordance with this Article X.

Section 10.2 *Procedure for Merger, Consolidation or Conversion.*

(a) Merger, consolidation or conversion of the Company pursuant to this Article X requires the prior consent of the Board of Directors. Upon such approval, the Merger Agreement shall set forth:

(i) The names and jurisdictions of formation or organization of each of the business entities proposing to merge, consolidate or convert;

(ii) The name and jurisdiction of formation or organization of the business entity that is to survive the proposed merger or consolidation ("***Surviving Business Entity***");

(iii) The terms and conditions of the proposed merger or consolidation;

(iv) The manner and basis of exchanging or converting the equity securities of each constituent business entity for, or into, cash, property or general or limited partnership or limited liability company interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any general or limited partnership or limited liability company interests, rights, securities or obligations of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or general or limited partnership or limited liability company interests, rights, securities or obligations of the Surviving Business Entity, the cash, property or general or limited partnership or limited liability company interests, rights, securities or obligations of any general or limited partnership, limited liability company, corporation, trust or other entity (other than the Surviving Business Entity) which the holders of such interests, rights, securities or obligations of the constituent business entity are to receive in exchange for, or upon conversion of, their interests, rights, securities or obligations and (ii) in the case of securities represented by certificates, upon the surrender of such certificates, which cash, property or general or limited partnership or limited liability company interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, limited liability company, corporation, trust or other entity (other than the Surviving Business Entity), or evidences thereof, are to be delivered;

(v) A statement of any changes in the constituent documents or the adoption of new constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership or limited liability company or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;

(vi) The effective time of the merger or consolidation, which may be the date of the filing of the certificate of merger pursuant to Section 10.4 or a later date specified in or determinable in accordance with the Merger Agreement (*provided*, that if the effective time of the merger or consolidation is to be later than the date of the filing of the certificate of merger or consolidation, the effective time shall be fixed no later than the time of the filing of the certificate of merger or consolidation and stated therein); and

(vii) Such other provisions with respect to the proposed merger or consolidation as are deemed necessary or appropriate by the Board of Directors.

(viii) If the Board of Directors shall determine to consent to the conversion, the Board of Directors may approve and adopt a Plan of Conversion containing such terms and conditions that the Board of Directors determines to be necessary or appropriate.

Section 10.3 *Approval by Members of Merger or Consolidation.*

(a) Except as provided in Section 10.3(d), the Board of Directors, upon its approval of the Merger Agreement or Plan of Conversion, as the case may be, shall direct that the Merger Agreement or the Plan of Conversion, as applicable, be submitted to a vote of the Members, whether at a special meeting or by written consent, in either case in accordance with the requirements of Section 3.5. A copy or a summary of the Merger Agreement or the Plan of Conversion, as applicable, shall be included in or enclosed with the notice of a special meeting or the written consent.

(b) Except as provided in Section 10.3(d), the Merger Agreement or the Plan of Conversion, as applicable, shall be approved upon receiving the affirmative vote or consent of the Super-Majority Interest.

(c) Except as provided in Section 10.3(d), after such approval by vote or consent of the Members, and at any time prior to the filing of the certificate of merger or a certificate of conversion pursuant to Section 10.4, the merger, consolidation or conversion may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement or the Plan of Conversion, as the case may be.

(d) Notwithstanding anything else contained in this Article X or in this Agreement, the Board of Directors is permitted without Member approval, to convert the Company into a new limited liability entity, to merge the Company into, or convey all of the Company's assets to, another limited liability entity which shall be newly formed and shall have no assets, liabilities or operations at the time of such conversion, merger or conveyance other than those it receives from the Company if (i) the Board of Directors has received an Opinion of Counsel that the merger or conveyance, as the case may be, would not result in the loss of the limited liability of any Member or cause the Company or ETE to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated as such), (ii) the sole purpose of such conversion, merger or conveyance is to effect a mere change in the legal form of the Company into another limited liability entity and (iii) the governing instruments of the new entity provide the Members and the Board of Directors with the same rights and obligations as are herein contained.

(e) Additionally, notwithstanding anything else contained in this Article X or in this Agreement, the Board of Directors is permitted, without Member approval, to merge, consolidate or convert the Company with or into another entity if (A) the Board of Directors has received an Opinion of Counsel that the merger or consolidation, as the case may be, would not result in the loss of the limited liability of any Member or cause the Company to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated as such), (B) the merger or consolidation would not result in an amendment to this Agreement, other than any amendments that could be adopted pursuant to Section 13.4, (C) the Company is the Surviving Business Entity in such merger or consolidation and (D) the Membership Interests outstanding immediately prior to the effective date of the merger or consolidation are to be identical Membership Interests of the Company after the effective date of the merger or consolidation.

Section 10.4 *Certificate of Merger or Conversion*.

(a) Upon the required approval, if any, by the Board of Directors and the Members of a Merger Agreement or a Plan of Conversion, as the case may be, a certificate of merger or certificate of conversion, as applicable, shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

(b) At the effective time of the certificate of merger:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities and all other things and causes of action belonging to each of those business entities, shall be vested in the Surviving Business Entity and after the merger or consolidation shall be the property of the Surviving Business Entity to the extent they were of each constituent business entity;

(ii) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(iii) all rights of creditors and all liens on or security interests in property of any of those constituent business entities shall be preserved unimpaired; and

(iv) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

(c) At the effective time of the certificate of conversion:

(i) the Company shall continue to exist, without interruption, but in the organizational form of the converted entity rather than in its prior organizational form;

(ii) all rights, title, and interests to all real estate and other property owned by the Company shall continue to be owned by the converted entity in its new organizational form without reversion or impairment, without further act or deed, and without any transfer or assignment having occurred, but subject to any existing liens or other encumbrances thereon;

(iii) all liabilities and obligations of the Company shall continue to be liabilities and obligations of the converted entity in its new organizational form without impairment or diminution by reason of the conversion;

(iv) all rights of creditors or other parties with respect to or against the prior interest holders or other owners of the Company in their capacities as such in existence as of the effective time of the conversion will continue in existence as to those liabilities and obligations and may be pursued by such creditors and obligees as if the conversion did not occur;

(v) a proceeding pending by or against the Company or by or against any of Members in their capacities as such may be continued by or against the converted entity in its new organizational form and by or against the prior members without any need for substitution of parties; and

(vi) the Membership Interests that are to be converted into partnership interests, shares, evidences of ownership, or other securities in the converted entity as provided in the Plan of Conversion or certificate of conversion shall be so converted, and Members shall be entitled only to the rights provided in the Plan of Conversion or certificate of conversion.

A merger, consolidation or conversion effected pursuant to this Article shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another.

ARTICLE XI
TRANSFERS

Section 11.1 *Restriction on Transfers.* Except as otherwise permitted by this Agreement, no Member shall Transfer all or any portion of its Membership Interest; *provided*, *however*, that a Member may pledge or otherwise encumber all or any part of its Membership Interest as security for the payment of a debt, subject to any such pledge or hypothecation being made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all of the terms and conditions of this Article XI.

Section 11.2 *Permitted Transfers.* Subject to the conditions and restrictions set forth in Section 11.3, a Member may at any time Transfer all or any portion of its Membership Interest to (a) any Wholly Owned Affiliate of the transferor, (b) the transferor's administrator or trustee to whom such Membership Interest is transferred involuntarily by operation of law, or (c) any Purchaser in accordance with Section 12.2 (any such Transfer being referred to in this Agreement as a "***Permitted Transfer***").

Section 11.3 *Conditions to Permitted Transfers*. A Transfer shall not be treated as a Permitted Transfer under Section 11.2 hereof unless and until the following conditions are satisfied:

(a) The transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate to effectuate such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Agreement.

(b) Such Transfer will be exempt from all applicable registration requirements and will not violate any applicable laws regulating the Transfer of securities, and, except in the

case of a Transfer of a Membership Interest to another Member or to a Wholly Owned Affiliate of any Member, including the transferor, the transferor shall provide an opinion of nationally recognized counsel to such effect.

(c) Such Transfer will not cause the Company to be deemed to be an "investment company" under the Investment Company Act of 1940, as amended and the transferor shall provide an opinion of nationally recognized counsel to such effect. The Company and the other Members shall provide to such counsel any information available to the Company or to such other Members, as the case may be, and relevant to such opinion.

(d) No notice or request initiating the procedures contemplated by Article XII may be given by any Member, while any notice, purchase or Transfer is pending under Article XII, as the case may be, or after a Dissolution Event has occurred. No Member may sell any portion of its Membership Interest pursuant to Article XII during any period that, as provided above, it may not give the notice initiating the procedures contemplated by such Article or thereafter until it has given such notice and otherwise complied with the provisions of such Article.

Section 11.4 *Prohibited Transfers*.

(a) Any purported Transfer of a Membership Interest that is not a Permitted Transfer shall, to the fullest extent permitted by law, be null and void and of no force or effect whatever; *provided* that, if the Company is required to recognize a Transfer that is not a Permitted Transfer, the rights with respect to the Transferred Membership Interest shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the Transferred Membership Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or Liabilities for damages that the transferor or transferee of such Membership Interest may have to the Company.

(b) In the case of a Transfer or attempted Transfer of a Membership Interest that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all Liability and damages that the Company or any of such indemnified Members may incur (including incremental tax liabilities, lawyers' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

Section 11.5 *Rights of Unadmitted Assignees.* A Person who acquires a Membership Interest but who is not admitted as a substituted Member pursuant to Section 11.6 shall be entitled only to allocations and distributions with respect to such Membership Interest in accordance with this Agreement, and, to the fullest extent permitted by law, shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act or this Agreement.

Section 11.6 *Admission of Substituted Members.* Subject to the other provisions of this Article XI, a transferee of a Membership Interest may be admitted to the Company as a substituted Member only upon satisfaction of the conditions set forth in this Section 11.6:

(a) The Membership Interest with respect to which the transferee is being admitted was acquired by means of a Permitted Transfer;

(b) The transferee of a Membership Interest (other than, with respect to clauses (i) and (ii) below, a transferee that was a Member prior to the Transfer) shall, by written instrument, (i) accept and adopt the terms and provisions of this Agreement, including this Article XI and Article XII, and (ii) assume the obligations of the transferor Member under this Agreement with respect to the Transferred Membership Interest. The transferor Member shall be released from all such assumed obligations except (x) those obligations or Liabilities of the transferor Member arising out of a breach of this Agreement by the transferor Member and (y) in the case of a Transfer to any Person other than a Member, those obligations or Liabilities of the transferor Member based on events occurring, arising, or maturing prior to the date of Transfer; and

(c) The transferee and transferor shall each execute and deliver such other instruments as the Members acting with the approval of a Two-Thirds Interest reasonably deem necessary or appropriate to effect, and as a condition to, such Transfer, including amendments to the Certificate or any other instrument filed with the State of Delaware or any other state or Governmental Authority.

Section 11.7 *Distributions and Allocations in Respect of Transferred Member Interests.* If any Membership Interest is Transferred during any Allocation Year in compliance with the provisions of this Article XI, Profits, Losses, each item thereof, and all other items attributable to the Transferred Membership Interest for such Allocation Year shall be divided and allocated between the transferor and the transferee by taking into account their varying Membership Interests during the Taxable Year in accordance with Code Section 706(d), using any conventions permitted by law and agreed to by the transferor and transferee. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer; *provided* that, if the Company is given notice of a Transfer at least ten (10) Business Days prior to the Transfer, the Company shall recognize such Transfer as of the date of such Transfer; and *provided*, *further* that if the Company does not receive a notice stating the date such Membership Interest was Transferred and such other information as the Members may reasonably require within thirty (30) days after the end of the Allocation Year during which the Transfer occurs, then all such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, was the owner of the Membership Interest on the last day of such Allocation Year. To the fullest extent permitted by law, neither the Company nor the Members shall incur any Liability for making allocations and distributions in accordance with the provisions of this Section 11.7, whether or not any of the Members or the Company has knowledge of any Transfer of ownership of any Membership Interest.

ARTICLE XII
PREEMPTIVE RIGHTS

Section 12.1 *Rights to Participate in Issuance of Additional Membership Interests*. If any additional Membership Interests are issued in accordance with Section 3.2, each Member shall have the right to acquire any such additional Membership Interests issued by the Company pro rata in accordance with such Member's Sharing Ratio.

Section 12.2 *Rights of First Refusal.* In addition to the other limitations and restrictions set forth in Article XI, (i) no Member shall Transfer, other than (A) pursuant to a Permitted Transfer pursuant to Section 11.2(a) or (b), or (B) pursuant to Section 12.3, all or any portion of its Equity Units and (ii) Davis, Warren, NGP or EPE shall not transfer an interest in any Wholly Owned Affiliate that owns Equity Units and has been admitted as a Member, unless such Member (the "***Seller***") first offers to sell the Equity Units described in clauses (i) or (ii), as the case may be (the "***Offered Units***"), pursuant to the terms of this Section 12.2.

(a) *Limitation on Transfers*. No Transfer may be made under this Section 12.2 unless the Seller has received a bona fide written offer (the "***Purchase Offer***") from a Person (the "***Purchaser***") to purchase, directly or indirectly, the Offered Units for a purchase price (the "***Offer Price***") denominated and payable in United States dollars at closing or according to specified terms, with or without interest, which offer shall be in writing signed by the Purchaser and shall be irrevocable for a period ending no sooner than the Business Day following the end of the Offer Period, as hereinafter defined.

(b) *Offer Notice*. Prior to making any Transfer that is subject to the terms of this Section 12.2, the Seller shall give to the Company and each other Member written notice (the "***Offer Notice***") that shall include a copy of the Purchase Offer and an offer (the "***Firm Offer***") to sell the Offered Units to the other Members (the "***Offerees***") for the Offer Price, payable according to the same terms as (or more favorable terms than) those contained in the Purchase Offer, provided that the Firm Offer shall be made without regard to the requirement of any earnest money or similar deposit required of the Purchaser prior to closing, and without regard to any security (other than the Offered Units) to be provided by the Purchaser for any deferred portion of the Offer Price.

(c) *Offer Period*. The Firm Offer shall be irrevocable for a period (the "***Offer Period***") ending at 11:59 P.M., local time at the Company's principal place of business, on the ninetieth (90th) day following the day of the Offer Notice.

(d) *Acceptance of Firm Offer*. At any time during the Offer Period, any Offeree may accept the Firm Offer as to all or any portion of the Offered Units, by giving written notice of such acceptance to the Seller and each other Offeree, which notice shall indicate the maximum number of Equity Units that such Offeree is willing to purchase, such number not to exceed the product of (i) a fraction, the numerator of which is the Sharing Ratio of such Offeree, and the denominator of which is the aggregate Sharing Ratios of all of the Offerees, multiplied by (ii) the number of Offered Units. If at the end of the Offer Period, the Offerees accepting the initial Firm Offer (the "***Accepting Offerees***"), in the aggregate, accept the Firm Offer with respect to less than all of the Offered Units, such remaining portion of the Offered Units shall be

offered to the Accepting Offerees for an additional 30-day period. If there are two or more Accepting Offerees who accept this second offer and they desire to acquire in the aggregate a total number of Offered Units in excess of the remaining portion available, then the remaining portion of the Offered Units shall be allocated to such Accepting Offerees pro rata based on the number of Offered Units such Accepting Offerees elected to purchase in the initial Firm Offer, or in such manner as otherwise agreed to among the Accepting Offerees. Offerees do not accept the Firm Offer as to all of the Offered Units during the Offer Period, including such additional 30-day period, then the Firm Offer shall be deemed to be rejected.

(e) *Closing of Purchase Pursuant to Firm Offer*. In the event that the Firm Offer is accepted, the closing of the sale of the Offered Units shall take place within thirty (30) days after the Firm Offer is accepted or, if later, the date of closing set forth in the Purchase Offer. The Seller and all Accepting Offerees shall execute such documents and instruments as may be necessary or appropriate to effect the sale of the Offered Units pursuant to the terms of the Firm Offer, Article XI and this Article XII.

(f) *Sale Pursuant to Purchase Offer if Firm Offer Rejected*. If the Firm Offer is not accepted in the manner hereinabove provided, the Seller may sell the Offered Units to the Purchaser at any time within sixty (60) days after the last day of the Offer Period, *provided* that such sale shall be made on terms no more favorable to the Purchaser than the terms contained in the Purchase Offer and, *provided, further*, that such sale complies with other terms, conditions, and restrictions of this Agreement that are not expressly made inapplicable to sales occurring under this Section 12.2. In the event that the Offered Units are not sold in accordance with the terms of the preceding sentence, the Offered Units shall again become subject to all of the conditions and restrictions of this Section 12.2.

Section 12.3 *Rights to Compel Participation in Certain Transfers.*

(a) If any Members with an aggregate Sharing Ratio of 80% or more propose to Transfer Equity Units to a Third Party in a bona fide sale representing at least 80% of the Equity Units held by all Members (a "***Compelled Sale***"), such Members may at their option require all Members to Transfer their Drag-Along Portion for the same consideration per Equity Unit and otherwise on the same terms and conditions. The Members proposing such Transfer shall provide written notice of such Compelled Sale to the other Members (a "***Compelled Sale Notice***") at least thirty (30) days prior to the proposed Closing of Compelled Sale. The Compelled Sale Notice shall identify the transferee, the number of Equity Units subject to the Compelled Sale, the consideration for which a Transfer is proposed to be made (the "***Compelled Sale Price***"), the Drag-Along Portion of such other Member and all other material terms and conditions of the Compelled Sale. The number of Equity Units to be sold by each other Member will be the Drag-Along Portion of the Equity Units that such other Member owns. Each other Member shall be required to participate in the Compelled Sale on the terms and conditions set forth in the Compelled Sale Notice and to tender the Drag-Along Portion of its Equity Units as set forth below. The price payable in such Transfer shall be the Compelled Sale Price. Not later than the fifteenth (15^{th}) day following the date of the Compelled Sale Notice (the "***Compelled Sale Notice Period***"), each of the other Members shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate to effectuate such Transfer. If any other Member should fail to deliver such documents and instruments to the

Company, the Company (subject to reversal under Section 12.3(b)) shall cause the books and records of the Company to show that such Equity Units are bound by the provisions of this Section 12.3(a) and that such Equity Units shall be Transferred to the third party immediately upon surrender for Transfer by the holder thereof.

(b) The Members proposing the Compelled Sale shall have a period of one hundred twenty (120) days from the date of the Compelled Sale Notice to consummate the Compelled Sale on the terms and conditions set forth in such Compelled Sale Notice, *provided* that, if such Compelled Sale is subject to regulatory approval, such 120-day period shall be extended until the earlier of (x) one hundred fifty (150) days from the date of the Compelled Sale Notice and (y) the expiration of five Business Days after all such approvals have been received. If the Compelled Sale shall not have been consummated during such period, the Company immediately shall return to each of the other Members any documents in the possession of Company executed by the other Members in connection with such proposed Compelled Sale, and all the restrictions on Transfer contained in this Agreement or otherwise applicable at such time with respect to such Equity Units owned by the other Members shall again be in effect.

(c) The provisions of this Section 12.3 shall not apply to any proposed Transfer of any Equity Units by a Member pursuant to Section 12.4.

Section 12.4 *Rights to Participate in Transfer*.

(a) If, after compliance with Section 12.2, any Members propose to Transfer Equity Units held by such Members to a Third Party in a bona fide sale representing at least fifty percent (50%) of the Equity Units held by all Members (a "***Tag-Along Sale***"), then each Member may elect at its option, to transfer its Tag-Along Portion in the manner provided in this Section 12.4. In the event of such a proposed Transfer, the prospective selling Members shall provide each other Member written notice of the terms and conditions of such proposed transfer ("***Tag-Along Notice***") and offer each other Member the opportunity to participate in such sale. The Tag-Along Notice shall identify the number of Equity Units subject to the offer (the "***Tag-Along Offer***"), and the Tag-Along Portion of such other Member assuming that all other Members exercise their Tag-Along Rights, the consideration at which the Transfer is proposed to be made and all other material terms and conditions including copies of definitive agreements of the Tag-Along Offer, including the form of the proposed agreement, if any.

(b) From the date of the receipt of the Tag-Along Notice, each other Member shall have the right (a "***Tag-Along Right***"), exercisable by written notice ("***Tag-Along Response Notice***") given to the prospective selling Members within ten (10) Business Days of its receipt of the Tag-Along Notice (the "***Tag-Along Notice Period***"), to request that the prospective selling Members include in the proposed Transfer the number of Equity Units held by such other Member (each such other Member a "***Tagging Person***") not to exceed such other Member's Tag-Along Portion as is specified in such Tag-Along Response Notice. Each Tagging Person may include in the Tag-Along Sale all or any portion of such Tagging Person's Tag-Along Portion of Equity Units. Delivery of the Tag-Along Response Notice shall constitute an irrevocable acceptance of the Tag-Along Offer by such Tagging Persons. Each Tag-Along Response Notice shall include wire transfer instructions for payment or delivery of

the consideration for the Equity Units to be sold in such Tag-Along Sale. Each Tagging Person that exercises its Tag-Along Rights hereunder shall deliver to the Company, no later than three (3) Business Days prior to the closing of the Tag-Along Sale, such documents and instruments of conveyance as may be necessary or appropriate to effectuate such Transfer.

(c) If, at the end of a 120-day period after the expiration of the Tag-Along Notice Period (which 120-day period shall be extended if any of the transactions contemplated by the Tag-Along Offer are subject to regulatory approval until the earlier of (x) one hundred fifty (150) days after the expiration of Tag-Along Notice Period and (y) the expiration of five (5) Business Days after all such approvals have been received), the prospective selling Members have not completed the Transfer of all such Equity Units on the same terms and conditions set forth in the Tag-Along Notice, the Company immediately shall return to each of the other Members any documents in the possession of the Company executed by the other Members in connection with such proposed Tag-Along Sale, and all the restrictions on Transfer contained in this Agreement or otherwise applicable at such time with respect to such Equity Units owned by the other Members shall again be in effect.

(d) If, at the termination of the Tag-Along Notice Period, any Member shall not have elected to participate in the Tag-Along Sale, such Member will be deemed to have waived any and all of its rights under this Section 12.4 with respect to the Transfer of its securities pursuant to such Tag-Along Sale.

Section 12.5 *Purchase Option.*

(a) Upon the occurrence of a Trigger Event by any Member (the "***Subject Member***"), the Subject Member shall offer to sell to each other Member a number of Equity Units (the "***Offered Amount***") equal to:

(i)(A) the aggregate number of Common Units sold, transferred or disposed of after the date hereof through and including the date of the Trigger Event, divided by the Trigger Amount; multiplied by (B) 10% of the total amount of Equity Units held by the Member on the date hereof; *minus*

(ii) the total number of Equity Units previously sold by the Subject Member pursuant to the provisions of this Section 12.5 or otherwise.

In the event the Offered Amount is zero, the Subject Member shall not extend any offer to the other Members, and the other Members shall have no right to purchase any Equity Units from the Subject Member pursuant to this Section 12.5 until the occurrence of a subsequent Trigger Event.

(b) The purchase price of each Equity Unit offered and sold pursuant to this Section 12.5 shall be equal to (i) the value of the interests in ETE held by the Company at such time divided by (ii) the aggregate number of Equity Units outstanding at such time (the "***Purchase Option Price***"). For purposes of this Section 12.5, the general partner interest in ETE held by the Company shall be valued based on its equivalent Common Units and such equivalent Common Units and the other Common Units held by the Company shall be valued based on the average of the reported closing prices of Common Units on the principal stock exchange on which the Common Units are then traded on each trading day during the 10 trading day period ending immediately prior to the date of the determination.

(c) Immediately upon the occurrence of a Trigger Event, the Subject Member shall give the other Members written notice (the "***Purchase Option Notice***") that shall include the Offered Amount and the Purchase Option Price. Each other Member shall have the right to exercise its Purchase Option and acquire its Purchase Option Portion of the Offered Amount of Equity Units pursuant to the terms of the Purchase Option Notice for a period of thirty (30) days (the "***Purchase Option Notice Period***"). If, at the termination of the Purchase Option Notice Period, any Member shall not have elected to exercise its rights under this Section 12.5, such Member will be deemed to have waived any and all of its rights under this Section 12.5 and such portion of the Purchasable Units not purchased by such Member shall be offered to the other Members pursuant to the terms set forth in this Section 12.5(c) for an additional thirty (30) day period.

Section 12.6 *Put Right.*

(a) At any time during the twelve-month period following the date on which Warren holds Equity Units representing less than twenty percent (20%) of the Equity Units held by all Members or is no longer a Member, Davis shall have the right to cause the Company to purchase all of his Equity Units for the purchase price set forth in Section 12.6(c).

(b) If (i) a Member has sold all of the Common Units owned, directly or indirectly, by such Member, (ii) the Purchase Option Notice Period and the additional 30-day period set forth in Section 12.5(b) has expired, and (iii) such Member continues to hold Equity Units, then at any time during the twelve-month period following the expiration of the 30-day period set forth in Section 12.5(b), such Member shall have the right to cause the Company to purchase all of its Equity Units for the purchase price set forth in Section 12.6(c).

(c) The purchase price of each Equity Unit offered and sold pursuant to this Section 12.6 shall be equal to (i) the value of the interests in ETE held by the Company at such time divided by (ii) the aggregate number of Equity Units outstanding at such time. For purposes of this Section 12.6, the general partner interest in ETE held by the Company shall be valued based on its equivalent Common Units and such equivalent Common Units and the other Common Units held by the Company shall be valued based on the average of the reported closing sale prices of Common Units on the principal stock exchange on which the Common Units are then traded on each trading day during the 10 trading-day period ending immediately prior to the date of the determination.

(d) The Company shall be required to purchase all of the Equity Units held by a Member exercising its rights under this Section 12.6 for cash within sixty (60) days of deliver by such Member to the Company of written notice that such Member is exercising such rights. The Members hereby agree that the Company may require the other Members to make additional Capital Contributions to the Company in amount not to exceed the purchase price of the Equity Units sold pursuant to this Section 12.6.

ARTICLE XIII
GENERAL PROVISIONS

Section 13.1 *Notices.* Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and must be delivered to the recipient in person, by courier or mail or by facsimile or other electronic transmission and a notice, request or consent given under this Agreement is effective on receipt by the Person to receive it; *provided*, *however*, that a facsimile or other electronic transmission that is transmitted after the normal business hours of the recipient shall be deemed effective on the next Business Day. All notices, requests and consents to be sent to a Member must be sent to or made at the addresses given for that Member as that Member may specify by notice to the other Members. Any notice, request or consent to the Company must be given to all of the Members. Whenever any notice is required to be given by Applicable Law, the Organizational Certificate or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Whenever any notice is required to be given by Law, the Organizational Certificate or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 13.2 *Entire Agreement; Supersedure.* This Agreement constitutes the entire agreement of the Members and their respective Affiliates relating to the subject matter hereof and supersedes all prior contracts or agreements with respect to such subject matter, whether oral or written.

Section 13.3 *Effect of Waiver or Consent.* Except as provided in this Agreement, a waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Except as provided in this Agreement, failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

Section 13.4 *Amendment or Restatement.* This Agreement may be amended or restated only by a written instrument executed by all Members; *provided*, *however*, that notwithstanding anything to the contrary contained in this Agreement, each Member agrees that the Board of Directors, without the approval of any Member, may amend any provision of the Certificate of Formation and this Agreement, and may authorize any Officer to execute, swear to, acknowledge, deliver, file and record any such amendment and whatever documents may be required in connection therewith, to reflect any change that does not require consent or approval (or for which such consent or approval has been obtained) under this Agreement or does not materially adversely affect the rights of the Members; *provided*, *further*, that any amendment to Section 2.4 of this Agreement shall be deemed to materially affect the Members.

Section 13.5 *Binding Effect.* This Agreement is binding on and shall inure to the benefit of the Members and their respective heirs, legal representatives, successors and assigns.

Section 13.6 *Governing Law; Severability*. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Agreement and (a) any provision of the Organizational Certificate, or (b) any mandatory, non-waivable provision of the Act, such provision of the Organizational Certificate or the Act shall control. If any provision of the Act provides that it may be varied or superseded in the limited liability company agreement (or otherwise by agreement of the members or managers of a limited liability company), such provision shall be deemed superseded and waived in its entirety if this Agreement contains a provision addressing the same issue or subject matter. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, (a) the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by Law, and (b) the Members or Directors (as the case may be) shall negotiate in good faith to replace that provision with a new provision that is valid and enforceable and that puts the Members in substantially the same economic, business and legal position as they would have been in if the original provision had been valid and enforceable.

Section 13.7 *Further Assurances.* In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

Section 13.8 *Offset.* Whenever the Company is to pay any sum to any Member, any amounts that a Member owes the Company may be deducted from that sum before payment.

Section 13.9 *Counterparts.* This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the Members have executed this Agreement as of the date first set forth above.

COMPANY:

LE GP, LLC

By: /s/ John W. McReynolds
Name: John W. McReynolds
Title: President

MEMBERS:

/s/ Ray C. Davis
RAY C. DAVIS

/s/ Kelcy L. Warren
KELCY L. WARREN

NATURAL GAS PARTNERS VI, L.P.

By: G.F.W. Energy VI, L.P.,
its general partner

By: GFW VI, L.L.C.,
its general partner

By: /s/ Kenneth A. Hersh
An Authorized Member

ENTERPRISE GP HOLDINGS L.P.

By: /s/ Michael A.Creel
Name: Michael A.Creel
Title: Chief Executive Officer

LE GP-TAX, LLC

By: /s/ Kelcy L. Warren
Name: Kelcy L. Warren
Title: Sole Member

EXHIBIT A

Name and Address of Member:	Number of Equity Units:
Ray C. Davis 2828 Woodside Street Dallas, Texas 75204	174,538
Kelcy L. Warren 2828 Woodside Street Dallas, Texas 75204	375,790
Natural Gas Partners VI, L.P. 125 East John Carpenter Frwy. Suite 600 Irving, Texas 75062	151,370
Enterprise GP Holdings L.P. 1100 Louisiana Street, 18th Floor Houston, Texas 77002	375,790
LE GP-Tax, LLC 2828 Woodside Street Dallas, Texas 75204	-0-

Exhibit 10.45

Execution Copy

UNITHOLDER RIGHTS AND RESTRICTIONS AGREEMENT

by and among

ENERGY TRANSFER EQUITY, L.P.,

and

ENTERPRISE GP HOLDINGS, L.P.,

RAY C. DAVIS

and

NATURAL GAS PARTNERS VI, L.P.

UNITHOLDER RIGHTS AND RESTRICTIONS AGREEMENT

THIS UNITHOLDER RIGHTS AND RESTRICTIONS AGREEMENT (this "Agreement") is made and entered into as of May 7, 2007, by and among ENERGY TRANSFER EQUITY, L.P., a Delaware limited partnership ("ETE"), ENTERPRISE GP HOLDINGS, L.P. ("Investor"), RAY C. DAVIS ("Davis") and NATURAL GAS PARTNERS VI, L.P. ("NGP").

This Agreement is made in connection with the sale of 38,976,090 common units of ETE (the "Purchased Units") to the Investor pursuant to the Securities Purchase Agreement, dated as of May 7, 2007, by and among Davis, Avatar Holdings LLC, Avatar Investments LP, Natural Gas Partners VI, L.P., Lon Kile, MHT Properties, Ltd., P. Brian Smith Holdings LP, LE GP, LLC and the Investor (the "Purchase Agreement"). ETE has agreed to enter into this Agreement pursuant to Section 5.5 of the Purchase Agreement.

In consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the parties hereby agree (in the case of the Investors, severally and not jointly) as follows:

ARTICLE I.
DEFINITIONS

Section 1.01 Definitions. The terms set forth below are used herein as so defined:

"Agreement" has the meaning specified therefor in the introductory paragraph.

"Affiliate" means any Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. The term "control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Antitrust Investigation" means any investigation, inquiry, review, proceeding, action or threatened action taken by a Governmental Authority in enforcing the Antitrust Laws solely in connection with: (i) the acquisition by Investor of the Purchased Units and membership interests in the general partner of ETE pursuant to the Purchase Agreement, (ii) the resulting ownership by Investor of the Purchased Units or membership units in the general partner of ETE as of the date of this Agreement or (iii) the possession of rights and powers of Investor provided by this Agreement or otherwise related to the ownership of the membership units in the general partner of ETE or the Purchased Units; provided, in the case of clauses (ii) and (iii), solely with respect to the assets, business and operations of ETE, the Investor and their Affiliates as of the date of this Agreement and not with respect to any subsequent acquisitions by, or changes to the assets, business or operations of, ETE, Investor or their respective Affiliates.

"Antitrust Laws" shall include the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other federal,

state and foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition.

"Commercially Sensitive Information" has the meaning specified therefor in the Statement of Policies Relating to Relationship with Enterprise Holdings GP, L.P., a copy of which is attached to this Agreement as Exhibit A and incorporated herein for all purposes, as such Statement may be amended from time to time.

"Commission" means the Securities and Exchange Commission.

"Common Units" means the common units of ETE.

"Confidential Information" has the meaning specified therefor in Section 4.03 of this Agreement.

"Demand Registration" has the meaning specified therefor in Section 2.01(a) of this Agreement.

"Demand Registration Statement" has the meaning specified therefor in Section 2.01(a) of this Agreement.

"Disposition" has the meaning specified therefor in Section 3.01 of this Agreement.

"Divestiture Losses" has the meaning specified therefor in Section 6.01(d) of this Agreement

"Effectiveness Period" has the meaning specified therefor in Section 2.01(a) of this Agreement.

"ETE" has the meaning specified therefor in the introductory paragraph.

"ETP" means Energy Transfer Partners, L.P., a Delaware limited partnership.

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

"Final Restricted Period" means the twelve-month period beginning on the date immediately after the end of the Initial Restricted Period.

"GAAP" has the meaning specified therefor in Section 4.01(a) of this Agreement.

"Governmental Authority" means any federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body, including but not limited to all U.S., state and foreign governmental agencies responsible for enforcing the Antitrust Laws.

"Holder" means the record holder of any Registrable Securities.

"Included Registrable Securities" has the meaning specified therefor in Section 2.02(a) of this Agreement.

"Initial Restricted Period" means the period from the date of this Agreement through the date six months after the date of this Agreement.

"Investor" has the meaning specified therefor in the introductory paragraph.

"Losses" has the meaning specified therefor in Section 2.07(a) of this Agreement.

"Managing Underwriter" means, with respect to any Underwritten Offering, a book-running lead manager of such Underwritten Offering.

"Notice" has the meaning specified therefor in Section 3.04 of this Agreement.

"NYSE" has the meaning specified therefor in Section 3.02 of this Agreement.

"Person" means an individual, corporation, association, trust, limited liability company, limited partnership, limited liability partnership, partnership, incorporated organization, or other entity or group (as defined in Section 13(d)(3) of the Exchange Act).

"Piggyback Registration" has the meaning specified therefor in Section 2.02(a) of this Agreement.

"Purchase Agreement" has the meaning specified therefor in the Recital of this Agreement.

"Purchased Units" has the meaning specified therefor in the Recital of this Agreement.

"Registrable Securities" means (i) the Purchased Units and (ii) any Common Units issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the Purchased Units, in each case until such time as such securities described in clause (i) or (ii) above cease to be Registrable Securities pursuant to Section 1.02 hereof.

"Registration Expenses" has the meaning specified therefor in Section 2.06(a) of this Agreement.

"Restricted Periods" means the Initial Restricted Period and the Final Restricted Period.

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Expenses" has the meaning specified therefor in Section 2.07(a) of this Agreement.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement.

"Standstill Period" means the period from the date of this Agreement through the date three years from the date of this Agreement.

"Underwritten Offering" means an offering (including an offering pursuant to a Demand Registration Statement) in which Common Units are sold to an underwriter on a firm commitment basis for reoffering to the public or an offering that is a "bought deal" with one or more investment banks.

Section 1.02 Registrable Securities. Any Registrable Security will cease to be a Registrable Security when (a) a registration statement covering such Registrable Security has been declared effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such effective registration statement; (b) such Registrable Security has been disposed of pursuant to any section of Rule 144 (or any similar provision then in force under the Securities Act); (c) such Registrable Security is held by ETE or one of its Subsidiaries; or (d) (i) such Registrable Security is eligible for resale under Rule 144(k) under the Securities Act and (ii) the Holder of such Registrable Security is able to utilize Rule 144(k) under the Securities Act.

ARTICLE II.
REGISTRATION RIGHTS

Section 2.01 Demand Registration.

(a) Demand Registration. At any time following the last day of the Initial Restricted Period ("Initial Restriction Expiration Date"), any Holder or Holders holding an aggregate of not less than 50% of the then outstanding Registrable Securities ("Initial Holders") may request, by written notice (a "Demand") to ETE, specifying the number of Registrable Securities desired to be sold (which shall not be less than 10% of the Registrable Securities, and which may not exceed the limits set forth in Section 3.01 during the Final Restricted Period), that ETE prepare and file a registration statement under the Securities Act ("Demand Registration Statement") to permit the public resale of Registrable Securities either (a) in an Underwritten Offering or (b) from time to time as permitted by Rule 415 under the Securities Act (either, a "Demand Registration"). Promptly upon receipt of a Demand, ETE shall give written notice thereof to all other Holders. All such Holders who notify ETE in writing within fifteen (15) days after the date of such notice that they desire to include Registrable Securities in the Demand Registration Statement shall be permitted to do so. ETE shall use its commercially reasonable efforts to cause a Demand Registration Statement to become effective no later than 180 days after the date of the Demand. A Demand Registration Statement filed pursuant to this Section 2.01(a) shall be on such appropriate registration form of the Commission as shall be selected by ETE; provided, however, that if a prospectus or a prospectus supplement will be used in connection with the marketing of an Underwritten Offering from the Demand Registration Statement and the Managing Underwriter selected by the Selling Holders at any time shall notify ETE in writing that, in the sole judgment of such Managing Underwriter, inclusion of detailed information to be used in such prospectus or prospectus supplement is of material importance to the success of the Underwritten Offering of such Registrable Securities, ETE shall use its commercially

reasonable efforts to include such information in such a prospectus or prospectus supplement. In the case of a shelf registration, ETE will cause a Demand Registration Statement filed pursuant to this Section 2.01(a) to be continuously effective under the Securities Act until all Registrable Securities covered by the Demand Registration Statement have been distributed in the manner set forth and as contemplated in the Demand Registration Statement or there are no longer any Registrable Securities outstanding covered by such Demand Registration Statement (the "Effectiveness Period"). The Demand Registration Statement when declared effective (including the documents incorporated therein by reference) will comply as to form with all applicable requirements of the Securities Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As soon as practicable following the date a Demand Registration Statement becomes effective, but in any event within two Business Days after such date, ETE shall provide the Selling Holders with written notice thereof. ETE is obligated to effect only three (3) Demand Registrations pursuant to this Section 2.01.

(b) Delay Rights. Notwithstanding anything to the contrary contained herein, ETE may, upon written notice to any Selling Holder whose Registrable Securities are included in a Demand Registration Statement, suspend such Selling Holder's use of any prospectus which is a part of the Demand Registration Statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to the Demand Registration Statement other than the closing of sales already committed for prior to receipt of such notice to suspend) if ETE (i) is pursuing a financing, acquisition, merger, reorganization, disposition or other similar transaction and determines in good faith that its ability to pursue or consummate such a transaction would be materially adversely affected by any required disclosure of such transaction in the Demand Registration Statement or (ii) has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of ETE, would materially adversely affect ETE; provided, however, that in no event shall the Selling Holders be suspended for a period exceeding an aggregate of 90 days (exclusive of days covered by any lock-up agreement executed by a Holder in connection with any Underwritten Offering by ETE or the Holders) in any 365-day period. Upon disclosure of such information or the termination of the condition described above, ETE shall provide prompt notice to the Selling Holders whose Registrable Securities are included in the Demand Registration Statement, and shall promptly terminate any suspension of sales it has put into effect and shall take such other actions to permit registered sales of Registrable Securities as contemplated in this Agreement.

Section 2.02 Piggyback Registration.

(a) Participation. If ETE at any time proposes to file a registration statement or a prospectus supplement to an effective registration statement with respect to an Underwritten Offering of Common Units for its own account or to register any Common Units for its own account for sale to the public in an Underwritten Offering other than (x) a registration relating solely to employee benefit plans, (y) a registration relating solely to a Rule 145 transaction, or (z) a registration on any registration form which does not permit secondary sales or does not include substantially the same information as

would be required to be included in a registration statement covering the sale of Registrable Securities, then, as soon as practicable following the engagement of counsel to ETE to prepare the documents to be used in connection with an Underwritten Offering, ETE shall give notice of such proposed Underwritten Offering to the Holders and such notice shall offer the Holders the opportunity to include in such Underwritten Offering such number of Registrable Securities as each such Holder may request in writing (a "Piggyback Registration"); provided, however, that ETE shall not be required to offer such opportunity to Holders if ETE has been advised by a Managing Underwriter that the inclusion of Registrable Securities for sale for the benefit of the Holders will have a material adverse effect on the price, timing or distribution of the Common Units. Subject to the preceding sentence and subject to Section 2.02(b), ETE shall include in such Underwritten Offering all such Registrable Securities ("Included Registrable Securities") with respect to which ETE has received requests within ten days after ETE's notice has been delivered in accordance with Section 7.01. If no request for inclusion from a Holder is received within the specified time, such Holder shall have no further right to participate in such Piggyback Registration. If, at any time after giving written notice of its intention to undertake an Underwritten Offering and prior to the closing of such Underwritten Offering, ETE shall determine for any reason not to undertake or to delay such Underwritten Offering, ETE may, at its election, give written notice of such determination to the Selling Holders and, (x) in the case of a determination not to undertake such Underwritten Offering, shall be relieved of its obligation to sell any Included Registrable Securities in connection with such terminated Underwritten Offering, and (y) in the case of a determination to delay such Underwritten Offering, shall be permitted to delay offering any Included Registrable Securities for the same period as the delay in the Underwritten Offering. Any Selling Holder shall have the right to withdraw such Selling Holder's request for inclusion of such Selling Holder's Registrable Securities in such offering by giving written notice to ETE of such withdrawal up to and including the time of pricing of such offering. Notwithstanding the foregoing, any Holder may deliver written notice to ETE requesting that such Holder not receive notice from ETE of any proposed Underwritten Offering; provided, that such Holder may later revoke any such notice.

(b) Priority of Piggyback Registration. If the Managing Underwriter or Underwriters of any proposed Underwritten Offering of Common Units included in a Piggyback Registration advises ETE that the total amount of Common Units which the Selling Holders and any other Persons intend to include in such offering exceeds the number which can be sold in such offering without being likely to have a material adverse effect on the price, timing or distribution of the Common Units offered or the market for the Common Units, then the Common Units to be included in such Underwritten Offering shall include the number of Registrable Securities that such Managing Underwriter or Underwriters advises ETE can be sold without having such material adverse effect, with such number to be allocated pro rata among the Selling Holders who have requested participation in the Piggyback Registration (based, for each such Selling Holder, on the percentage derived by dividing (A) the number of Registrable Securities proposed to be sold by such Selling Holder in such offering; by (B) the aggregate number of Common Units proposed to be sold by the Selling Holders and any other Persons with registration rights that are pari passu with the rights of the Holders

participating in the Piggyback Registration to be included in such offering). If there are to be any Included Registrable Securities in the proposed Underwritten Offering of Common Units, then the Selling Holders representing a majority of the Registrable Securities to be sold in the Underwritten Offering shall be entitled to approve one Managing Underwriter with respect to the Registrable Securities to be sold in that Underwritten Offering.

(c) Termination of Piggyback Registration Rights. The Piggyback Registration rights granted pursuant to this Section 2.02 shall terminate two years following the Restriction Expiration Date.

Section 2.03 Underwritten Offering. In the event that a Selling Holder elects to dispose of Registrable Securities under a Demand Registration Statement pursuant to an Underwritten Offering, ETE shall enter into an underwriting agreement in customary form with the Managing Underwriter, which shall include, among other provisions, indemnities to the effect and to the extent provided in Section 2.07, and shall take all such other reasonable actions as are requested by a Managing Underwriter in order to expedite or facilitate the registration and disposition of the Registrable Securities. In connection with any Underwritten Offering under this Agreement, a majority of the Selling Holders shall be entitled to select the Managing Underwriter with respect to the Registrable Securities to be sold in that Underwritten Offering. In connection with an Underwritten Offering under Section 2.01 or 2.02 hereof, each Selling Holder and ETE shall be obligated to enter into an underwriting agreement which contains such representations, covenants, indemnities and other rights and obligations as are customary in underwriting agreements for firm commitment offerings of securities. No Selling Holder may participate in such Underwritten Offering unless such Selling Holder agrees to sell its Registrable Securities on the basis provided in such underwriting agreement and completes and executes all questionnaires, powers of attorney, indemnities, lock-up agreements and other documents reasonably required under the terms of such underwriting agreement. Each Selling Holder may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, ETE to and for the benefit of such underwriters also be made to and for such Selling Holder's benefit and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also be conditions precedent to its obligations. No Selling Holder shall be required to make any representations or warranties to or agreements with ETE or the underwriters other than representations, warranties or agreements regarding such Selling Holder and its ownership of the securities being registered on its behalf and its intended method of distribution and any other representation required by law. If any Selling Holder disapproves of the terms of an underwriting, such Selling Holder may elect to withdraw therefrom by notice to ETE and a Managing Underwriter; provided, however, that such withdrawal must be made at or prior to the time of pricing of such offering to be effective. No such withdrawal or abandonment shall affect ETE's obligation to pay Registration Expenses.

Section 2.04 Registration Procedures. In connection with its obligations contained in Sections 2.01 and 2.02, ETE will, as expeditiously as possible:

(a) prepare and file with the Commission such amendments and supplements to the Demand Registration Statement and the prospectus used in connection therewith as may be necessary to keep a Demand Registration Statement that is a shelf registration

effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Demand Registration Statement;

(b) furnish to each Selling Holder (i) as far in advance as reasonably practicable before filing any registration statement contemplated by this Agreement or any supplement or amendment thereto, upon request, copies of reasonably complete drafts of all such documents proposed to be filed (including furnishing or making available exhibits and each document incorporated by reference therein to the extent then required by the rules and regulations of the Commission), and provide each such Selling Holder the opportunity to object to any information pertaining to such Selling Holder and its plan of distribution that is contained therein and make the corrections reasonably requested by such Selling Holder with respect to such information prior to filing such registration statement or supplement or amendment thereto, and (ii) such number of copies of such registration statement and the prospectus included therein and any supplements and amendments thereto as such Persons may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities covered by such registration statement;

(c) if applicable, use its commercially reasonable efforts to register or qualify the Registrable Securities covered by any registration statement contemplated by this Agreement under the securities or blue sky laws of such jurisdictions as the Selling Holders or, in the case of an Underwritten Offering, the Managing Underwriter, shall reasonably request, provided that ETE will not be required to qualify generally to transact business in any jurisdiction where it is not then required to so qualify or to take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject;

(d) promptly notify each Selling Holder and each underwriter, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the filing of any registration statement contemplated by this Agreement or any prospectus or prospectus supplement to be used in connection therewith, or any amendment or supplement thereto, and, with respect to such registration statement contemplated by this Agreement, when the same has become effective; and (ii) any written comments from the Commission with respect to any filing referred to in clause (i) and any written request by the Commission for amendments or supplements to any registration statement contemplated by this Agreement or any prospectus or prospectus supplement thereto;

(e) immediately notify each Selling Holder and each underwriter, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the happening of any event as a result of which the prospectus or prospectus supplement contained in any registration statement contemplated by this Agreement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; (ii) the issuance or threat of issuance by the Commission of any stop order suspending the effectiveness of any

registration statement contemplated by this Agreement, or the initiation of any proceedings for that purpose; or (iii) the receipt by ETE of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, ETE agrees to as promptly as practicable amend or supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and to take such other action as is necessary to remove a stop order, suspension, threat thereof or proceedings related thereto;

(f) furnish to each Selling Holder copies of any and all transmittal letters or other correspondence with the Commission or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering of Registrable Securities;

(g) furnish within 30 days of a written request, which may be made from time to time, whether in the case of an Underwritten Offering or otherwise in connection with the sale or resale of the Registrable Securities, (i) an opinion of counsel for ETE, dated the effective date of the applicable registration statement or the date of any amendment or supplement thereto, and a letter of like kind dated the date of the closing under the underwriting agreement, if any, and (ii) a "comfort letter," dated the effective date of the applicable registration statement or the date of any amendment or supplement thereto and a letter of like kind dated the date of the closing under the underwriting agreement, if any, in each case, signed by the independent public accountants who have certified ETE's financial statements included or incorporated by reference into the applicable registration statement, and each of the opinion and the "comfort letter" shall be in customary form and covering substantially the same matters with respect to such registration statement (and the prospectus and any prospectus supplement included therein) and as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in Underwritten Offerings of securities, and such other matters as such underwriters may reasonably request;

(h) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least 12 months, but not more than 18 months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(i) make available to the appropriate representatives of the Managing Underwriter and Selling Holders access to such information and ETE personnel as is reasonable and customary to enable such parties to establish a due diligence defense under the Securities Act; provided that ETE need not disclose any information to any

such representative unless and until such representative has entered into a confidentiality agreement with ETE;

(j) cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange or nationally recognized quotation system on which similar securities issued by ETE are then listed;

(k) use its commercially reasonable efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of ETE to enable the Selling Holders to consummate the disposition of such Registrable Securities;

(l) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(m) enter into customary agreements and take such other actions as are reasonably requested by the Selling Holders or the underwriters, if any, in order to expedite or facilitate the disposition of such Registrable Securities; and

(n) notify the Selling Holders in advance of ETE's or any affiliate's intent to conduct any repurchase of Common Units, whether in the open market, through privately negotiated transactions, by tender offer or otherwise.

Each Selling Holder, upon receipt of notice from ETE of the happening of any event of the kind described in subsection (e) of this Section 2.04, shall forthwith discontinue disposition of the Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 2.04 or until it is advised in writing by ETE that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, and, if so directed by ETE, such Selling Holder will, or will request the managing underwriter or underwriters, if any, to deliver to ETE (at ETE's expense) all copies in their possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

Section 2.05 Cooperation by Holders. ETE shall have no obligation to include in any Demand Registration units of a Holder or in a Piggyback Registration units of a Selling Holder who has failed to timely furnish all such information which, in the opinion of counsel to ETE, is reasonably required in order for the registration statement or any prospectus or prospectus supplement thereto, as applicable, to comply with the Securities Act.

Section 2.06 Expenses.

(a) Certain Definitions. "Registration Expenses" means all expenses incident to ETE's performance under or compliance with this Agreement to effect the registration of Registrable Securities in a Demand Registration or a Piggyback Registration, and the disposition of such securities, including, without limitation, all registration, filing, securities exchange listing and NYSE fees, all registration, filing, qualification and other

fees and expenses of complying with securities or blue sky laws, fees of the National Association of Securities Dealers, Inc., transfer taxes and fees of transfer agents and registrars, all word processing, duplicating and printing expenses, the fees and disbursements of counsel and independent public accountants for ETE, including the expenses of any special audits or "comfort letters" required by or incident to such performance and compliance. Except as otherwise provided in Section 2.07 hereof, ETE shall not be responsible for legal fees incurred by Holders in connection with the exercise of such Holders' rights hereunder. In addition, ETE shall not be responsible for any "Selling Expenses," which means all underwriting fees, discounts and selling commissions allocable to the sale of the Registrable Securities.

(b) Expenses. ETE will pay all Registration Expenses in connection with any Demand Registration Statement filed pursuant to Section 2.01(a) of this Agreement and ETE will pay all Registration Expenses in connection with a Piggyback Registration, whether or not the Demand Registration Statement becomes effective or any sale is made pursuant to a Demand Registration or Piggyback Registration. Each Selling Holder shall pay all Selling Expenses in connection with any sale of its Registrable Securities hereunder.

Section 2.07 Indemnification.

(a) By ETE. In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, ETE will indemnify and hold harmless each Selling Holder thereunder, its directors and officers and each underwriter, pursuant to the applicable underwriting agreement with such underwriter of Registrable Securities thereunder and each Person, if any, who controls such Selling Holder or underwriter within the meaning of the Securities Act and the Exchange Act, against any losses, claims, damages, expenses or liabilities (including reasonable attorneys' fees and expenses) (collectively, "Losses"), joint or several, to which such Selling Holder, director, officer, underwriter or controlling Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement contemplated by this Agreement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and will reimburse each such Selling Holder, its directors and officers, each such underwriter and each such controlling Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions or proceedings; provided, however, that ETE will not be liable in any such case if and to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Selling Holder, such underwriter or such controlling Person in writing specifically for use in any registration statement contemplated by this Agreement or any prospectus contained therein or any amendment or supplement thereof,

as applicable. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Holder or any such director, officer, underwriter or controlling Person, and shall survive the transfer of such securities by such Selling Holder.

(b) By Each Selling Holder. Each Selling Holder agrees severally and not jointly to indemnify and hold harmless ETE, its directors and officers, and each Person, if any, who controls ETE within the meaning of the Securities Act or of the Exchange Act to the same extent as the foregoing indemnity from ETE to the Selling Holders, but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclusion in any registration statement contemplated by this Agreement or any prospectus contained therein or any amendment or supplement thereof relating to the Registrable Securities; provided, however, that the liability of each Selling Holder shall not be greater in amount than the dollar amount of the proceeds (net of any Selling Expenses) received by such Selling Holder from the sale of the Registrable Securities giving rise to such indemnification.

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party other than under this Section 2.07. In any action brought against any indemnified party, it shall notify the indemnifying party of the commencement thereof. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.07 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; provided, however, that, (i) if the indemnifying party has failed to assume the defense and employ counsel or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other reasonable expenses related to such participation to be reimbursed by the indemnifying party as incurred. Notwithstanding any other provision of this Agreement, no indemnifying party shall settle any action brought against an indemnified party with respect to which such indemnified party is entitled to indemnification hereunder without the consent of the indemnified party, unless the settlement thereof imposes no liability or obligation on, and includes a complete and unconditional release from all liability of, the indemnified party.

(d) Contribution. If the indemnification provided for in this Section 2.07 is held by a court or government agency of competent jurisdiction to be unavailable to ETE or any Selling Holder in respect of any Losses, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses as between ETE on the one hand and such Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of ETE on the one hand and of such Selling Holder on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations; provided, however, that in no event shall such Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of proceeds (net of Selling Expenses) received by such Selling Holder from the sale of Registrable Securities giving rise to such indemnification. The relative fault of ETE on the one hand and each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the first sentence of this paragraph. The amount paid by an indemnified party as a result of the Losses referred to in the first sentence of this paragraph shall be deemed to include any legal and other expenses reasonably incurred by such indemnified party in connection with investigating or defending any Loss which is the subject of this paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Other Indemnification. The provisions of this Section 2.07 shall be in addition to any other rights to indemnification or contribution which an indemnified party may have pursuant to law, equity, contract or otherwise.

Section 2.08 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, ETE agrees to use its commercially reasonable efforts to:

(a) Make and keep public information regarding ETE available, as those terms are understood and defined in Rule 144 of the Securities Act, at all times from and after the date hereof;

(b) File with the Commission in a timely manner all reports and other documents required of ETE under the Securities Act and the Exchange Act at all times from and after the date hereof; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request a copy of the most recent annual or quarterly report of

ETE, and such other reports and documents so filed as such Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such Holder to sell any such securities without registration.

Section 2.09 Transfer or Assignment of Registration Rights. The rights to cause ETE to register Registrable Securities granted to the Investor by ETE under this Article II may be transferred or assigned by the Investor to one or more transferee(s) or assignee(s) of such Registrable Securities that is an Affiliate of Investor, provided that (a) ETE is given written notice prior to any said transfer or assignment, stating the name and address of each such transferee and identifying the securities with respect to which such registration rights are being transferred or assigned, (b) each such transferee agrees to be bound by the terms of this Agreement, and (c) such transferee would own Registrable Securities at the time of such transfer that have a market value of not less than $25 million.

Section 2.10 Information by Holder. Any Holder or Holders of Registrable Securities included in any registration shall promptly furnish to ETE all such information regarding such Holder or Holders and the distribution proposed by such Holder or Holders as ETE may reasonably request and as shall be required in connection with any registration, qualification or compliance referred to herein.

Section 2.11 Limitation on Subsequent Registration Rights. From and after the date hereof until the termination of the Investor's piggyback registration rights pursuant to Section 2.02(c) hereof, ETE shall not, without the prior written consent of the Holders of a majority of the then outstanding Registrable Securities, enter into any agreement with any current or future holder of any securities of ETE that would allow such current or future holder to require ETE to include securities in any registration statement filed by ETE on a basis that would give such holder priority in any way over the piggyback rights granted to the Investor under Section 2.02 hereof.

ARTICLE III.
TRANSFER RESTRICTIONS

Section 3.01 Restricted Period. Except as permitted under Section 3.04, Investor, Davis and NGP each agrees that (i) during the Initial Restricted Period, with respect to 100 percent of the Common Units owned by such party or its Affiliates set forth on Schedule 3.01 hereto, and (ii) during the Final Restricted Period, with respect to 50 percent of the Common Units owned by such party or its Affiliates set forth on Schedule 3.01 hereto, it will not (a) loan, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, such Common Units or any security convertible into or exchangeable for such Common Units, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Common Units, whether any such transaction described in clause (a) or (b) above is settled by delivery of such Common Units or other securities, in cash or otherwise (any disposition or arrangement described in clause (a) or (b) above being referred to herein as a "Disposition"), or publicly disclose any intent to make any Disposition, without, in each case, the prior written consent of ETE.

Section 3.02 Orderly Market. Investor acknowledges that the maintenance of an orderly market in the Common Units is in the best interests of ETE, Investor and other holders of Common Units. Investor agrees, unless (a) it shall have the prior written consent of ETE or (b) such offer(s) and sale(s) are pursuant to an Underwritten Offering, Investor shall not sell, or offer to sell, after the Initial Restriction Expiration Date, Common Units on the New York Stock Exchange ("NYSE") or any other public market upon which the Common Units are then traded, on any trading day in an amount in excess of 10% of the average daily trading volume of the Common Units on the NYSE, or such other market, for the previous ten trading days, or such other amount as may be mutually agreed upon in writing by ETE and Investor.

Section 3.03 "Lock-up" Agreement. Investor agrees that so long as Investor and its Affiliates own 5% or more of the outstanding Common Units, Investor and any Affiliate of Investor owning Common Units will, upon request of a Managing Underwriter in connection with an Underwritten Offering, enter into a lock-up agreement with such Managing Underwriter, the terms of which shall provide that Investor and such Affiliates will not, for a period of no more than 90 days following the closing of such Underwritten Offering: (a) loan, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any Common Units or any securities convertible into or exchangeable for Common Units, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Units, whether any such transaction described in clause (a) or (b) above is settled by delivery of Common Units or other securities, in cash or otherwise. The foregoing provision of this Section 3.03 shall only be applicable to Investor and its Affiliates if (i) all other holders of more than 5% of the outstanding Common Units that are Affiliates of ETE and (ii) all executive officers and directors of ETE also agree to a similar lock-up agreement.

Section 3.04 Permitted Dispositions. Notwithstanding the provisions of Section 3.01, during the Restricted Periods, Investor, Davis and NGP may (a) sell, transfer or otherwise dispose of such Common Units in a private transaction, without the prior written consent of ETE, to its respective Affiliate that agrees in writing with ETE to be bound by the terms of this Agreement, (b) pledge the Purchased Units as security for bona fide loans, letters of credit, interest rate or other hedging transactions and related fees, costs, indemnities and other obligations from one or more third parties who are not Affiliates of such party, (c) sell all or a portion of such Common Units, as a result of any divestiture ordered by, or agreed to with, a Governmental Authority. In addition, Article III shall also not restrict or affect the manner of sale or other disposition of any Common Units in connection with any foreclosure or other disposition after default of a lender or other counterparty in connection with the pledge of such securities for bona fide loans, letters of credit, interest rate or other hedging transactions and related fees, costs, indemnities and other obligations from one or more third parties who are not Affiliates of such party and shall not apply to any permitted transferee who does not assume the rights and obligations of Investor, Davis or NGP in accordance with Section 7.12 of this Agreement.

Section 3.05 Legends. Investor, Davis and NGP acknowledge that the certificates representing the Common Units subject to Section 3.01 of this Agreement may bear, in addition to a customary legend relating to restrictions under the Securities Act, the restrictive legend set

forth below evidencing the terms of this Agreement and that stop transfer instructions may be imposed with respect to the certificates representing the applicable Common Units during the Restricted Periods. EPE shall remove the following restrictive legend after the end of the applicable Restricted Periods upon exchange of the existing certificates.

The Common Units evidenced by this certificate are subject to restrictions on transfer set forth in Section 3.01 of the Unitholder Rights and Restrictions Agreement dated as of May 7, 2007. A copy of this agreement will be furnished by the Partnership upon request.

ARTICLE IV.
INFORMATION RIGHTS AND CONFIDENTIALITY

Section 4.01 Information Rights. Investor shall be entitled to obtain, upon request, any of the following information from ETE, for the sole purpose of monitoring Investor's investment in the Purchased Units:

(a) as soon as practicable, but in any event within 120 days after the end of each fiscal year of ETE, a consolidated audited financial statement of ETE consisting of a balance sheet, a statement of operations, a statement of partners' capital and a statement of cash flows, together with appropriate notes to such financial statements, prepared in accordance with general accepted accounting principals ("GAAP");

(b) as soon as practicable, but in any event within 60 days after the end of each fiscal quarter of ETE, an unaudited consolidated financial statement of ETE, consisting of a balance sheet, statement of operations, statement of partners' capital and a statement of cash flows, together with appropriate notes to such financial statements, prepared in accordance with GAAP; and

(c) such other information relating to the financial condition, business or corporate affairs of ETE as Investor may reasonably request; provided, however, ETE shall not be obligated to provide any information pursuant to this clause (c) that (i) ETE reasonably determines in good faith to be Commercially Sensitive Information or (ii) would adversely affect the attorney-client privilege between ETE and its counsel.

Section 4.02 Reporting Company Exception. The rights granted to Investor to obtain information described in clauses (a) and (b) of Section 4.01 shall not be applicable so long as ETE is subject to the reporting requirements of Section 15(d) of the Exchange Act or the Common Units are registered under Section 12 of the Exchange Act.

Section 4.03 Confidentiality. Investor agrees that it will keep confidential and will not disclose, divulge or use for any purpose, other than to monitor its investment in ETE, any Confidential Information (as defined below) obtained from ETE pursuant to the terms of this Agreement; provided, however, Investor may disclose Confidential Information: (i) to its attorneys, accountants and other professional advisors who have a need to know such information in connection with monitoring of Investor's investment in ETE (subject to each such authorized recipient of such confidential information agreeing to keep such information confidential and provided that Investors shall be liable for any breach of confidentiality by any

such recipient); (ii) in its periodic reports required under the Exchange Act or any registration statement or prospectus under the Securities Act to the extent, and only to the extent: (A) Investor is advised by legal counsel that such disclosure is required to comply with the Securities Act or the Exchange Act and the rules and regulations of the Commission promulgated thereunder, (B) Investor takes reasonable steps to minimize the extent of any such required disclosure, and (C) Investor advises ETE of any such proposed disclosure prior to its filing and consults with ETE as to the nature and extent of such disclosure; or (iii) as may otherwise be required by law, provided that Investor takes reasonable steps to minimize the extent of any such required disclosure. "Confidential Information" shall mean any confidential information regarding ETE excluding information that (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 4.02 by Investor), (b) is or has been independently developed or conceived by the Investor without the use of ETE's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to ETE.

Section 4.04 Trading. Investor acknowledges that the receipt of material non-public information pursuant to this Agreement may restrict the ability of Investor to trade in securities of ETE, ETP or their respective Affiliates.

Section 4.05 Investor's SEC Reporting. Nothing in this Agreement shall obligate ETE, ETP or any of their respective subsidiaries to (a) make any representations or warranties, or otherwise provide any indemnification, in connection with any report filed by Investor or any of its Affiliates (other than ETE) pursuant to the Exchange Act or any registration statement or prospectus of Investor or any of its Affiliates (other than of ETE) under the Securities Act, (b) deliver any "comfort letter" to any underwriter, placement agent or purchaser in connection with any offering by Investor or any of its Affiliates (other than ETE) of securities issued by them, or (c) otherwise subject ETE, ETP or any of their subsidiaries to liability for any report filed by Investor or any of its Affiliates (other than ETE) pursuant to the Exchange Act or any registration statement or prospectus of the Investor or any of its Affiliates (other than ETE) under the Securities Act.

ARTICLE V.
STANDSTILL

Investor agrees that during the Standstill Period, it shall not, and agrees to cause its Affiliates not to, directly or indirectly without the prior written consent of the Board of Directors of LE GP, LLC: (a) in any manner acquire, agree to acquire or make a proposal to acquire any Common Units or other securities or other property of ETE, ETP or any of their respective Affiliates if such acquisition would cause Investor and its Affiliates to collectively own Common Units in excess of 49.9% of the then outstanding Common Units, or (b) form or join or in any way participate in a "group" (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to any voting securities of ETE, ETP or any of their respective Affiliates, other than a "group" consisting of one or more of the members of the general partner of ETE or ETP or Investor and its Affiliates.

ARTICLE VI.
GOVERNMENTAL APPROVAL

Section 6.01 Consents and Approvals.

(a) Investor and ETE shall each use all commercially reasonable efforts to obtain all necessary consents, waivers, authorizations and approvals of all Governmental Authorities and of all other Persons required in connection with the execution and delivery by such party of this Agreement and the Purchase Agreement and the consummation of the transactions contemplated by this Agreement and the Purchase Agreement, and the Investor and ETE will cooperate fully with each other in promptly seeking to obtain all such authorizations, consents, orders and approvals, to give such notices and to make such filings.

(b) Investor and ETE shall, in connection with their efforts to obtain all requisite material approvals and authorizations for the transactions contemplated by this Agreement and the Purchase Agreement, use commercially reasonable best efforts to (i) supply promptly any information and documentary materials requested by, and cooperate with, any Antitrust Investigation, (ii) promptly inform the other party of any communication received from, or given to, any Governmental Authority and of any material communication received or given in connection with any Antitrust Investigation, and (iii) permit the other party to review any communication given by it to, and consult with other parties in advance of, any meeting or conference with, any Governmental Authority and give the other parties the opportunity to attend and participate in such meetings and conferences.

(c) Notwithstanding anything to the contrary in Section 6.01(a) or elsewhere in this Agreement, nothing in this Agreement shall obligate ETE, ETP or any of their respective subsidiaries to divest, accept any condition, take any action or agree to any limitation with respect to any of its business, operations or assets, each, a "Divestiture Action", in order to resolve any Antitrust Investigation or otherwise.

(d) In the event any Governmental Authority requires ETE, ETP, or any of their respective subsidiaries to take any Divestiture Action and ETE, ETP or any of their respective subsidiaries takes any such actions to resolve any Antitrust Investigation, Investor hereby agrees to indemnify and hold harmless ETE, ETP and their respective subsidiaries against any and all fines, penalties, expenses, damages and losses incurred by ETE, ETP or any of their respective subsidiaries (including all consequential damages, but excluding any punitive or exemplary damages) in connection with such Divestiture Action ("Divestiture Losses"). Projected cash flows obtained in connection with the acquisition of alternative assets directly or indirectly with the proceeds of any such Divestiture Action compared to the projected cash flows of the assets divested may be considered in connection with the determination of the amount of damages and losses. In addition, the strategic value of any asset subject to a Divestiture Action by ETE, ETP or any of their respective subsidiaries, including any consequential diminution in value of any other assets of ETE, ETP or any of their respective subsidiaries, may be considered in determining the amount of damages or loss incurred by ETE, ETP and their respective

subsidiaries in connection with any such Divestiture Action. ETE shall not be entitled to multiple recovery for any Divestiture Losses, including any indirect Losses to ETE for which EPE has compensated ETP or its subsidiaries directly.

ARTICLE VII.
MISCELLANEOUS

Section 7.01 Communications. All notices and other communications provided for or permitted hereunder shall be made in writing by facsimile, courier service or personal delivery:

(a) if to the Investor, 1100 Louisiana, 10th Floor, Houston, Texas 77002, Attn: President;

(b) if to ETE, at 2828 Woodside Street, Dallas, Texas 75204, or

(c) such other address as a party hereto may specify in writing, notice of which is given in accordance with the provisions of this Section 3.01.

All such notices and communications shall be deemed to have been received at the time delivered by hand, if personally delivered; when receipt acknowledged, if sent via facsimile or sent via Internet electronic mail; and when actually received, if sent by any other means.

Section 7.02 Successor and Assignees. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assignees of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 7.03 Recapitalization, Exchanges, etc. Affecting the Common Units. The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all units of ETE or any successor or assignee of ETE (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, unit splits, recapitalizations and the like occurring after the date of this Agreement.

Section 7.04 Specific Performance. Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that each such party, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such party from pursuing any other rights and remedies at law or in equity which such party may have.

Section 7.05 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 7.06 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 7.07 Governing Law. The laws of the State of New York shall govern this Agreement without regard to principles of conflict of laws.

Section 7.08 Severability of Provisions. Any provision of this Agreement 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 or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 7.09 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by ETE set forth herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 7.10 Amendment. This Agreement may be amended only by means of a written amendment signed by ETE and the Holders of a majority of the then outstanding Registrable Securities.

Section 7.11 No Presumption. In the event any claim is made by a party relating to any conflict, omission, or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

Section 7.12 Successors and Assigns; Third-Party Beneficiaries. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns. Except as expressly permitted herein, no party shall be entitled to assign its rights or benefits hereunder to any other person without the consent of each of the other parties hereto. Nothing in this Agreement shall confer upon any person not a party to this Agreement, or its legal representatives, any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement. The rights and remedies expressly provided to ETE for Losses that may be incurred by ETE and the subsidiaries of ETE and ETP pursuant to Section 6.01 hereof, ETE shall be enforceable solely by ETE any not by any other party.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ETE:

ENERGY TRANSFER EQUITY, L.P.
By: LE GP, LLC, its general partner

By: /s/ John W. McReynolds
John W. McReynolds
President

INVESTOR:

ENTERPRISE GP HOLDINGS, L.P.

By: EPE Holdings, LLC, its general partner

By: /s/ Michael A. Creel
Name: Michael A. Creel
Title: Chief Executive Officer

DAVIS:

/s/ Ray C. Davis
Ray C. Davis

NCP:

NATURAL GAS PARTNERS VI, L.P.

By: G.F.W. Energy VI, L.P.,
its general partner

By: GFW VI, L.L.C.,
its general partner

By: /s/ Kenneth A. Hersh
An Authorized Officer

Schedule 3.01

(Common Units beneficially owned, excluding Common Units owned directly by the Company)

Investor:	38,976,090 Common Units
Davis:	18,184,531 Common Units
NGP:	15,631,777 Common Units

EXHIBIT A

STATEMENT OF POLICIES RELATING TO RELATIONSHIP
WITH ENTERPRISE HOLDINGS GP, L.P.

This Statement of Policies Related to Relationship with Enterprise GP Holdings, L.P. (the "Statement") specifies the policies and procedures that have been adopted by Energy Transfer Equity, L.P. ("ETE") and Energy Transfer Partners, L.P. ("ETP"), as authorized and approved by their respective general partners, to address potential conflicts among, and protect the confidential information of, ETE, ETP and their subsidiaries (collectively, the "Energy Transfer Entities"), on the one hand, and Enterprise GP Holdings L.P. and its affiliates (collectively, the "Enterprise Entities"), on the other hand.

Corporate Governance

Independent Directors. Each of LE GP, LLC, in its capacity as the general partner of ETE ("ETE GP") or Energy Transfer Partners, L.L.C., in its capacity as the general partner of Energy Transfer Partners GP, L.P., the general partner of ETP ("ETP GP"), will have at least three Independent Directors on its board of directors.

No Overlapping Directors. No director or employee of ETE GP or ETP GP will serve on the board of directors of EPE Holdings, LLC, the general partner of Enterprise GP Holdings L.P., or any successor thereto ("EPE GP"), and no director or employee of any of the Enterprise Entities will serve on the board of directors of ETE GP or ETP GP.

Separate Employees

None of the Energy Transfer Entities will employ any person who is, or was within the prior six months, an employee of any of the Enterprise Entities.

Transactions Between Enterprise Entities and Energy Transfer Entities

Any material transaction between any of the Enterprise Entities, on the one hand, and the Energy Transfer Entities, on the other hand, will require the prior approval of the Conflicts Committee of the boards of directors of each of ETE GP and ETP GP.

Screening of Commercially Sensitive Information

The Energy Transfer Entities will take reasonable precautions to ensure that the Energy Transfer Entities do not provide information to any of the Enterprise Entities that the Screening Officers of the Energy Transfer Entities reasonably determine in good faith to be Commercially Sensitive Information.

Definitions

For purposes of this statement, capitalized terms used but not defined above shall have the following meanings:

"*Commercial Information*" shall mean information about Commercial Development Activities or other competitively sensitive information of any Energy Transfer Entities related to the business, operations or strategies of any of the Energy Transfer Entities or any of their competitors. Commercial Information includes information regarding prices, costs, margins, volumes and contractual terms for any particular customer, any method, tool or computer program used to determine prices for any asset or service; all plans or strategies used or adopted to negotiate, target or identify a particular customer or group of customers for any asset or service or expand existing service offerings or offer a new service; all information regarding plans and prospective budgets to expand or build a new facility; all information regarding a proposal to buy an existing facility, and information related to the capacity and capacity utilization of any facility.

"*Commercial Development Activities*" shall mean Confidential Information with respect to (i) proposed changes to any Potentially Overlapping Assets, (ii) the plans and strategies dealing with the business of the Potentially Overlapping Assets and (iii) commercial development activities related to opportunities to construct or acquire, directly or indirectly (including, without limitation, by means of joint venture or by means of acquisition of assets, equity interest in an entity, contractual rights to capacity or use, or otherwise), any interstate or intrastate natural gas pipeline, interstate or intrastate natural gas liquids pipeline, natural gas gathering system, natural gas treating, processing or fractionating facilities, other midstream natural gas assets or facilities and any wholesale or retail propane facility or business.

"*Commercially Sensitive Information*" means Confidential Information with respect to (i) Commercial Information related to Potentially Overlapping Assets and (ii) Commercial Development Activities.

"*Confidential Information*" shall mean any confidential information regarding the Energy Transfer Entities excluding information that (a) is known or becomes known to the public in general (other than as a result of a breach by any person of its confidentiality agreements with the Energy Transfer Entities), (b) is or has been independently developed or conceived by any person without the use of the Energy Transfer Entities' confidential information, or (c) is or has been made known or disclosed to any person by a third party without a breach of any obligation of confidentiality such third party may have to the Energy Transfer Entities.

"*Independent Director*" shall mean an individual director who meets the independence, qualification and experience requirements established by the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission thereunder, and by The New York Stock Exchange applied to

such director as if he or she were a director of any of the Enterprise Entities and either ETE GP (if such director is a director of ETE GP) or ETP GP (if such director is a director of ETP GP).

"*Potential Overlapping Assets*" shall mean such assets of the Energy Transfer Entities as determined by ETE or ETP, from time to time, to be significantly competitive with assets or operations of the Enterprise Entities.

"*Screening Officer*" shall mean any of the Chief Executive Officer, President, Chief Financial Officer, General Counsel or Chief Compliance Officer of either ETE or ETP, or their respective designees.

Exhibit 99.1

FOR IMMEDIATE RELEASE

ENERGY TRANSFER EQUITY
REPORTS CHANGE IN EQUITY OWNERSHIP

Dallas, Texas – May 7, 2007 – Energy Transfer Equity, L.P. (NYSE:ETE) today reported the sale of 17.6% of the outstanding common units of ETE (38.9 million common units), held by Co-Chairman Ray C. Davis and Natural Gas Partners VI, L.P. (NGP) and affiliates of each, to Enterprise GP Holdings, L.P. (NYSE:EPE). Neither ETE nor Energy Transfer Partners, L.P. (NYSE:ETP) are issuing any new units in this transaction.

In addition to the purchase of common units, EPE also acquired a 34.9% non-controlling equity interest in LE GP, L.L.C. (LE GP), the general partner of ETE. Cash consideration paid by EPE totaled approximately $1.65 billion, reflecting a purchase price of $42 per ETE common unit.

With the purchase, EPE will own ETE common units and LE GP equity interests in amounts equal to the interests held by Kelcy L. Warren, ETE Co-Chairman. Both NGP and Mr. Davis' sale of ETE common units represented approximately one-half of their aggregate common unit holdings.

Mr. Davis and Mr. Warren will continue in their roles as Co-Chairman of ETE and as Co- Chairman and Co-CEO of Energy Transfer Partners, L.P.

"Enterprise's investment in Energy Transfer evidences their confidence in our strategy and growth prospects," said Mr. John W. McReynolds, President of ETE.

Energy Transfer will host a conference call on Tuesday, May 8, 2007 at 9:00 a.m. CDT to discuss this transaction. The dial-in number is 1-866-793-1341; participant code: Energy Transfer Equity. This call will be available for replay for a limited time on the company's website.

Energy Transfer Equity, L.P. (NYSE:ETE) owns the general partner of Energy Transfer Partners and approximately 62.5 million ETP limited partner units. Together ETP and ETE have a combined enterprise value of approximately $20 billion.

Energy Transfer Partners, L.P. (NYSE:ETP) is a publicly traded partnership owning and operating a diversified portfolio of energy assets. ETP's natural gas operations include intrastate natural gas gathering and transportation pipelines, natural gas treating and processing assets located in Texas and Louisiana, and three natural gas storage facilities located in Texas. These assets include approximately 12,200 miles of intrastate pipeline in service, with an additional 400 miles of intrastate pipeline under construction, and 2,400 miles of interstate pipeline. ETP is also one of the three largest

retail marketers of propane in the U.S., serving more than one million customers across the country.

The information contained in this press release is available on our website www.energytransfer.com.

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